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The Effect of Managerial Ownership, Financial Leverage, Income Tax, and Company Size on Income Smoothing Practices on Food and Beverage Companies Listed on IDX

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Abstract

This study aims to determine and analyze the effect of managerial ownership, financial leverage, income tax and firm size on income smoothing practices. The type of data used is secondary data. The population in this study are food and beverage companies listed on the Indonesia Stock Exchange for the period 2016-2020 with a total sample of 13 companies taken by purposive sampling method. The data analysis method used is multiple linear regression analysis. Based on the results of the study, managerial ownership, Financial Leverage, Income Tax, and Company Size simultaneously have a negative and insignificant effect on income smoothing practices in food and beverage companies listed on the IDX in 2018-2020.

Keywords
effect of managerial ownership; financial leverage; income tax; company size; income

I. Introduction

All Industry has a goal that is to get profit or income. Therefore, the industry displays good work results in order to trigger the interest of investors to invest in the industry. The progress of industrial work results can be evaluated with industrial skills in achieving and optimizing the profits that may be obtained. Industry profits can be observed through the financial reporting published by the company.

Action*income smoothing*This is not an attempt to create a certain period profit equal to the total profit in the past period, because to reduce the level of profit fluctuations also take into account the desired normal growth rate in a period. This action is assumed to be a rational act carried out by the management, because it does not come out of various permitted accounting principles and is still within the limits of applicable financial accounting standards, but related to this, industrial management is looking for an opportunity how to implement it but not against accounting regulations. and uses its own discretion to determine the accounting method used. Action*income smoothing*carried out by the industry with the aim of creating profits that tend to be consistent or not fluctuate from one period to another. Changes in profit in each period that are not very volatile can give a good impression to outsiders. Industries that have relatively stable profits can improve the image of the industry which is from outside or external parties, especially investors, because the stability of profits provides an overview of the minimal level of risk.

The practice of income smoothing can result in mistakes when making investment decisions by investors because the company's management produces and presents inaccurate profit information, especially for potential investors who will invest. The existence of managerial ownership can generalize the interests of management and industry owners through providing opportunities for agents or management to become part of the principal shareholders. Financial leverage can provide higher profits than fixed costs, so it can provide increased profits for shareholders. There is an income tax to fulfill

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the company's obligations as well as the rights of employees and the size of the company to find out the size of a company. To find out whether there is a phenomenon between managerial ownership, financial leverage.

Table 1. Research Phenomenon

No.	Issuer Code	Year	Profit Per Share (X1)	Total Liability (X2)	Tax (X3)	Total Assets (X4)	Net profit (Y)
1	CAMP	2018	10.53	118,853,215,128	14,962,380,915	1,04,000,000	61,947,295,689
		2019	13.04	122,136,752,135	22,776,643,675	1,057,529,235,985	76,758,829,457
		2020	7.48	125,161,736,939	12,770,532,085	1,086,873,666,641	44,045,828,313
2	MLBI	2018	581	1,721,965	447,105	2,889,501	1,224,807
		2019	572	1,750,943	420.553	2,896,950	1,206,059
		2020	136	1,474,019	110,853	2,907,425	285,617
3	ULTJ	2018	60	780,915	247,411	5,555,871	701,607
		2019	89	953,283	339,494	6,608,422	1,035,865
		2020	100	3,972,379	311,851	8,754,116	1,109,666
4	HOCKEY	2018	38	195,678,977,792	30,627,161,799	758,846,556,031	90,195,136,265
		2019	44	207,108,590,481	38,455,949,448	848,676,035,300	103,723,133,972
		2020	16	244,363,297,557	12,836,262,144	906,924,214,166	38,038,419,405

Source : www.idx.co.id(data processed, 2021)

