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Systematic Literature Review: Earning Management in Corporate Governance

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ABSTRACT
This study aims to provide overall information from various studies in each scope and object of research that reveals the earnings management mechanism and its various determinants, especially flexible governance depending on the ownership structure and processes in the earnings management mechanism. This research method uses a systematic library process which consists of three stages, namely, planning, implementation, and reporting. This study uses 70 for this systematic literature based on the inclusion and exclusion criteria. Systematic literature results from all research contained in Scopus-indexed journals from 2019 to 2021. This study explains several competing hypotheses and hypotheses that have different applications between studies. Monitoring is more directed at accounting standards in America while the competing hypothesis is more directed at the Asian Region. The application of different accounting standards will result in positive or negative ownership behavior and governance functions. Variations concretely reveal the existence of research on earnings management deviation practices (manipulative) and earnings management efficiency. Conditions are determined by the structure of share ownership that gives a positive or negative value to the market value. So the essence of this literature study is to discuss the function of earnings management in corporate governance.

Keywords: *Systematic Lirature Review, Earning Management, Corporate Governance*

1. INTRODUCTION

The reference theory for measuring earnings management is the Positive Accounting Theory, which was first developed by Watts & Zimmerman (1978) to explain and predict the actual accounting practices used in organizations. This theory explains the normative accounting practices used and suggests optimal accounting standards. Further related theoretical studies published by Jensen (Jensen & Meckling 1976) and Fama & Jensen (1983b, 1983a) explain that the function of corporate governance (CG) effectively can monitor top management and reduce agency costs stemming from conflicts of interest between shareholders and management. The variation of results in the literature study shows that it is empirically proven whether the governance function can limit overall earnings management. This research will specifically examine various literature studies that discuss the functions of corporate governance and earnings management. The governance monitoring process is inseparable from the audit committee in processing the company's financial reporting. This mechanism will involve external auditors and internal financial management to review financial statements, the audit process, and internal accounting controls.

Early studies that reviewed corporate governance mechanisms focused primarily on the role of audit committees in preventing management irregularities (Antle & Nalebuff, 1991; Dye, 1991; Magee & Tseng, 1990). Preliminary findings regarding management irregularities were revealed by Dechow et al., 1995; Jones, 1991; Subramanyam, 1996). Earnings management deviations can be viewed through accrual deviations (abnormal accruals). Bartov et al., (2000); Kasznik, (1999); Kothari et al., (2005) measure accrual deviations from the aspect of discretionary accruals. Measurements are the basis for reviewing the quality of earnings management in the corporate governance mechanism. Klein (2002) reveals that the characteristics of the board or audit committee do not determine earnings management, but the independence of the audit committee can significantly affect earnings management, in contrast to Xie et al. (2003), which found that board characteristics, such as external directors, proportion of the board within the firm, intensity of meetings, or audit committees, were inversely related to earnings management. The latest Feng & Huang study (2020) is related to the mechanism of governance and earnings management using discretionary accrual and total accrual measurements from 48 financial reporting companies in the United States. The findings prove that there is a non-uniform relationship between governance mechanisms and earnings management, consistent with the governance function as a barrier to earnings management deviations. This study significantly proves that governance limits earnings management deviations for high-performing companies with high levels of discretionary accrual. Meanwhile, governance has not proven to be significant in limiting earnings management deviations in companies with low discretionary accrual. The governance function was studied in detail by Handriani (2020) with an empirical study in Indonesia which identified the effect of independent commissioners and audit committee characteristics (measured by auditor size, independence, expertise, and activity) on earnings management. This finding revealed that independent commissioners were found to have a significant effect on the decline in earnings management. In addition, it was found that the size of the audit committee can reduce earnings management. This is due to the wide range of expertise possessed by members of the audit committee to supervise management.

