JOURNAL OF GOVERNANCE AND INTEGRITY (JGI)
ISSN: 2600-7479 e-ISSN: 2600-786X
VOL. 6, ISSUE 1, 462 – 469
DOI: https://doi.org/10.15282/jgi.6.1.2023.9106

UNIVERSITI MALAYSIA PAHANG

ORIGINAL ARTICLE

A REVIEW ANALYSIS OF EARNINGS MANAGEMENT REPORT DISCLOSURE

Dalila Abu Bakar[1], Mohamed Hisham Yahya [1] and Norhuda Abdul Rahim[3]

[1] Faculty of Accounting, Finance and Business, Tunku Abdul Rahman University College, 25200 Pahang, Malaysia.
[2] School of Business and Economics, Universiti Putra Malaysia, 43400 Selangor, Malaysia.

ABSTRACT – Occupational fraud costs the average firm 5% of its annual income. This equates to a $3.7 trillion yearly loss due to fraud worldwide. The bulk of reported losses (51.9%) were less than $200,000. Financial statement fraud is the most expensive type of occupational fraud, with an average loss of $1,000,000. The most popular methods of detecting fraud are tips (42.2%), management reviews (16.0%), and internal audits (14.1%). Surprisingly, external audits (done by CPA firms) account for just about 3.0% of fraud detection. The majority of cases of fraud identified through tips come from workers (49.0%), followed by consumers (21.6%). Financial reports have been used to anticipate stock return, and firms with top management counsel (TMC) are less likely to see their stock price fall. Therefore, this paper offers a review of the research on earnings management conducted in earlier studies. The problem arising from earnings management will be covered under dilemma in earnings management disclosure studies. Next, evidence of earning management activities is discussing on the previous studied of earnings management. This study also investigates the approaches employed by early researchers to address this problem. The finding discovered by the researcher will be covered under the discussion on earnings management disclosure. Researchers can use this review paper as a reference for researching earnings management in annual reports.

ARTICLE HISTORY
Received: 21-2-2023
Revised: 19-3-2023
Accepted: 11-4-2023

KEYWORDS
Earnings Management
Annual Report
Tax
CSR

INTRODUCTION

Earnings management is one of the most challenging, contentious, and controversial topics in finance and financial management. Organizational, legal, and cultural standards addressing the ethics of managing earnings can vary widely, with top management judgments and the general economic environment having a significant influence on how these norms are developed (Kliestik et al., 2021). It focuses on the strategic responsibilities of two common ownership governance aspects (managerial, institutional, and qualities of discretionary accruals and real earnings management). The studies of 227 Malaysian listed companies that survived from 2001 to 2016 (3,632 firm-year data) show that earnings management behaviour is dynamic and dependent on the presence of various ownership arrangements. While a large proportion of family and institutional ownership helps to reduce discretionary accruals, this is not the case for real earnings management (Nor et al., 2020).

Since the financial crisis of the companies listed would cause large losses for investors, developing a financial early warning model for investors and other stakeholders is essential. Christensen et al. (2022) observed that the leading accounting journals have released 388 publications in the previous five years that provide an empirical substitute for accruals-based earnings management. These proxies are used by researchers to evaluate various managerial tasks that reflect conceptually distinct categories from beneficial earnings management at one end of the spectrum to earnings manipulation at the other. One distinguishing feature of earnings manipulation at the concept level is that accruals reversals result in future earnings that are lower than they would have been in the absence of the manipulation.

Earnings and revenues are the two key performance indicators that are shown to outsiders. Prior studies, however, indicated a willingness to inflate profits in order to meet profitability objectives. With revenue projections being the most common, analysts are increasingly offering financial item estimates in addition to overall profit forecasts. Huang and Hairston (2021) drew the hypothesis that management may feel similar pressure to surpass sales projections given their impact on the value of the firm. They examined whether revenue misstatements are made worse by analyst revenue estimates in light of this. Financial data from companies frequently contain biased information and Smith and Koonce (2021) believe that investors would find it difficult to understand known information about bias when it is provided in a quantitative aspect.