There is a phenomenon through the data above where at PT.Campina Ice Cream Industry TBK(CAMP), earnings per share decreased by 42.6% and net income also decreased by 42.6%.Phenomenon at PT.Campina Ice Cream Industry TBK contradicts the theory that if earnings per share decrease, net income will increase. At PT. Multi Bintang Indonesia TBK (MLBI), total liabilities decreased by 15.8% and profits decreased by 76.3%, this phenomenon contradicts the theory that if liabilities decrease, profits will increase. At PT. Ultrajaya Milk Industry and Trading Company TBK(ULTJ), tax decreased by 8.14% and net profit increased by 7.12%, this phenomenon contradicts the theory that if the tax decreases, profit will also decrease. At PT. Buyung Poetra Sembada TBK(HOKI) total assets increased by 6.863% and net profit decreased by 63.3%,

Observing the background, so that researchers have an interest in conducting research entitled "The Effect of Managerial Ownership, Financial Leverage, Income Tax and Company Size on Income Smoothing Practices in Food and Beverage Companies listed on the IDX"

II. Review of Literature

2.1 Theory of Influence

a. Effect of Managerial Ownership on Income Smoothing Practices

In Amanza's research (2012), the results show that managerial ownership has no significant effect on the practice of income smoothing (income smoothing). because Managers who have a role as shareholders can prevent financial reports that make misguided, due to the participation of managers as investors and controllers in industries that want financial reporting that is relevant and can be held accountable. In other terms,

managerial ownership can prevent inappropriate financial reporting information, so the level of information held by managers and stakeholders is no different.

The research of Herlina Pratiwi and Bestaria Dwi Handayani (2014), where the results of their research also show that managerial ownership has no real effect on income smoothing (earnings smoothing). Due to the large proportion of managerial ownership in the industry, it can narrow the opportunity for managers to manipulate profits in the form of income smoothing actions.

Research by Redho Panji Swastika(2017), where the results of his research, managerial ownership has a real effect on income smoothing. Because managerial ownership in a company can reduce income smoothing practices.

From the description above, it can be concluded that the larger the proportion of managerial ownership, the smaller the opportunity to practice income smoothing.

b. Effect of Financial Leverage on Income Smoothing Practices

Previous research conducted by Dalimunthe & Prananti (2019), indicated that financial leverage had a positive effect on the practice of income smoothing. Because the higher the debt imposed by the industry, it means that indirectly the risk imposed by the owners of capital can also be higher. This has resulted in the industry wanting to lend its own funds to the industry. Therefore, this situation triggers the desire of industrial management to act on income smoothing.

Ditiya & Sunarto's research (2019), shows the result that financial leverage has a positive effect on income smoothing (earnings smoothing). Because the bigger the DER, the more indications that the industry is practicing income smoothing. This is because the creditors make decisions based on the profits the industry gets before lending to the industry. Creditors can provide credit to companies or industries that generate stable profits rather than industries with fluctuating profits, so this stable profit gives confidence that the industry is able to pay off debt smoothly without any problems.

ResearchAstuti Yuli Setyani(2019), shows the result that financial leverage has no effect on income smoothing action events. It is possible that investors do not want the risk of making their investment if the industry has a high level of financial leverage.

From descriptionIt can be concluded that the higher the industry's debt, the higher the opportunity for the industry to carry out income smoothing actions, in order to attract investors to invest in the company.

c. Effect of income tax on income smoothing practices

Mahendra, PR & Jati, IK(2020) research, which showsincome taxation has a real and positive effect on income smoothing actions. This means that the smaller the industry's income tax, it means that the industry is relatively carrying out income smoothing actions.

Research by Suharto and I Ketut Sujana (2016), which shows that income tax has no effect on income smoothing practices. With no effect, it means that the various changes found in income taxation do not affect the level of income smoothing practice (equal distribution of profits).

Research by Herlinda Pratiwi & Bestari Dwi Handayani (2014), indicates that taxes have no real effect on income smoothing actions. The results provide evidence, namely, high or low taxation, the industry continues to carry out income smoothing practices.

Through this explanation, it can be concluded that the income smoothing action will still be carried out even if the company tax is high or low.

d. Effect of Firm Size on Income Smoothing Practices

Research by Tria Oktaviasari, Muhammad Miqdad & Rochman Effendi (2018),that firm size has a significant effect on income smoothing. This means that the larger the firm size which is shown from the amount of wealth owned by the industry, it means that it has an effect on carrying out profit or profit smoothing actions.