Earnings management can be applied by the board of directors in a positive way and by doing negative things, namely earnings deviation. This managerial behavior is called efficient earnings management and opportunistic earnings management. Efficient earnings management increases the efficiency of personal information and increases the market value of the company and opportunistic earnings management reports opportunistic earnings maximizing managers' personal utility Scott & Scott (2003), The study concludes the role of earnings management as earnings characteristics that affect the essence of earnings information that has an impact on value market (Sloan, 1996). The essence of earnings information or profit market prices or earnings informativeness can be defined as the extent to which earnings provide information, about the condition of the company, to the market (Li, 2019). Earnings characteristics include earnings management, accrual quality and earnings quality. Theoretically, whether the relevance of earnings in the market is influenced by the dynamics of earnings characteristics. Second, how earnings informativeness responds to different types of earnings management (ie, opportunistic earnings management and efficient earnings management). Third, how responsive is earnings informativeness to earnings characteristics? Although the concept of earnings quality was developed before earnings management (Haga et al., 2018). Research on earnings quality occurred in the 1990s, when companies engaged in opportunistic earnings management, with the aim of surviving in a competitive market (Rowland, 2002). This statement encourages many research studies on earnings quality. Earnings quality can be referred to as earnings persistence. Earning Quality is also one of the characteristics of earnings information (B Lev & Zarowin, 1999). Previous research revealed a decrease in income relevance (Givoly & Hayn, 2000), an increase in income volatility (Collins et al., 1997; Baruch Lev, 1989) and the similarity between a decrease in income and expenditure by Dichev et al., (2013) affecting the information content of income. affect market value.

Many studies have identified the effect of the characteristics of ownership structure and earnings management (Alves, 2012; Bekiris & Doukakis, 2011; Fan & Wong, 2002; Kazemian & Sanusi, 2015; Mellado & Saona, 2020a), which found a significant relationship between ownership structure and earning management characteristics. The different hypotheses were revealed based on the monitoring hypothesis, which shows a negative impact on the manipulation of financial statements. The ownership structure has controllers holding a higher proportion of outstanding shares. This hypothesis is supported by the argument for the supervisory role of the majority pemilik, which minimizes opportunistic behavior (Shayan-Nia et al., 2017). Greater majority shareholder control will have an impact on managers' low contribution in receiving information, resulting in a conflict of interest between managers and shareholders (Kazemian & Sanusi, 2015).

There have been many studies examining the effectiveness of earnings management in corporate governance. The large number of studies will cause difficulties in the results of the research, which will result in research gaps being difficult to find. Until then, this research was conducted using bibliography research procedures and sharing data by reviewing existing research, which intends to contain research gaps by sharing an analysis of the effectiveness of earnings management in corporate governance at large.

2. LITERATURE REVIEW

2.1 Systematic Literature Review (SLR)

Systematic literature review, often abbreviated as SLR, or in Indonesian, called systematic literature review, is a literature review method that identifies, evaluates, and interprets all findings on a research topic to answer research questions that have been previously determined. The systematic literature review (SLR) approach is carried out in an orderly manner, follows the rules and provisions, and is able to avoid subjective descriptions from researchers (Barbara Kitchenham and Emilia Mendes, 2014).

2.2 Earnings Management

Earnings management and governance will be different in high and low-concentrated markets. This is evidenced in the research of El Diri et al. (2020), who found that companies operating in a concentrated market would use accrual and real earnings management more than those who were not concentrated in the market. The characteristic shape of quality boards is more effective in reducing earnings management in unconcentrated markets, and corporate governance in concentrated markets energizes managers to supplant earnings management with long-term negative results on firm value, resulting in a reduction in the firm's competitive power in the market. concentrated. Much research on earnings management and governance has been carried out and found to have varying results. Earnings management and governance in developing countries will be different from developed countries. Earnings management in developing countries has a negative effect on the quality of corporate governance. This is evidenced in the research of Abdadi et al. (2016), which specifically discusses the quality of corporate governance in earnings management in Jordan as an example from a developing country. The results show that earnings management is negatively affected by the overall governance index category represented by the board of directors, board meetings, audit and nomination and compensation committees, and the quality of corporate governance has also increased over time. Thus, improving corporate governance is able to provide integrity and reliability to a company's financial statements.

The existence of earnings management activities accompanied by personal activities of managers triggers a lack of transparency in a company, Nasiri and Ramakrishnan (2020) research by focusing on the performance of the top 100 companies listed on the Malaysian stock exchange. The findings of this study indicate that discretionary accruals have a significant impact on ROA, ROE, Tobin's Q and EVA in companies with poor governance systems. This study reveals that managers in weak corporate governance systems are much more likely to abuse accounting power than in well-managed firms, this results in a decline in firm performance. This research reveals that discretionary accruals in an efficient governance structure are strongly and substantially related to firm performance. In the study of Horngren et al. (2010) stated that the existence of general accounting principles (GAAP) facilitates managers to practice flexibility during the accounting process while preparing financial reports. Managers apply different types of accounting to improve interrelated decision making such as cost control, capital budgeting, and transfer pricing. However, the result of variations in accounting calculation methods allows managers to potentially abuse their authority while taking advantage of the interests of the other groups involved. There is a long-standing controversy in accounting research, regarding managers potentially exploiting certain financial instruments in manipulative ways (Christie & Zimmerman, 1994; Watts & Zimmerman, 1979).