Capital structure is one of the most often debated subjects in corporate finance theory. By optimizing the capital structure, the company's value, flexibility, and competitiveness may all be increased. Economists have recognised tax shields as a component of capital structure for more than 50 years (Gregova et al., 2021), and companies used to compromise the financial statement data and reported financial ratios for tax avoidance (Shkurti et al., 2021). Managers or owners are generally responsible for handling them, and their motivations may vary. The intentional production of

*CORRESPONDING AUTHOR | Dalila Binti Abu Bakar | dalila@tarc.edu.my
© The Authors 2019. Published by Penerbit UMP. This is an open access article under the CC BY license.

information asymmetry for many forms of advantages is their common denominator. Therefore, it seems to sense that the problem of spotting opportunistic profits management would come to the forefront (Svabova et al., 2020).

The rapid growth of the private sector in the developing country over the last few decades has resulted in a large number of capital-hungry businesses. These companies are increasingly choosing to go for equity funding on international markets, which generally have more stringent regulations for investor protection, corporate governance, and disclosure. Foreign investors and authorities have expressed worry about the corporate finance practices used by these private sector companies, particularly with regard to the integrity of their reported earnings (Filip et al., 2020). The most common kind of quantitative management advice nowadays takes the form of range-based management earnings estimates. The difference between a pre-forecast earnings estimate and the midpoint of the anticipated range is traditionally used as a proxy for the sign and amount of the information provided by these projections, or the forecast news (Jensen & Plumlee, 2020).

It has been a more typical practice to include managerial earnings guidance with quarterly earnings announcements (Hsu & Wang 2021). It is thought that verified earnings releases will promote investment through more transparency. Lack of direct evidence for this core proposition because researchers cannot observe counterfactuals in which a manager must remain silent about performance or may make whatever statement about performance they desire, including a flagrant lie (Lunawat et al., 2021). Herranz et al. (2022) found that the engagement of audit specialists in cutting earnings management benefits both smaller, less active committees and busier boards substantially.

Non-affiliated businesses also engage in a greater degree of earnings manipulation than family company organisations. Khan and Kamal (2022) said little body of knowledge on family business organisations and earnings manipulation while also offering novel and early proof of a connection with earnings manipulation. Similarly, with institutional ownership, they are likely to result in a greater decrease in institutions' information acquisition and processing costs and among firms whose severe financial misstatements are more likely to distort co-owned peer firms' investments (Ramalingegowda et al., 2021). This connection is essential given the massive growth in common institutional ownership and the significant influence of stockholders on financial reporting. Nguyen et al. (2021) used the fraud triangle paradigm to study accountants' responses to managerial pressure, the possibility of manipulation, and perceptions of how they defend their decisions.

Figure 1. Mechanism of company classification

Referring to Figure 1, a listed company is required to prepare an annual report once a year, and it needs to be prudent and transparent. Manipulation in the annual report causes investors to misclassify the company's financial health, causing them to lose money. Investors will be able to make smart judgments and benefit if they are not subjected to manipulation.

This paper makes several contributions to the issue of earnings management. First, it focuses on studies on earnings management that have been done in the past five years. Second, it simply addressed the approaches employed by the previous study to examine earnings management activities. Third, it summarises the discussion and findings made by previous studies.

DILEMA IN EARNINGS MANAGEMENT DISCLOSURE STUDIES

Two ordinal scaled accounting technique variables have been used to indicate the impact of the decisions made on earnings and equity ratio. It has been tested in European countries to look at how these accounting-strategy variables are impacted by cultural traits (Reisch, 2020). Investors are sceptical of yearly reports that are hard to comprehend. The accrual anomaly has questioned the efficacy of the market hypothesis. Liu and Liu (2021) support legislative ideas aimed at making firm disclosures simpler to comprehend in order to reduce market friction and increase market efficiency. This implies the action to reduce annual report complexity that hinders transparency and undermines market efficiency. Reading annual reports of corporations with more speculative assets and liabilities will be more challenging (Bradley et

al., 2021) and businesses with more severe financial problems have higher levels of income-increasing earnings manipulation (Campa, 2020).

Additionally, it demonstrates that real activities rather than accruals are employed to manage earnings when an organisation faces financial difficulties. After taking into consideration the consequences of the financial crisis as well as a number of substitutes for financial anxiety and earnings management, all of this data is still accurate. The findings highlight the sections of an annual report that auditors and other monitoring organisations may consider being evidence of earnings manipulation. This is contradicting the company that applies IFRS where Ab Klish et al. (2021) found the quality of financial reporting was higher among IFRS adopters in rentier states.

