

# Trends of Agency Theory in Accounting, Financial and Management Research: Systematic Literature Review

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## Abstract

*The purpose of this research is to present publications trends of Agency theory in accounting, financial and management research from the Scopus database using bibliometric analysis. This research used Publish or Perish by Harzing for citations in the form of metrics, Microsoft Excel for frequency analysis and VOS viewer for visualization of data. Based on the results of research, the publications trends of Agency theory in accounting, financial and management research have been consistently increasing since 2021 with 21 articles. The most popular keywords identified in the document set are: case study, corporate performance, influence, research, theory, effect, financial performance, relationship, study, earning management, earning quality, firm, quality, audit committee, evidence, Indonesia and management, case, company, investigation and Malaysia. This research is one of the researches that examine the publication of Signaling Theory in Accounting based on the Scopus science database using Harzing's Publish or Perish.*

## Keywords

Agency theory; accounting; financial; management; bibliometric analysis



## I. Introduction

Agency theory has become a strong research base in the financial and accounting disciplines (Abdullah, 2001). This theory stems from the business environment where more and more company management / management are separated from company ownership. This is so that the owner can maximize the profits to be received. So that, the agency theory emerges explains the relationship between two parties (principal and agent) who have different interests. Jensen and Meckling (1976) stated that in agency theory, agency relationships arise when one or more people (principals) hire another person (agent) to provide a service and then delegate decision-making authority to the agent. This causes agents to have the flexibility to act to carry out company management. With this flexibility, professionals (agents) who have a personal interest will optimize their own management's profit even though the owner of the company bears the costs/burden of the company. This condition is caused by information asymmetry between management and stakeholders, including company owners, who do not have access or information to monitor all management actions. (Sutedi, 2011).

While Scott, (2012) explained that agency theory is a branch of game theory that studies the design of contracts to motivate rational agents to act on behalf of the principal when the agent's interests conflict with the principal's. Agency theory provides an important role for accounting, especially in providing information after an event which is referred to as the post-decision role. This role is often associated with the accounting stewardship role, where an agent reports to the principal about past events. This is what gives accounting its feedback value in addition to its predictive value. Besides that too

Although some review papers focus on financial accounting and management accounting. However, there are still few studies that analyze agency theory in financial and management accounting using bibliometric analysis. Bibliometric analysis is a useful tool for evaluating countries, institutions, authors; journal authors (Tang et al., 2018). Therefore, this paper aims to present a general bibliometric analysis of agency theory integrated into accounting research (financial and managerial) during the period 1982 to 2022 with a new approach that combines several tools to represent the importance of bibliographic material found in the Scopus database.

## **II. Review of Literature**

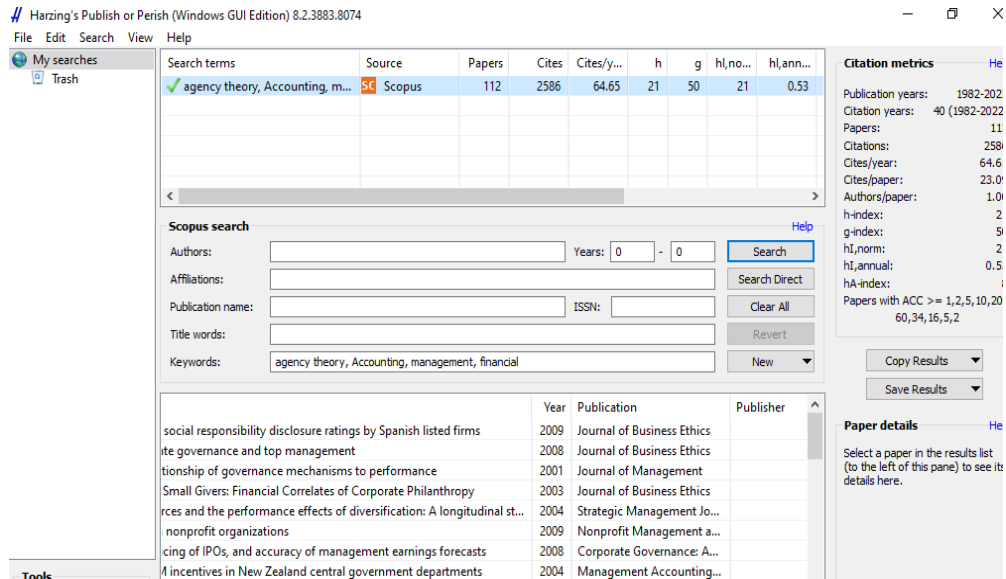
Various studies related to bibliometrics have been carried out. Bibliometric analysis was used to look at the distribution of the number of publications and citations from various documents (De Moya-Anegón, et.al., 2004). Topics in bibliometric analysis can be described both qualitatively and quantitatively (Velasco, et.al., 2012). Bibliometric indicators can provide a level of development of a science at a higher level by looking at the nature and progress of the science concerned. There are two main aspects that affect the reliability of bibliometric indicators, including the selection of databases, namely the number of bibliometric databases, several multidisciplinary and others in certain areas and identification of publications based on the address given by the author. (Devos, 2011). Bibliometric indicators are stronger at higher levels of aggregation and are better suited for analyzing patterns in large groups (large research teams) and less suitable for evaluation of individuals or small research teams (Russell and Rousseau, 2015).