Real earnings management systems were also investigated by Ishak et al. (2011), who stated that EM in Malaysia is worse than in Thailand, Taiwan, India, and Pakistan. Because of the importance of EM and the wealth of its research, little is known about earnings management in family ownership. The finding of this study is that the AEM value in companies that achieve sustainable management is lower than in other companies. REM values in these companies are lower than in other companies. However, another analysis shows that the level of government control affects the level of earnings management, and in general, AEM and REM have lower scores in companies that achieve sustainable management than other companies.

In line with the research of Garrett et al. (2020), which measured earnings management from the value of discretionary accruals with the finding that there was a downward trend in earnings management in the Malaysian Industrial Sector after the implementation of IFRS standards, In contrast to the case in Indonesia, Firmansyah & Fadila (2020) found that the application of IFRS standards had a positive and significant impact on improving earnings management. The study of earnings management based on the financial aspect was reviewed by Anh (2020), who found that there was a statistically significant relationship between ROA, ROE, and CR with DA. The latest literature in analyzing earnings management and governance, both financial and non-financial aspects, can be referred to in various scopes ranging from Latin America and Asia (Alexander, 2019; Dong et al., 2020; Garcia Osma et al., 2020; Kliestik et al., 2021; Mellado & Saona, 2020b; Nguyen et al., 2021; Piosik & Genge, 2020; Sayidah et al., 2020; Shoaib & Siddiqui, 2020b)

2.3 Corporate governance

According to an exact perspective, (Alves, 2012) looks at the significance of possession structure, particularly administrative proprietorship and convergence of proprietorship, in restricting the potential outcomes of profit board in Portuguese organizations. This is in accordance with the contending theory, which finds that there is a positive connection between control exercises and the shares possessed by most investors. This methodology is upheld by the confiscation of the minority investor's abundance by the greater part proprietor (Gastón et al., 2016), which happens when the greater part investor possesses an exorbitantly high extent of extraordinary offers, which permits that person to dispossess the minority financial backer's riches (Morck et al., 1988). This condition clarifies the choice of the larger part proprietor to take out the privileges of minority investors on the grounds that minority investors are frequently evident in a powerless general set of laws (Johnson et al., 2000; La Porta et al., 1999, 2000). To the detriment of minority investors, specific bookkeeping practices are promoted that uninhibitedly modify profit toward some path for individual addition.

In the East Asian setting (Fan & Wong, 2002), they found proof of the takeover in which the controlling proprietor is considered to be detailing reporting accounting information for personal use. With respect to these two hypothetical theori, the conditions are different within the setting of Latin American nations, which consistently lead to the monitoring hypothesis. In contrast to much of the past literature focusing on the US and developed markets, Latin American nations are characterized by civil-law legal systems, where most checks are carried out through internal governance frameworks, low levels of financial specialist assurance for minority shareholders, and low levels of investor assurance, concentrated and pyramidal ownership structures (Ataay, 2018; Jara et al., 2019; Lefort, 2005).

According to Lefort (2005), corporate governance in Latin America is characterized by a high level of proprietorship concentration where numerous companies are controlled by mechanical or budgetary restraints of infrastructure possession. The same riset (Saona & San Martn, 2016, 2018) emphasizes that the generally high concentration of ownership in developing Latin American markets, compared to other more developed nations, could be a normal reaction to weaker financial specialist assurance from shareholders. out, out. According to (Lefort and Walker, 2007), this profoundly concentrated proprietorship framework serves as an efficient administration device against powerless protection of financial specialist rights and frail legal requirements.Observational findings for the Latin American region appear to indicate that ownership concentration is a critical driver of firm esteem, which is supported by the observing theory (Saona & San Martn, 2016).

Consistent with a follow-up study reviewed by Shoaib & Siddiqui (2020) examining income information determined from accrual measurements and the quality of earnings measurements, this study identifies the impact of earnings management measures on market value in 820 companies in countries that are members of the Asia-Pacific trade agreement. This study proves that the high quality of accruals in India and Sri Lanka significantly reduces the price of income in the market. This finding explains the existence of information asymmetry. The same case occurred in India and Bangladesh, which significantly reduced the return to market value. In contrast to China and Pakistan, which have lower dependence, thereby reducing information asymmetry, which has an impact on the high price of income in the market. In addition to information asymmetry, there is a need for error detection in audit management.