EVIDENCE ON EARNINGS MANAGEMENT ACTIVITIES SIMULATED KALMAN FILTER

Financial statements serve many purposes and one of them is to get insight into the company's financial condition. There are two styles for preparing the financial statement. One, Generally Accepted Accounting Principles (GAAP), and second, the International Financial Reporting Standard (IFRS). It has been used extensively to examine several matters such as taxation (Folorunso & Lokanan, 2022; Fernando et al., 2021), board characteristics (Khan & Kamal, 2022; Almarayeh et al.,2022), stock return (Ellahie & Peng, 2021; Derun & Mysaka, 2021; Al Mamun et al., 2021; Bouaziz et al., 2020), readability (El-Din et al., 2021; Liu & Liu, 2021; Bradley et al.,2021; Arora & Chauhan, 2021; Napier & Stadler, 2020), corporate social responsibility (Habbash & Haddad, 2019), and award (Deng et al., 2020) in last four years.

Earnings management activities in Stock return

For centuries, financial report has been used to forecast stock return (Ellahie & Peng, 2021; Derun & Mysaka, 2021) and firms that have top management counsel (TMC) are less likely to have stock price decline (Al Mamun et al., 2021). Al Mamun et al. (2021) found that TMCs are more effective at lowering the risk of collisions when they are the board members as their role is to monitor the reduction of negative news hoarding, which lowers the risk of earnings management. As the purpose of top management is to act on behalf of shareholders, therefore, shareholder activism has a certain impact on company profit (Bouaziz et al., 2020).

International Financial Reporting Standard (IFRS 15) of income from contracts with consumers, the concept of revenue recognition has changed significantly and not merely to better reflect the company's updated accounting rules. Changes in a company's methods for identifying, quantifying, presenting, and disclosing its revenues can affect how the company and its transactions are viewed both internally and externally, change the value of securities, and have an impact on the way the company operates as well as its costs and cash flows (Napier & Stadler, 2020). The usage of fair value instruments has been significantly increased by the Financial Accounting Standards Board (FASB), which accentuates the rise in uncertain assets and liabilities without actively traded market values. According to earlier research, managers may be strongly motivated to estimate the fair valuations of such assets and liabilities for their own self-serving purposes, which might result in greater agency conflicts (Bradley et al., 2021) as profitable corporate growth and maximizing shareholder value with limited resources is quite challenging nowadays.

Board characteristics

Board members of the company are supposed to ensure the financial report produced and available to the public is transparent and prudent as it can be used for decision-making. However, some researchers have doubts about family business groups' associated and unaffiliated enterprises (Khan & Kamal, 2022) and audit committees (Almarayeh et al., 2022) and relate it with earnings management. They used financial reports for tax avoidance (Folorunso & Lokanan, 2022) and earnings management (Fernando et al., 202). In the Middle East, there is a connection between Saudi Arabia's corporate social responsibility disclosure information in the annual report and earnings management (Habbash & Haddad, 2019). Deng et al. (2020) explored the essential characteristics of the corporate awards reported in Chinese A-share listed firms' annual reports.

Readability of financial report

El-Din et al. (2021) believe there is a connection between information overload and reporting complexity with the influence of a firm's profitability and earnings management techniques, especially in a large emerging economy such as India (Arora & Chauhan, 2021). This could provide insight into why investors fail to swiftly and objectively digest accruals information beyond the original naive investor fixation explanation (Liu & Liu, 2021). The usage of fair value instruments has been significantly increased by the Financial Accounting Standards Board (FASB), which accentuates the rise in uncertain assets and liabilities without actively traded market values. The effect of unverifiable net assets on the reading difficulties of annual reports is investigated in Bradley et al. (2021) study. They anticipate that annual reports of companies with more speculative assets and liabilities will be harder to read if it has a linked with agency conflicts such as financially distressed and financially constrained firms (Arora & Chauhan, 2021). The concept of revenue recognition has changed significantly and not merely to better reflect the company's updated accounting rules. Changes in a company's methods for identifying, quantifying, presenting, and disclosing its revenues can affect how the company and its transactions are viewed both internally and externally (Napier & Stadler, 2020).

