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EARNINGS MANAGEMENT SURROUNDING INITIAL PUBLIC OFFERINGS

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Abstrak

Manajemen laba (earnings management) merupakan sebuah fenomena yang memperkaya perkembangan teori akuntansi. Praktik manajemen laba telah terbukti di sejumlah situasi termasuk dalam konteks penawaran saham perdana (initial public offerings = IPO). Tujuan dari penelitian ini adalah untuk menguji apakah perusahaan yang melakukan IPO di pasar modal Indonesia pada tahun 2000-2005 mengatur laba yang dilaporkan pada periode sebelum IPO. Enampuluh satu perusahaan yang melakukan IPO diuji, tidak termasuk perusahaan di sektor keuangan. Penelitian ini menggunakan metode yang dikembangkan oleh Holland dan Ramsay (2003) dalam menguji manajemen laba melalui analisis perkembangan laba setelah pajak dan aliran kas dari aktivitas operasi pada periode sebelum dan sesudah IPO. Manajer diasumsikan memiliki dorongan yang kuat untuk meningkatkan laba pada periode sebelum IPO dan menurunkan laba setelah IPO untuk memenuhi harapan pihak eksternal dalam upaya meningkatkan harga penawaran karena semakin tinggi harga penawaran, semakin tinggi penerimaan perusahaan.

Hasil penelitian menunjukkan bahwa pada periode sebelum IPO, perubahan tingkat laba dan aliran kas dari aktivitas operasi tidak signifikan. Pada periode setelah IPO, walaupun penurunan tingkat laba secara statistik adalah signifikan, peningkatan aliran kas dari aktivitas operasi tidak signifikan secara statistik. Secara keseluruhan, penelitian ini tidak menemukan bukti yang kuat bahwa perusahaan yang melakukan IPO mengatur laba yang dilaporkan pada periode sebelum dan sesudah IPO.

Kata-kata Kunci: Manajemen laba, IPO, aliran kas dari aktivitas operasi

Abstract

Earnings Management is a phenomenon which enriches accounting development theory. It has been evidenced in a number of settings including in initial public offering (IPO). The aim of this research is to



investigate whether companies making IPO in Indonesian Stock Exchange during 2000-2005 manage their earnings in the periods before the IPO. Sixty one IPOs, excluding those in financial sectors, were examined. The research uses the method of Holland and Ramsay (2003) in testing earnings management by analyzing net earnings after taxes and cash flow from operation behavior surrounding IPO periods. Managers are assumed to have strong incentive to increase earnings in the periods prior to and decrease earnings after the IPO to meet earning benchmark for maximizing offering price, because high offering price means high proceeds for issuers.

The results do not show that in the periods prior to go public, neither the change in earnings nor cash flows is statistically significant between periods of analysis. In the periods after IPO, even though the decrease of earnings is statistically significant, the increase of cash flows from operations is insignificant. Overall, the research does not find strong evidence that IPO firms manage earnings in the periods prior to and after going public.

Keywords: Earnings management; IPO; Cash flow from operating activities

This paper was presented at the A4FP (Asia-Africa-America-Australia Public Finance Management) at UPN Jawa Timur, Surabaya on 13-14 November 2012. The writers have benefited some comments from the participants and some new literatures have been added.

1. INTRODUCTION

This paper examines earnings management in Initial Public Offering (IPO). Earnings management has been examined and evidenced in various contexts (Healy and Wahlen, 1999; Dechow and Skinner, 2000). Scott (2003) suggests that one of motivation for earnings management is the process of firm making an IPO. Limited information available about the firm prior to go public, in particular about accounting information, has provided certain incentive for issuers of IPO to engage in earnings management.

Studies in the United States have shown that earnings management is a common practice in IPO market (Friedlan, 1994; Teoh et al., 1998). Managers or issuers of IPO have strong motivation to obtain relatively good valuation from the market participants that will lead to higher wealth. Because most of market participants do not have access on the past performance of IPO firms, managing the accounting numbers would be difficult to detect. Friedlan (1994) shows evidence that IPO issuers make income-increasing discretionary accruals before going public. Teoh et al. (1998) report evidence that initial public offering (IPO) firms, on average, have high positive issue-year earnings and abnormal accruals, followed by