Safipour et al. (2019) with the finding that audit management significantly increases effectiveness and provides higher error detection. The same thing is described in a follow-up study by Muda et al. (2018), which states that earnings management in 325 industrial companies listed on the Indonesia Stock Exchange (BFI) is simultaneously influenced by good corporate governance consisting of the composition of commissioners and audit committees. The findings in this study show that the large portion of the composition of the independent board of directors in the company and the audit committee will not be a guarantee that there is no fraud in the financial statements and not only that. In other words, the supervision carried out by the board of commissioners independently has not been able to reduce the behavior of the management that prioritizes their personal interests to the fullest. Research that is not in line with this result is addressed by the research of Midiastuty and Machfoedz (2003), who in their research examines the effects of a few corporate governance instruments such as managerial ownership, institutional ownership, and the number of boards of directors on indications of earnings management and earnings quality. Directors have a positive effect on earnings management. Not only that, the results of research by Nasution and Setiawan (2007) show an inversely proportional effect between audit committees on earnings management, which is processed using the specific accrual model of Beaver and Engel (1996). This study focuses on commercial bank companies within a period of 5 years, with the result that corporate governance mechanisms have worked effectively to improve company performance.

The research (Li, Zhao, & Zhao, 2019) investigated the Voting with Hands system in which shareholders act as an external disciplinary mechanism for earnings management relative to corporate governance. This study also examines the substitution relationship between shareholder proposals and corporate governance mechanisms. The findings obtained are based on a sample of 2,041 observations over a period of 10 years, finding that the "For" voting system received from shareholder proposals has a significant negative relationship with earnings management practices, even when corporate governance is controlled. The negative relationship between shareholder proposals and the magnitude of earnings management is also found to be more dominant when the company has weak corporate governance.

Overall, external control from voting-with-hand shareholders has a significant impact on earnings management. Apart from that, governance and earnings management need to consider cost stickiness (expense stickiness), which in the research of Hemati and Javid (2017) defines cost rigidity as an asymmetric behavior, which means the level of cost reduction while reducing sales is less than the rate of increase in sales at the same level. The results of this study indicate that earnings management has an effective effect on cost rigidity. However, corporate governance under the two components of ownership concentration and institutional ownership does not have a significant effect on cost rigidity. So overall in this study the old management and corporate governance did not have an indication of cost rigidity in a sample of 112 companies.

3. RESEARCH METHODS

3.1. Research Design

The process of identifying, assessing, and processing all available information to answer previous research questions (Barbara Kitchenham, Emilia Mendes, 2014) is known as a Systematica Literature Review.

3.2 Object of research

The object of this research is earnings management, especially the application of earnings management in corporate governance. Why is earnings management in corporate governance the object of research, because the factors that influence earnings management in corporate governance are widely studied, so this research can be used as a recommendation to look for gaps in the next research so that updates are found.

3.3 Research Questions

This research question is made based on the needs of the chosen topic, namely:

RQ1: Which journal is the most significant earnings management journal in corporate governance?

RQ2: What is the research objective of the earnings management journal in corporate governance?

RQ3: What are the variables found in the research from the journal Earnings Management in Corporate Governance?

RQ4: What methods are used to collect data on earnings management in corporate governance?

RQ5: What are the results of research on earnings management in corporate governance?

3.4 Research Process

The research process is needed to obtain sources that are directly related to the problem being studied in order to answer the research question. The search process uses the Publish or Perish (PoP) application by selecting research with the Scopus index and Mendeley as secondary data.

The following search string is finally used: (earnings management OR corporate governance * OR real earnings management AND (earnings management; corporate governance)

3.5 Limitation and Entrance Criteria

Doing this stage is useful because it allows one to ensure that the data or information obtained is suitable for use in research (SLR) or not. Eligible study standards are as follows:

1. The data used is from the 2019–2021 publication year, except for research journals on research theory.
2. Initial evidence is obtained by entering the search string keyword using the Publish or Perish application, and after obtaining the research journal, it will be searched at Mendeley.
3. The data or evidence used is only journal papers related to earnings management in corporate governance.

3.5.1 Quality Assessment

At this stage, the data that has been found in this study is then evaluated based on the following questions:

1) QA1. Is the journal paper published in 2019-2020 or is it a theoretical journal?
2) QA2. Do journal papers discuss earnings management in corporate governance?
3) QA3. Does the journal paper write down the variables that affect earnings management?