Search for bibliometric data “Agency theory in accounting, financial and management research” using Scopus data. Scopus was introduced generally in 2004. (Chadegani, et. al, 2011). Scopus is a database of abstracts and citations as well as an indexer that contains scientific publications. Even though Scopus does not easily cover all published sources, but Scopus is one of comprehensive databases of various kinds of documents that archive all academic research (Ahmi and Mohamad, 2019; Sweileh et al., 2017).

## **III. Research Method**

Research method is using bibliometric analysis, because this analysis can evaluate publications and productivity in a particular research area (Moed et al., 2002). In addition, bibliometric analysis can better explain the factors that support research findings and contribute to a study and guide researchers to conduct influential research (Akhavan et al., 2016).

The data of research was collected from the Scopus citation web page using Publish or Perish software (see Figure 1) which is a citation on Agency theory in accounting, financial and management research from various types of documents, such as journal articles, chapters, books, and conference papers. The keywords that used are “Agency theory, accounting, financial, management research.” The selected documents are limited only from 1982 to 2022 and are limited only for documents in the form of articles.

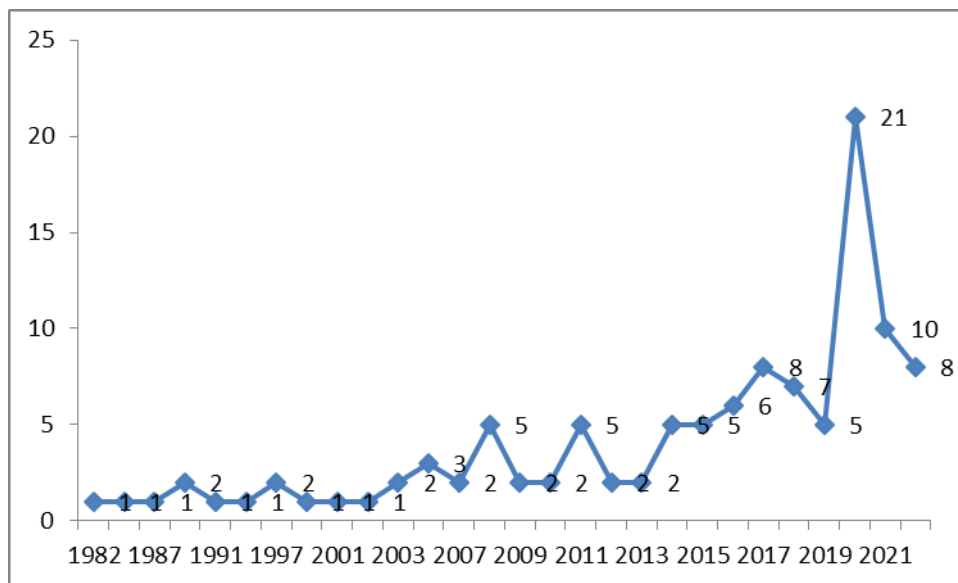


**Figure 1.** Result of Search from Publish or Perish application

Results of previous search via PoP are 112 bibliographic listings or one search iteration. The results of the sorting are saved in CSV and RIS formats. To analysis the result, Microsoft Excel used for frequency analysis. To visualize the results of the analysis, the VOSviewer application is used.