Research by Ni Putu Nanda Ayunika & I Ketut Yadnyana (2018), Firm size has a real and positive effect on income smoothing measures. This means that the larger the firm size means the more attention it gets or a positive impression to attract investors to invest, so that management carries out income smoothing (earnings smoothing).

Study Dwi Damayanti (2016), research results show that firm size has a significant negative effect on income smoothing. It means that the hypothesis which reveals that firm size has an effect on income smoothing can be accepted.

Through the translation, it can be concluded that firm size is needed in making decisions in carrying out income smoothing practices.

2.2. Conceptual Framework

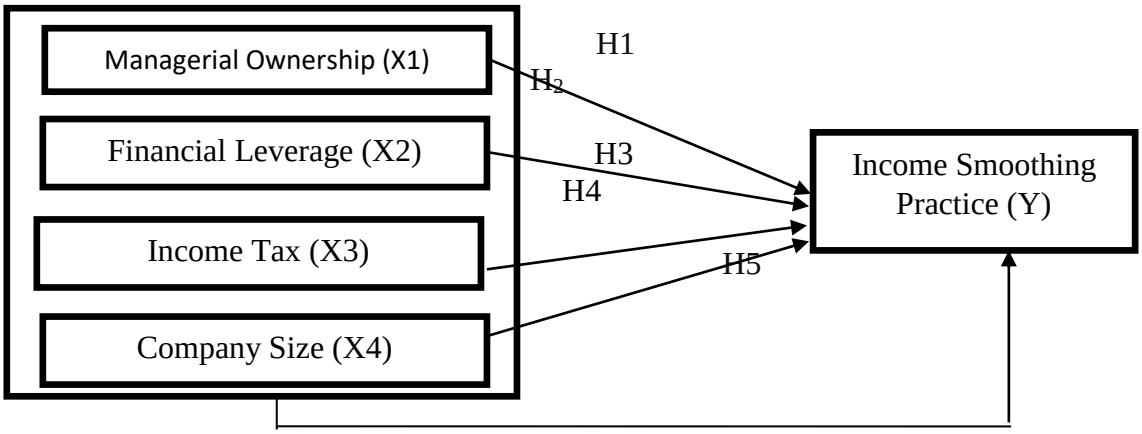


Figure 1. *Research Concept Framework*

2.3. Hypothesis

H1: Partial managerial ownership has an effect on income smoothing practices.
H2: Financial Leverage partially has an effect on income smoothing practices.
H3: The size of the company partially has an effect on the practice of income smoothing.
H4: Income tax partially has an effect on the practice of income smoothing.
H5: Managerial Ownership, Financial Leverage, Company Size, simultaneously have an effect on the practice of income smoothing.

III. Research Method

3.1 Research Approach

This type of research conducted is research with quantitative methods. quantitative method is researching whose data is in the form of numbers. The type of data used in this research activity is secondary data. In the implementation of secondary data research, it is obtained through annual financial reports or industry annual reports listed on the IDX starting from 2018 to 2020 in the food and beverage sector industry.

3.2 Population and Sample

The population used in this research are various food and beverage sector industries listed on the BEI through the use of data in the period 2018 to 2020. The sample was taken using a technique, namely purposive sampling, which means that the technique of determining the sample is based on a required criterion and is used to support the research carried out. is being implemented. The criteria determined in this research include:

Table 2. Population and Research Sample

No.	Information	Amount
1.	Food and beverage companies listed on the Indonesia Stock Exchange in 2018-2020	32
2.	Companies that do not publish financial statements for 2018-2020	(9)
3.	Companies that suffer losses	(10)
	Number of Samples	13
	Total Observation Data	39

Observing table II.1 it can be understood that the observation data from 2018-2020 amounted to 39 of a sample of 13 companies for 3 years.