For each question, the selected journal will be given an assessment based on the quality assessment criteria.

1. Yes (Y): For journals that meet the standard quality assessment criteria.
2. No (T): for journals that do not meet quality assessment standards.

3.6 Data Collection

The evidence used in this research is secondary data. Secondary data in this research was obtained through several stages, namely:

1. Data collection using direct source tracking is obtained from Publish or Perish.
2. Literature, done by reviewing the data in the journal with the SLR method obtained from Mendeley.
3. Documentation, the data obtained, will be saved to Mendeley.

3.7 Documentation

At the initial stage, until the research results are written in the form of a paper according to the format provided.

3.7.1 Mind Map

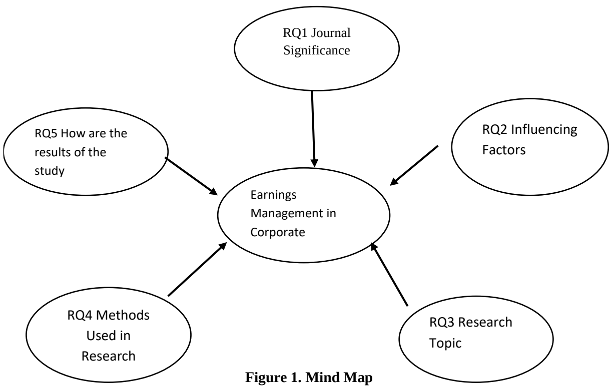

Figure 1. Mind Map

4. RESEARCH RESULTS AND DISCUSSION

4.1 Research Process Results and Inclusion and Exclusion Criteria

The results of the search process and the inclusion and exclusion criteria were only 70 papers published in journals that complied with the criteria for journal papers in 2019-2021 and had a discussion related to earnings management in corporate governance. As listed in table 1 below:

No	Description	Findings
1	Preliminary studies found in 2019-2021	167
2	Relevant studies based on inclusion and exclusion criteria	70
3	Studies not found full text	10
4	Studies that meet the quality of the assessment	70
	Total studies used	70

Source: Data processed, 2021

4.2 Results from RQ1: Significant Journal Publications

In this Systematic Literature Review (SLR) research, there are 70 journals that analyze earnings management in corporate governance. In 2020, many journals will discuss earnings management in corporate governance with a quantitative approach. Research before 2019 was used to extract the essence of the grand theory of earnings management in corporate governance. t in corporate governance with a quantitative approach. Research before 2019 was used to extract the essence of the grand theory of earnings management in corporate governance.

Table 2. Significant Journal Publications

No.	Publisher	Year	Amount
1	Australasian Accounting, Business and Finance Journal	2021	2
2	GATR Accounting and Finance Review	2019	1
3	International Journal of Entrepreneurship	2020	1
4	Journal of Accounting Research	1991	5
5	Economic Research-Ekonomska	2019	4
6	Journal of Accounting and Economics	2019-2021	10
7	Managerial and Decision Economics	1996	1
8	Accounting Review	1978-2011	6
9	Asian Financial Statement Analysis	1995	1
10	Journal of Accounting and Public Policy	2020	1
11	Journal of Business Research	2020	1
12	The Journal of Law & Economics	1983	2
13	International Journal of Finance and Economics	2020	2
14	International Journal of Supply Chain Management,	2020	1
15	Accounting and Business Research	2020	1
16	Journal of Critical Reviews,	2020	1
17	Journal of Business Economics and Management	2016	1
18	Journal of Accounting Literature,	2018	1
19	Research in World Economy	2020	1
20	International Journal of Accounting Research	2017	1
21	Issues in Accounting Education	2010	1
22	International Proceedings of Economics Development & Research	2011	1
23	BRQ Business Research Quarterly,	2019	1
24	Journal of Financial Economics	1976	3
25	American Economic Review	2000	1
26	Procedia Economics and Finance	2015	1

27	SSRN Electronic Journal	2005	1
28	The Journal of Finance	1999	1
29	Abante	2005	1
30	Review of Accounting and Finance.	2019	1
31	The British Accounting Review	2019	1
32	Iranian Economic Review	2018	1
33	Journal of Environmental Treatment Technique	2020	1
34	Cogent Business & Management	2021	2
35	Procedia Computer Science	2020	1
36	Columbia Law Review	2002	1
37	Journal of Accounting in Emerging Economies	2019	1
39	International Review of Law and Economics	2016	1
40	Review of Managerial Science	2018	1
41	Financial Accounting Theory	2003	1
42	Research in International Business and Finance	2017	1
43	Borsa Istanbul Review	2020	1
44	Journal of Corporate Finance	2003	1