#### IV. Results and Discussion

The results of document extraction carried out through Harzing's Publish or Perish software show trend of Agency theory in accounting, financial and management research starting from 1982 to 2022. Agency theory in accounting, financial and management research began to increase significantly in 2021 with 21 articles.



**Figure 2.** Trends in Research Related to Agency theory in accounting, financial and management

Then, to identify which journals most frequently discuss related and influential topics in advancing existing scientific disciplines, as well as to be a priority for discussion by scholars and researchers, and to help other practitioners choose which journals are suitable for contributions to existing manuscripts. Then the selected 10 journals were: Corporate Ownership and Control whereas subject area journal related with Business, Management and Accounting; Sustainability (Switzerland) whereas subject area journal related with Management; Journal of Business Ethics whereas subject area journal related with Business, Management and Accounting; Technological Forecasting and Social Change; Strategic Management Journal, Journal of Islamic Accounting and Business Research; Journal of Asian Finance; Economics and Business; Journal of Accounting in Emerging Economies; Journal of Accounting and Organizational Change; and International Journal of Public Administration.

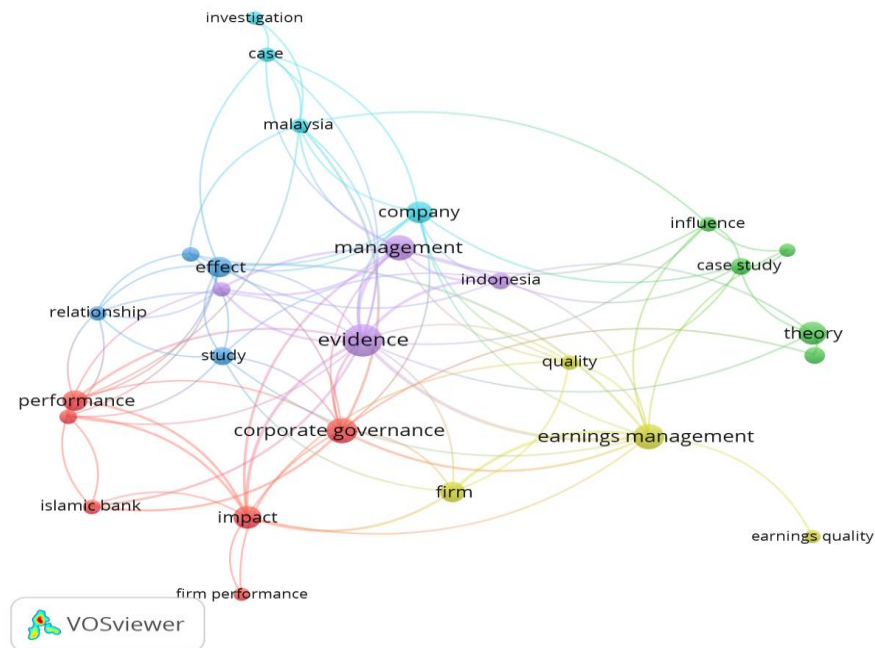
In general, documents on Agency theory in accounting, financial and management in the Scopus database by Harzing's Publish or Perish received 2586 citations from 1982-2022. Table 1 below represents data of the research publications organized by citation from 2010-2021.

**Table 1.** Most Cited Documents filtered by Authors

Cites	Authors	Title	Year
563	Reverte	Determinants of corporate social responsibility disclosure ratings by Spanish listed firms	2009
407	Francoeur	Gender diversity in corporate governance and top management	2008
309	Coles	An examination of the relationship of governance mechanisms to performance	2001
180	Seifert	Comparing Big Givers and Small Givers: Financial Correlates of Corporate Philanthropy	2003
177	Miller	Firms' technological resources and the performance effects of diversification: A longitudinal study	2004
66	Jegers	“Corporate” governance in nonprofit organizations	2009
59	Bédard	Audit committee, underpricing of IPOs, and accuracy of management earnings forecasts	2008
44	Newberry	Freedom or coercion? NPM incentives in New Zealand central government departments	2004
43	Camuffo	Risk sharing in supplier relations: An agency model for the Italian air-conditioning industry	2007
42	Sheikh	Firm performance, corporate governance and executive compensation in Pakistan	2018

The most cited document written by Reverte (2009) with the title “Determinants of corporate social responsibility disclosure ratings by Spanish listed firms” published by the Journal of Business Ethics, the document has obtained 563 citations. Meanwhile, for the writing network, there are several writers who have articles with 2 documents and the most productive writer is Ibrahim with 2 documents from journal articles, followed by Almutairi with 2 documents.