3.3 Data Collection Method

The data collection in the following research is through the use of secondary data. In the following research, secondary data is obtained through annual financial reporting or the annual report of the food and beverage industry listed on the BEI starting from 2018-2020.

3.4 Definition and Identification of Research variables

Table 3. Operational Definition

Variable	Operational definition	Indicator	Scale Measurement
Ownership managerial (X1)	That is, the total shares owned by the management of all share capital in the industry(Sartono, 2010: 487).	PER=Market price per share / Earnings per share (Jusriani & Rahardjo, 2013)	Ratio
Financial Leverage (X2)	Is the use of industrial funding sources that have fixed costs by assuming that they will provide higher profits than fixed costs so that they can increase profits for shareholders (Sartono, 2008:263)	Debt to total assets = Total Liability / Total Asset Setyani & Wibowo, (2019)	Ratio

Income tax (X3)	Taxes are collections that refer to laws from the government, some of which are used in providing public goods and services, the amount of which is influenced by various factors, both from outside and from within (Suandy, 2003).	Effective Tax Rate (ETR) = Tax burden profit before tax Mitra Suri Handayani (2018)	Ratio
Size Company (X4)	This means that the scale which can be categorized as a small industry is observed through the number of assets, stock market value, log size, etc. (Hartono Jogiyanto, 2013: 282)	Company size = Ln total assets (Setyani&Wibowo,2019)	Ratio
Practice *Income Smoothing* (Y)	Income Smoothing actions are actions to reduce or fluctuate consciously by the industry to various levels of profit that are assumed to be normal by the company (Belkoui & Ahmed, 2007)	Eckel Index (1981): *Income Smoothing* : CV I CV S Setyani&Wibowo (2019)	Ratio

3.5 Research Data Analysis Techniques

a. Descriptive Statistical Analysis

Analyzing descriptive statistics as statistics that provide descriptions of observable data through the mean, maximum, minimum, range, standard deviation, sum, skewness, kurtosis of the data used. The use of descriptive statistics to describe the sample and its profit (Ghozali, 2018: 19).

b. Classical Assumption Test

1. Normality Test

The Kolmogorov-Smirnov test is a normality test through a comparison of the distribution of the data being tested for normality. Where is the value sig. exceeding 0.05, the meaning indicates that the residual data is normally distributed (Ghozali, 2018: 161). Histogram and P-plot testing, generally the normality of a data can be recognized or detected by observing the distribution of the data in the diagonal axis of the histogram graph from the redisual, i.e. the data is declared normally distributed, if the data is spread out in the range of the diagonal line and follows the direction of the diagonal line or the histogram graph. and vice versa.

2. Multicollinearity Test

In order to detect the presence or absence of multicollinearity in the model, it can be observed through (Ghozali, 2018:107) that is, when the VIF value does not exceed 10 and the Tolerance value is not less than 0.1, it means that it can be declared free from

multicollinearity. If the value of the correlation coefficient between each independent variable does not exceed 0.90, it means that the model is free from multicollinearity.

3. Autocorrelation Test

The autocorrelation test was carried out using the Durbin-Watson method. If the value is DW, the range of the upper limit value (du) is so that it is predicted that there will be no autocorrelation. Below is the basis for making decisions on autocorrelation testing (Ghozali, 2018:111).

4. Heteroscedasticity Test

Heteroscedasticity testing aims to test whether in the regression model there is a similarity in variance on the residuals of one observation, it still means it is said to be homoscedastic and if it is not the same or different it is said to be heteroscedastic. In testing heteroscedasticity using the Scatterplot test with the basis for determining the decision, namely (Ghozali, 2018), when there is a pattern, for example the points form a regular pattern indicating the existence of heteroscedasticity and if there is no clear pattern and the points are spread below or above the zero value on the axis Y, it means that there is no heteroscedasticity.