4.3 Results of RQ2: Influencing Factors

Based on Research Question 2 (RQ2), about the factors that influence earnings management in corporate governance, The results shown in Figure 2 show that earnings management is the main factor in the journal under study, and corporate governance is the determinant in earnings management (whether as a control or as an opportunity for earnings deviation). According to the study published in the journal, there are seven influencing factors, namely ownership structure, composition of the board of directors, discretionary accrual, real earnings management, earning quality, positive accounting, and abnormal accrual.

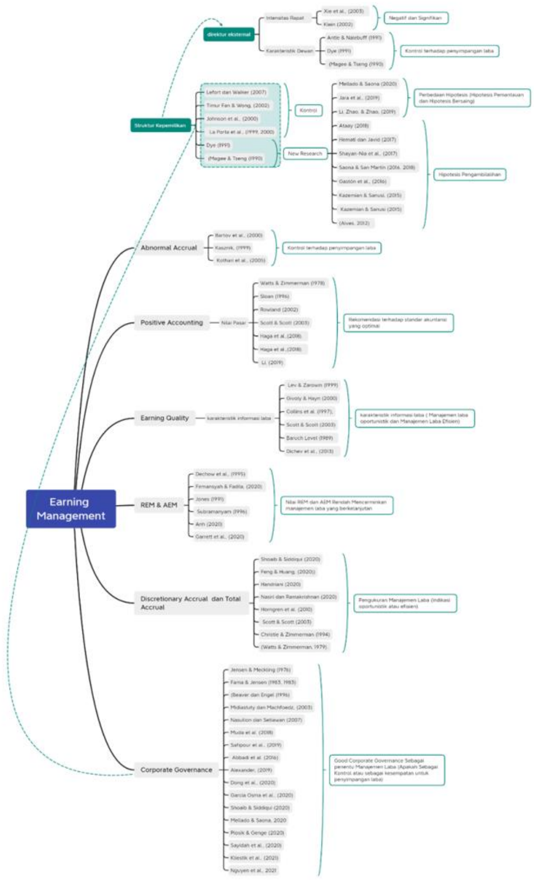

Figure 2. Influencing Factors

4.4 Results of RQ3: Research Topic

Research on earnings management in corporate governance is a significant research topic and is widely studied by researchers in the accounting field. The analysis of the selected primary studies explains that this research focuses on 9 topics, which are seen in Table 3.

Table 3. Research Topics

No	Research Topics	Researcher
1	Good Governance as a Determinant of Earnings Management	-Jensen & Mecking (1976) -Fama& Jensen (1983) -Beaver&Engel (1996) -Midiastuty (2003) -Nasution (2007) -Muda et.al (2018) -Safipour et al., (2019) -Abbadi et al. (2016) -Alexander, (2019) -Dong et al., (2020) -Garcia Osma et al., (2020) -Mellado & Saona, 2020

		-Kliestik et al., (2021) -Nguyen et al., 2021 -Shoaib & Siddiqui (2020) -Piosik & Genge (2020) -Sayidah et al., (2020)
2	Earnings Management Measurement (Indication opportunistic or efficient)	-Shoaib & Siddiqui (2020) -Feng & Huang, (2020)) -Handriani (2020) -Nasiri dan Ramakrishnan (2020) -Horngren et al. (2010) -Scott & Scott (2003) -Christie & Zimmerman (1994) -(Watts & Zimmerman, 1979)
3	Low REM (Real Earning Management) and AEM (Accrual Earning Management) values reflect sustainable earnings management	-Dechow et al., (1995) -Firmansyah & Fadila, (2020) -Jones (1991) -Subramanyam (1996) -Anh (2020) -Garrett et al., (2020)
4	Characteristics of earnings information (Earnings management opportunistic and Efficient Earnings Management)	-Lev & Zarowin (1999) -Givoly & Hayn (2000) -Collins et al. (1997); -Scott & Scott (2003) -Baruch Level (1989) -Dichev et al., (2013)
5	Recommendations on accounting standards optimal	-Watts & Zimmerman (1978) -Sloan (1996) -Rowland (2002) -Scott & Scott (2003) -Haga et al.,(2018). -Haga et al.,(2018). -Li, (2019)
6	Control of earnings deviation	-Bartov et al., (2000) -Kasznik, (1999) -Kothari et al., (2005)
7	Ownership Structure	-Mellado & Saona (2020) -Jara et al., (2019) -Lefort dan Walker (2007) -Kazemian & Sanusi (2015) -Gastón et al., (2016) -Kazemian & Sanusi, (2015) (Alves, 2012) -Shayan-Nia et al., (2017) -Ataay (2018) -Saona & San Martín (2016, 2018)
		-Shoaib & Siddiqui (2020) -Muda et al. (2018) -Safipour et al., (2019) -Midiastuty dan Machfoedz, (2003) -Nasution dan Setiawan (2007) -Beaver dan Engel (1996) -Li, Zhao, & Zhao, (2019) -Hemati dan Javid (2017)
8	Characteristics of the Board of Directors	-Antle & Nalebuff (1991) -Dye (1991) -Magee & Tseng (1990
9	Board of Directors Meeting Intensity	-Xie et al., (2003) -Klein (2002)