APPROACHES EMPLOYED IN EARNINGS MANAGEMENT DISCLOSURE STUDIES

Real activity manipulation (Khan & Kamal, 2022), discretionary accruals (Khan & Kamal, 2022; Almarayeh et al., 2022; Ason et al., 2021), discretionary loan loss provision and discretionary realised security gains and losses (Mangala & Singla, 2021), deferred tax expenditure (Fernando et al., 2021) and awards that serve as proof of accomplishment in the status competition and fosters advantageous business conditions (Deng et al., 2020) have been used as earnings management proxies. However, the readability of the annual report is crucial for earnings management identification. El-Din et al. (2021) used the LIX index and a predeveloped voluntary disclosure index to measure the level of voluntary disclosure in the annual reports. Contradicting Liu and Liu (2021), they believe that accrual overpricing is more severe when annual reports are less readable. Researchers believe that earnings management activities embedded in annual reports (Bouaziz et al., 2020; Khan & Kamal, 2022; Deng et al., 2020; El-Din et al., 2021; Liu & Liu, 2021; Fernando et al., 2021; Almarayeh et al., 2022; Pakawaru et al., 2021). To support the resource-based view, Mahmood et al. (2020) employed the deductive technique of theory creation and used 60 industrial enterprises listed on the Pakistan Stock Exchange to collect data using many sources and methods with temporal interruptions.

Several methods have been used to identify earnings manipulation in annual reports such as the ordinary least square (OLS) (Khan & Kamal, 2022; Fernando et al., 2021), the Panel data (Khan & Kamal, 2022; Derun & Mysaka, 2021; Bouaziz et al., 2020; Asghar et al., 2020), generalized least square (GLS) (Almarayeh et al., 2022), multiple linear regression (Pakawaru et al., 2021), two-way least squares dummy variable regression (Mangala & Singla, 2021), and multivariate analysis (Rajabi et al., 2017), These models are used to assess the hypotheses.

DISCUSSION ON EARNINGS MANAGEMENT DISCLOSURE

The 40 US corporations that rank in the TOP 150 of the Brand Finance Global 500 ranking for the years 2008 to 2020 were tested. Derun and Mysaka's (2021) results demonstrate that intellectual capital has a greater influence on company growth than physical assets, which are less important in ensuring business success. More effective internal development of the firm may also be guaranteed by balancing the management of physical assets and intellectual capital, according to research results. Findings also indicate a declining influence of physical assets and human capital on firm growth in a competitive market. Fernando et al. (2021) studies showed that delayed tax expenditure has an effect on earnings management. If it intentionally arises or at the management's desire, it probably anticipates to increase in the company's earnings in that period. Some companies utilise accrual-based and real transaction manipulation as alternatives when confronted with financial challenges (Campa, 2020).

Internal controls and disclosures related to corporate governance may have an impact on the kind of audit opinion offered by the external auditor as well as the number of issues raised in the unaltered opinion (Boskou et al., 2020). Auditors and other monitoring bodies investigate the areas of an annual report where profits manipulation during tough times may be visible (Campa, 2020) but voluntary disclosure negatively affects the reading of annual reports (El-Din et al., 2021). Bradley et al (2021) findings demonstrated a strong positive relationship between unverifiable net assets and reading difficulties for earnings management. Businesses used profitable management techniques to generate less readable financial reporting (Arora & Chauhan, 2021). According to Pakawaru et al. (2021) study, management conceals unethical behaviour from stakeholders by using CSR disclosure. The opportunist and agency hypotheses on the connection between CSR and profitability management are supported. However, the indirect impacts of disclosure and perceived CSR on a firm financial performance significantly reduced the company's competitive advantage (Mahmood et al., 2020). It shows that managers should concentrate on the distinctions between CEO narcissism and family ownership. This is why CSR is valued by companies and how it may be implemented using resource-based approaches.

Reisch's (2020) results failed to demonstrate a connection between management's accounting strategy and national culture. This shows that differences in management accounting practices between countries can be attributed to factors such as corporate size, disclosure requirements, and national law enforcement. Shareholder activism in the company is also meaningless to curb earnings management (Bouaziz et al., 2020), the board of directors (BODs) need to increase its supervision duties, ensure that executives fulfil their duties to maximise shareholder wealth, and prevent any accounting fraud that would undermine the company's position and lower firm value (Asghar et al., 2020). Sun et al. (2021) study indicated that core competency reduces stock price synchronisation by raising the transparency of corporate information. The core competency has a greater impact on the decline of stock price synchronisation when the corporate governance environment is poor.