Further, this article analyzes co-occurrence based on document titles (Figure 3). The results show various perspectives of research on Agency theory in accounting, financial and management, especially in the form of certain research.



**Figure 3.** *The co-occurrence analysis*

Based on figure 3, there are 27 number occurrences and four clusters are used, which led to generating 27 items from the output of VOSviewer application. For example, Cluster 1 consists of corporate governance, firm performance, impact, Islamic bank, performance and risk management. Cluster 2 consists of case study, corporate performance, influence, research and theory. Cluster 3 consists of effect, financial performance, relationship, study. Cluster 4 consists of earning management, earning quality, firm and quality. Cluster 5 consists of audit committee, evidence, Indonesia and management. Last for Cluster 6 consists of case, company, investigation and Malaysia.

Based on the results of research that seeks to answer research questions looking for publication trends related to Agency theory in accounting, financial and management in Indonesia, a citation matrix has been used. The importance of publications about Agency theory in accounting, financial and management in Indonesia can be explained from the citation metrics discussed in this research with the duration of publication in the field of Agency theory in accounting, financial and management from 1982 to 2022. From 112 existing documents, have been published and there has been an increase in research related to Agency theory in accounting, financial and management in Indonesia since 2021, while the articles have been more than 2586 citations. The most cited document written by Reverte (2009) with the title “Determinants of corporate social responsibility disclosure ratings by Spanish listed firms” published by the Journal of Business Ethics, the document has obtained 563 citations. Meanwhile, for the writing network, there are several writers who have articles with 2 documents and the most productive writer is Ibrahim with 2 documents from journal articles, followed by Almutairi with 2 documents.

Next, to answer further research questions regarding the most common Agency theory in accounting, financial and management themes in Indonesia among researchers. The important point of this discussion can be seen from the results of the co-occurrence analysis produced by VOSviewer. For example, when we look at the results of the analysis, it is known that “case study, corporate performance, influence, research, theory, effect, financial performance, relationship, study, earning management, earning quality,

firm, quality, audit committee, evidence, Indonesia and management, case, company, investigation and Malaysia are words that are among the most popular keywords which is identified in the document database.

From the analysis results obtained, it is known that there is no search that produces 100% ideal outputs. Therefore, errors about positive and negative results should be expected (Sweileh et al., 2017). In addition, this research only uses on the Scopus database with the Harzing PoP application as the main source of documents.

## V. Conclusion

Based on the results of the research above, the authors can conclude that from the keyword "Agency theory in accounting, financial and management in Indonesia" publications have begun to increase since 2015. There are 27 keywords divided into 6 clusters. Then, in the writing network, there is the most productive writer, namely Ibrahim with 2 documents from journal articles, followed by Almutairi with 2 documents.

Based on the conclusions above, the authors can describe the advantages and provide suggestions that through this research, in the future for further research there are opportunities that can be utilized for further research, for example, Agency theory in accounting, financial and management research can be linked to keywords, subjects, other fields or according to the visualization results using VOSViewer related to: case study, corporate performance, influence, research, theory, effect, financial performance, relationship, study, earning management, earning quality, firm, quality, audit committee, evidence, Indonesia and management, case, company, investigation and Malaysia.

This research only focuses on the Co-occurrence aspect so that it is possible to conduct further research by looking at other aspects, for example related to: keywords, bibliographic coupling, Co-Citation and others related to bibliometric analysis studies related to Agency theory in accounting, financial and management in Indonesia. . In addition, further research can also be carried out with search results with other aspects, for example: abstracts and journal publishers, because these searches with these aspects were not carried out in this research.

In addition, in this study there are limitations related to the search period being limited of years (1982-2022) for Agency theory in accounting, financial and management. Further research can consider articles published since the appearance of Agency theory in many subject areas. This will give a broader picture of Agency theory. In addition, the results are based on data collected from the Scopus database as it is considered the most authenticated source of quality publications. Future trials may consider WoS databases or other databases to collect Agency theory in accounting, financial and management related studies.

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