4.5 Results of RQ4: Methods Used in Research

Based on Research Question 4 (RQ4), the methods that are often used in research on earnings management in corporate governance, namely using quantitative methods, can be seen in Table 4.

Table 4. Methods Used in Research

No.	Research Topic	Research methods
1	Good Governance as a Determinant of Earnings Management	Quantitative
2	Earnings Management Measurement (Indication opportunistic or efficient)	Quantitative
3	Low REM (Real Earning Management) and AEM (Accrual Earning Management) values reflect sustainable earnings management	Quantitative
4	Characteristics of earnings information (Earnings management opportunistic and Efficient Earnings Management)	Quantitative
5	Recommendations on accounting standards optimal	Quantitative
6	Control Against Profit Deviations	Quantitative
7	Ownership Structure	Quantitative
8	Characteristics of the Board of Directors	Quantitative
9	Board of Directors Meeting Intensity	Quantitative

4.6 Results from RQ5: Research Results

Based on Research Question 5 (RQ5) about the results of research that discusses earnings management in corporate governance, among others, can be seen in Table 5. The findings are grouped based on the findings that dominantly represent all studies.

Table 5. Research Results

No	Title and Author	Results
1	(Feng & Huang, 2020)	This study finds that there is a non-uniform relationship between CG and EM mechanisms for US non-financial firms in the period 2007 to 2015. In particular, this study proves that CG mechanisms can effectively limit earnings manipulation among firms with higher discretionary accruals (EM Tall).
2	(Shoaib & Siddiqui, 2020)	This research finds that India and Sri Lanka have higher accruals quality which reduces prices in the market. This behavior is due to the lack of information received by investors and asymmetric Title and Author information. This study finds that earnings quality has a negative effect on earnings informativeness on market value, in the case of India and Bangladesh.
3	(Safipour Afshar et al., 2019)	The results show that switching auditors to accounts containing errors does not lead to higher effectiveness and error detection. Also, the auditor's need for closure character does not affect the effectiveness and detection of errors in financial statements.
4	(Sarfraz et al., 2020)	The results showed that the positive impact of hierarchical CEO succession and the intensity of hierarchical CEO succession on UK performance. Earnings management as a moderator strengthens cash holding.
5	(Garrett et al., 2020)	The findings of this study indicate that the full convergence of IFRS has a negative and significant relationship with earnings management
6	(Susanto & Meiryani, 2019)	Managers have a desire to voluntarily disclose information about the company's current and future performance
7	(Al Sraheen, 2019)	the audit committee moderated the relationship between NAS and firm performance for the two models (ROE and ROA). The findings of this study indicate that NAS has a negative impact on firm performance by limiting the function of auditor independence
8	(Gouldman & Victoravich, 2020)	The findings suggest that CEO friendship reduces the likelihood of earnings management in the pre-DFA environment.
9	(Eugster & Wagner, 2021)	First, an interesting question is what happens when trust is breached, for example, when a company with a small track record of earnings management then begins to manage earnings. Second, and more generally, the idea of resistance to temptation as a signal may prove useful for future empirical work seeking to identify trustworthy managers.
10	(Jeet & Aspal, 2020)	A significant positive relationship has been found between bank financial performance (ROE) and human resources
11	(Jianqiang et al., 2019)	Employment contracts cause labor-intensive companies to perform earnings management in a short time; (2) in the long term, earnings management gradually weakened and reversed in the fifth year.
12.	(Kamp, 2020)	The results of this study indicate that activity-based cost accounting and interactions with organizations that specialize in financing and/or industrial asset management lead to a tendency to adopt the servitised revenue model.
13	(Lan et al., 2019)	shows that asset management capabilities have a positive impact on the company's profitability and asset liabilities
14	(Ozili & Outa, 2019)	that non-interest income of banks that achieve diversification gains to banks is also used to manipulate reported earnings
15	(Sari et al., 2021)	that there is a significant relationship between past performance and earnings management, where free cash flow is a moderating variable.
16	(Ayu et al., 2020)	The results of the study reveal that the disclosure of environmental and social costs has a significant effect on financial performance. This is in accordance with the theory of instrumental stakeholders, legitimacy and agency.