Table 1. Summary of Earnings manipulation variables.

Variables	Finding	Authors
Tax expenditure	Delayed tax expenditure has an effect on earnings management.	Fernando et al, 2021
Accrual-based and real transaction	Company used it to manipulate earnings when confronted with financial challenges.	Campa, 2020
Corporate governance	Auditors and other monitoring bodies engaged in profit manipulation during tough times. Core competency reduces stock price synchronisation.	Boskou et al., 2020, Campa, 2020, El-Din et al., 2021, Sun et al., 2021
Readability	Strong positive relationship between difficulties and earnings management.	Bradley et al., 2021, Arora and Chauhan, 2021
CSR	Management conceals unethical behaviour by using CSR disclosure.	Pakawaru et al., 2021, Mahmood et al., 2020
Company culture	No relationship between culture and earnings management.	Reisch 2020, Bouaziz et al., 2020, Asghar et al., 2020

CONCLUSION

High-quality financial information minimises information asymmetry, lowering the cost of capital and cash holdings. Earnings management is not only associated with income-increasing but also income-decreasing assessments of current performance. Influence accounting choices determine by self-serving behaviour. Companies that invest more resources in creating high-quality sustainability reports are more likely to exhibit an overall commitment to quality. It also comes to the conclusion that the kind of misstatement is the least significant qualitative aspect that auditors take into account when determining the materiality of identified misstatements, and that the introduction of more clear or standardised qualitative materiality criteria would result in a more consistent assessment across auditors. The valuation concerns prevent businesses from converting operational costs into income-increasing discontinued operations, but they do not prevent them from shifting tax expenses. This enables us to draw the conclusion that corporate governance principles and practices have an effect on a company's financial performance and financial reporting. This paper focuses on earnings management activities done in the financial reports, but perhaps in the future researchers could cover accrual or corporate social responsibility as these items are widely used in earnings management in creative accounting.

ACKNOWLEDGEMENT

The authors would like to thank Tunku Abdul Rahman Universiti College for the financial support of this paper. Not to be forgotten is my friend Mukrimah Binti Nawir, who guided me with gratitude to complete this paper.

REFERENCES

Ab Klish, A., Shubita, M. F. S., & Wu, J. (2021). IFRS adoption and financial reporting quality in the MENA region. *Journal of Applied Accounting Research*.

Al Mamun, M. D., Balachandran, B., Duong, H. N., & Gul, F. A. (2021). Are corporate general counsels in top management effective monitors? Evidence from stock price crash risk. *European Accounting Review*, 30(2), 405-437.

Almarayeh, T., Abdullatif, M., & Aibar-Guzmán, B. (2022). The role of audit committees in mitigating earnings management: evidence from Jordan. *Journal of Accounting in Emerging Economies.*

Arora, S., & Chauhan, Y. (2021). Do earnings management practices define the readability of the financial reports in India?. *Journal of Public Affairs*, e2692.

Asghar, A., Sajjad, S., Shahzad, A., & Matemilola, B. T. (2020). Role of discretionary earning management in corporate governance-value and corporate governance-risk relationships. Corporate Governance: The International Journal of Business in Society, 20(4), 561-581.

Ason, Y. J., Bujang, I., Jidwin, A. P., & Said, J. (2021). Dangling a carrot: Will level of compensation influence the behaviour of CEO with accounting background towards earnings management?. International Journal of Ethics and Systems.

Boskou, G., Tsipouridou, M., & Spathis, C. (2020, July). Corporate Governance and Its Association with Audit Opinion: The Case of Greece. In International Conference on Applied Economics (pp. 357-378). Springer, Cham.

Bouaziz, S. S., Fakhfakh, I. B. A., & Jarboui, A. (2020). Shareholder activism, earnings management and market performance consequences: French case. International Journal of Law and Management.

Bradley, W., Chiang, W. C., & Sun, L. (2021). Unverifiable net assets ratio and annual report reading difficulty. International Journal of Revenue Management, 12(1-2), 104-131.