3.6 Analysis Method

The model analyzes the data used to test the hypothesis in the following research, namely multiple linear regression with the following equation:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + e$$

Information :

Y = Dependent variable (Income Smoothing)
a = Constant
b1, b2, b3, b4 = Regression coefficient of variable X
X1 = Managerial Ownership(%)
X2 = Financial Leverage(%)
X3 = income tax(%)
X4 = Company Size(%)
e = Standard Error (α 5%)

3.7 Hypothesis Test

a. Partial Test (t Test)

The t-test is used to understand the relationship between each independent variable and paris to the dependent variable using the sig level. 5% or (α) = 0.05 by referring to the following criteria: a) if the significant value of the t-test > 0.05, then H0 is accepted and Ha is rejected. b) when the value is sig. t test < 0.05 means H0 is rejected and Ha is accepted.

b. Simultaneous Significance Test (Test F)

The F statistic test generally indicates whether all of the independent variables included in the model have a simultaneous effect on the dependent variable using a significance level of 5% or (α) = 0.05 with the following criteria: a) when F Count < F table, it means that H0 is accepted and Ha rejected. b) when F Count > F Table, it means that H0 is rejected and Ha is accepted.

c. Determination Test

Based on the opinion (Ghozali 2018, 179) adjusted R2 is used to understand the magnitude of the variation on the dependent variable which can be explained by the variation of the independent variable, the rest cannot be explained as part of the variation

from other variables that are not included in the model. The adjusted R2 value is 0 to 1. If the adjusted R2 value is close to 1, it means that the independent variable can provide all information on the dependent variable, if the value is close to 0, it means that the skill of the independent variable in estimating the dependent variable is very limited and if the value is equal to zero, it means that it can be used value R2

IV. Result and Discussion

4.1 Analysis Techniques

a. Descriptive Statistics

Number of observation dataIn the following research, there are 39 data on annual financial reporting for 3 periods from 13 beverage and food industries listed on the BEI originally from the website WWW.idx.co.id. The following research has 4 independent variables, namely Managerial Ownership, Financial Leverage, Income Tax, and Company Size which affect one dependent variable, namely Income Smoothing Practices. The following can be seen an overview of the minimum, maximum, mean and standard deviation of the variables:

Table 4. Descriptive statistics

Descriptive Statistics

	N	Minimum	Maximum	mean	Std. Deviation
Managerial Ownership	39	4.05	150.41	32.0611	25.97944
Financial Leverage	39	.12	118.29	5.1027	21.50437
Income Tax	39	.19	.96	.2894	.13187
Company Size	39	14.88	29.51	23.5760	5.27849
Income Smoothing Practice	39	-2.46	22.89	2.4276	6.20057
Valid N (listwise)	39				

Source: Data processing via SPSS 24

Below is an explanation of the descriptive analysis:

1. Managerial Ownership independent variable with 39 data has the highest value of 15041%(150,41) sourced through PT. Sekar Bumi Tbk (SKBM) in 2019. The lowest value was 405% (4.05) which came from PT Wilmar Cahaya Tbk (CEKA) in 2019. The mean or average value was 3206.11% (32.0611) and the standard deviation was 2597.944%(25.97944).
2. The independent variable Financial Leverage with 39 data has the highest value of 11829% (118.29) which comes from PT. Campina Ice Cream Industry in 2018. The lowest value is 12%(0.12) which comes from PT Campina Ice Cream Industri Tbk (CAMP) in 2019. The mean (average) value is 510.27%(5.1027) and standard deviation 2150.437%(21.50437).
3. The independent variable Income Tax with 39 data has the highest value of 96% (0.96) which comes from PT. Sekar Bumi Tbk (SKBM) in 2019. The lowest value was 19%(0.19) which came from PT Sekar Laut Tbk (SKLT) in 2018. The mean or average value was 28.94%(0.2894) and the standard deviation was 13.187 % (0.13187).
4. The independent variable Company Size with 39 data has the highest value of 2951% (29.51) originally from PT. Garudafood Putra Putri Jaya Tbk (GOOD) in 2020. The lowest value is 1488%(14.88) which came from PT Multi Bintang Indonesia Tbk

(MLBI) in 2018. The mean or average value is 2357.60% (23.5760) and the standard deviation is 527.849% (5.27849).