No	Title and Author	Results
17	(Yamen et al., 2021)	The results reveal a significant relationship between culture and accrual earnings management, but not a significant relationship between culture and real earnings management.
18	(Rahman et al., 2019)	PNB and RCFO and RPC. Evidence shows that these three are the most effective government institutional investors in promoting corporate governance, which in turn limits the real income of management activities in Malaysia
19	(NGO & LE, 2021)	The results of research from Vietnam listed companies during this period show that the size and expertise of the audit committee is inversely related to discretionary accruals representing earnings management.
20	(Jeon, 2019)	These results indicate that the board of directors plays an important role in monitoring transactions between related parties, which in turn, reduces these transactions effectively
21	(Shahwan & Almubaydeen, 2020)	Reveal the positive and significant effect between board size, board composition and real earnings management
22	(Sial et al., 2019)	The findings show that the presence of female directors on the board has a significant negative impact on discretionary accruals and real earnings management.
23	(Aleqab & Ighnaim, 2021)	The findings of this study indicate that the independence of the board has a significant impact on the reduction of earnings management.
24	(Binashour et al., 2021)	The findings of this study indicate that Board Independence and Board Size have no impact on the decline in earnings management. In contrast, Gender Board diversity has no significant effect on the decline in earnings management. Finally, Board Meetings have a significant effect on the decline in earnings management
25	(Ibrahim et al., 2020)	The findings show that internal audit committees mediate the relationship between firm financial audits and real earnings management. The findings also show that firm size and leverage are found to be less influenced by earnings quality.

5. CONCLUSION

Based on the results of the research that has been done, it can be concluded that the results of research using the Systematic Literature Review method are aimed at identifying and analyzing significant journals, influencing factors, research topics, research methods used, and research results. There are 70 journals obtained based on search selection. Factors that affect earnings management in corporate governance are ownership structure, board of directors composition, discretionary accruals, real earnings management, earnings quality, positive accounting, and abnormal accruals.

The results of Research Question 1 (RQ1) in the most significant journals regarding earnings management in corporate governance indicate that in 2020 many journals will discuss earnings management in corporate governance with a quantitative approach. Furthermore, for Research Question 2 (RQ2), which is about the factors that affect earnings management in corporate governance, there are seven influencing factors, namely: ownership structure, composition of the board of directors, discretionary accrual, real earnings management, earning quality, positive accounting, and abnormal accrual. Research Question 3 (RQ3) on the topic of research on earnings management in corporate governance, which is a significant research topic and is widely studied by researchers in the accounting field, The analysis of this study focuses on 9 topics, namely: good governance as a determinant of earnings management; earnings management measurement; low REM (Real Earning Management) and AEM (Accrual Earning Management) values reflect sustainable earnings management; earnings information characteristics; recommendations for optimal accounting standards; control of earnings deviations; ownership structure; characteristics of the board of directors; and intensity of board of directors meetings. Next is Research Question 4 (RQ4) about the methods used in earnings management research in corporate governance, namely quantitative methods. Finally, Research Question 5 (RQ5) regarding the results of earnings management research in corporate governance can be concluded that earnings management is heavily influenced by corporate governance, especially the ownership structure and characteristics of the board of directors.

6. SUGGESTION

This Systematic Literature Review has limitations. Specifically, this research only takes data from Scopus through the Publish or Perish application with limited keywords. For further research, it can retrieve data from Big Data so that data access can use more keywords. For future research, it is recommended to look for more samples by adding the keywords used and a longer period of research so as to provide more detailed and accurate results. The gap for further research is that there has not been a more detailed study of earnings quality and disclosure quality assessment standards on earnings management in corporate governance.

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