Campa, D. (2020). Earnings management tools during financial difficulties: Evidence from French unlisted companies. Comptabilite Controle Audit, 26(3), 111-147.

Christensen, T. E., Huffman, A., Lewis-Western, M. F., & Scott, R. (2022). Accruals earnings management proxies: Prudent business decisions or earnings manipulation?. Journal of Business Finance & Accounting, 49(3-4), 536-587.

Deng, B., Liu, J. W., & Ji, L. (2020). Awards and executives' financial performance preference: Evidence from China A-share listed companies. Nankai Business Review International.

Derun, I., & Mysaka, H. (2021). Contemporary drivers of business growth: Evidence from US public companies. Journal of International Studies, 14(4).

El-Din, M. M. A., El-Awam, A. M., Ibrahim, F. M., & Hassanein, A. (2021). Voluntary disclosure and complexity of reporting in Egypt: the roles of profitability and earnings management. Journal of Applied Accounting Research.

Ellahie, A., & Peng, X. (2021). Management forecasts of volatility. Review of Accounting Studies, 26(2), 620-655.

Fernando, E., Hendratno, S. P., Dewiyanti, S., & Yanny, V. (2021, February). The Effect of Deferred Tax Expenses on Earning Management in Banking Companies. In 2021 7th International Conference on E-Business and Applications (pp. 111-117).

Filip, A., Huang, Z., & Lui, D. (2020). Cross-listing and corporate malfeasance: Evidence from P-chip firms. Journal of Corporate Finance, 63, 101232.

Folorunso, D., & Lokanan, M. E. (2022). Tax avoidance in banking institutions: an analysis of the top seven Nigerian banks. Journal of Financial Crime.

Gregova, E., Smrcka, L., Michalkova, L., & Svabova, L. (2021). Impact of tax benefits and earnings management on capital structures across V4 countries. Acta Polytechnica Hungarica, 18(3), 221.

Habbash, M., & Haddad, L. (2019). The impact of corporate social responsibility on earnings management practices: evidence from Saudi Arabia. Social Responsibility Journal, 16(8), 1073-1085.

Herranz, C. Z., Alvarado, N. R., & Iturriaga, F. J. L. (2022). Audit committee competence and earnings management in Europe: Competencia del Comité de Auditoría y gestión de los beneficios en Europa. Revista de Contabilidad-Spanish Accounting Review, 25(1), 121-135.

Hsu, C., & Wang, R. (2021). Bundled Earnings Guidance and Analysts' Forecast Revisions. Contemporary Accounting Research, 38(4), 3146-3181.

Huang, T. C., & Hairston, S. (2021). Analyst Revenue Forecasts and Firm Revenue Misstatements. European Accounting Review, 1-36.

Khan, S., & Kamal, Y. (2022). Family business groups and earnings manipulation: An emerging economy perspective. Cogent Economics & Finance, 10(1), 2017100.

Kliestik, T., Belas, J., Valaskova, K., Nica, E., & Durana, P. (2021). Earnings management in V4 countries: The evidence of earnings smoothing and inflating. Economic Research-Ekonomska Istraživanja, 34(1), 1452-1470.

Jensen, T. K., & Plumlee, M. A. (2020). Measuring news in management range forecasts. Contemporary Accounting Research, 37(3), 1687-1719.

Liu, M., & Liu, Z. (2021). Does annual report readability explain the accrual anomaly?. Asian Review of Accounting, 29(3), 307-331.

Lunawat, R., Waymire, G., & Xin, B. (2021). Do Verified Earnings Reports Increase Investment?. Contemporary Accounting Research, 38(2), 1368-1394.

Mahmood, F., Qadeer, F., Sattar, U., Ariza-Montes, A., Saleem, M., & Aman, J. (2020). Corporate social responsibility and firms' financial performance: A new insight. Sustainability, 12(10), 4211.

Mangala, D., & Singla, N. (2021). Do corporate governance practices restrain earnings management in banking industry? Lessons from India. Journal of Financial Reporting and Accounting.

Napier, C. J., & Stadler, C. (2020). The real effects of a new accounting standard: the case of IFRS 15 Revenue from Contracts with Customers. Accounting and Business Research, 50(5), 474-503.

Nguyen, L. A., O'Connell, B., Kend, M., & Vesty, G. (2021). The likelihood of widespread accounting manipulation within an emerging economy. Journal of Accounting in Emerging Economies.

Nor, M. N. M., Mahyuddin, N. I., Hashim, H. A., & Nahar, H. S. (2020). Earnings management behavior in Malaysia: The role of ownership structure and external auditing. Management & Accounting Review (MAR), 19(3).

Pakawaru, M. I., Mayapada, A. G., Afdalia, N., Tanra, A. A. M., & Afdhal, M. (2021). The relationship of corporate social responsibility (CSR) disclosure and earnings management: Evidence from Indonesia. The Journal of Asian Finance, Economics and Business, 8(2), 903-909.

Pan, Y. (2022). Design of Financial Management Model Using the Forward Neural Network Based on Particle Swarm Optimization Algorithm. Computational Intelligence and Neuroscience, 2022.

Rajabi, M., Hassani, M., & Mohajeran, B. (2017). The purpose of this paper is to examine the role of Human Resource management practices on innovation, test the role of mediator organizational learning and knowledge

management among employers by Imam Khomeini Committee in West Azarbaijan. Journal of Innovation and Creativity in Human Science, 6(3), 151-178.

Ramalingegowda, S., Utke, S., & Yu, Y. (2021). Common institutional ownership and earnings management. Contemporary Accounting Research, 38(1), 208-241.

Reisch, L. (2020). Does national culture influence management's accounting behaviour and strategy?–an empirical analysis of European IFRS adopters. Cross Cultural & Strategic Management.

Shkurti, R., Myftaraj, E., & Gjika, E. (2021). Use of Financial Ratios in selecting entities for Tax Audit purposes–empirical study in Albania. Journal: WSEAS TRANSACTIONS ON ENVIRONMENT AND DEVELOPMENT, 297-313.

Smith, J., & Koonce, L. (2021). Can Investors Adjust for Managerial Bias?. Journal of Behavioral Finance, 1-15.

Sun, C., Sun, H., Li, N., Khan, M. A., & Zhang, Z. (2021). Can core competence help reduce stock price synchronicity?-Empirical evidence based on text analysis. PloS one, 16(11), e0259409.

Svabova, L., Kramarova, K., Chutka, J., & Strakova, L. (2020). Detecting earnings manipulation and fraudulent financial reporting in Slovakia. Oeconomia Copernicana, 11(3), 485-508.

CONFLICT OF INTEREST

The author(s), as noted, certify that they have NO affiliations with or involvement in any organisation or agency with any financial interest (such as honoraria; educational grants; participation in speakers' bureaus; membership, jobs, consultancies, stock ownership, or other equity interest; and expert testimony or patent-licensing arrangements), or non-financial interest (such as personal or professional relationships, affiliations, expertise or beliefs) in the subject matter or materials addressed in this manuscript.

AUTHORS' BIOGRAPHY

Author Professional Picture
Author's Full Name: Dalila Binti Abu Bakar
Author's Email: dalila@tarc.edu.my
Author Professional Bio (not more than 150 words): Dalila Abu Bakar is a senior lecturer at the Faculty of Accounting, Finance, and Business at Tunku Abdul Rahman Universiti of Management and Technology, Pahang branch (TAR UMT). She graduated with a doctorate in business economics in 2021 from the University Putra Malaysia. Her current areas of interest in study are subjects connected to finance and earnings management.

Author Professional Picture
Author's Full Name: Mohamed Hisham bin Dato Haji Yahya
Author's Email: mohdhisham@upm.edu.my
Author Professional Bio (not more than 150 words): Obtained Doctorate in Finance from UKM in 2004. Presently attached with the Accounting and Finance department, Sekolah Perniagaan dan Ekonomi, Universiti Putra Malaysia.

Author Professional Picture
Author's Full Name: Norhuda Binti Abdul Rahim
Author's Email: huda@upm.edu.my
Author Professional Bio (not more than 150 words): Norhuda Abdul Rahim is a senior lecturer at School of Business and Economics, Universiti Putra Malaysia. She graduated with a PhD in Finance from University of Stirling, Scotland, United Kingdom in 2013. Her research interests include corporate governance, bond and equity market, event-study and other corporate finance areas.