5. The dependent variable Income Smoothing with 39 data has the highest value of 2289% (22.89) originally from PT. Multi Bintang Indonesia Tbk (MLBI) during 2018-2019. The lowest value -246% (-2.46) came from PT Sekar Bumi Tbk (SKBM) during 2018-2019. The mean or average value is 242.76%(2.4276) and the standard deviation is 620.057%(6.20057).

4.2 Classical Assumption Test

a. Normality Test

Table 5. Normality test

One-Sample Kolmogorov-Smirnov Test

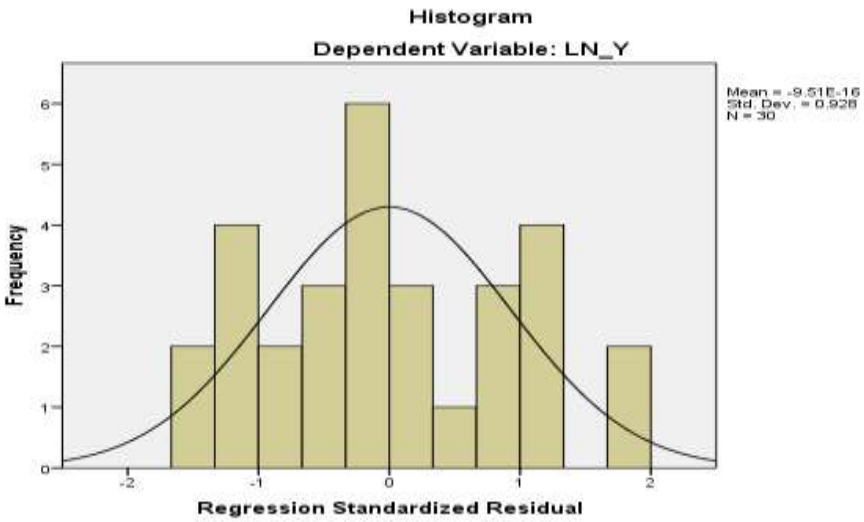
		Unstandardized Residual
KN		30
Normal Parameters, b	mean	.0000000
	Std. Deviation	1.12246552
Most Extreme Differences	Absolute	.104
	Positive	.080
	negative	-.104
Test Statistics		.104
asymp. Sig. (2-tailed)		.200c,d

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Data processing via SPSS 24

Through table 5 it can be seen that the magnitude of the significance value of the numbers listed in the results of the Kolmogorov Smirnov test is 0.200 > 0.05 so that it can be concluded that the data in the following research is normally distributed.

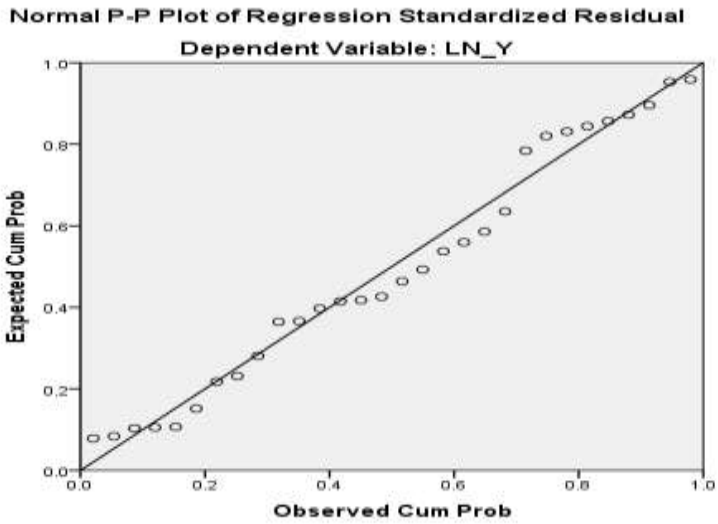
The results of normality testing after data transformation are as follows:



Source: Data processing via SPSS 24

Figure2. *Histogram*

From Figure 2 it can be concluded that after being transformed, the data is normally distributed because of the symmetrical shape of the curve.



Source: Data processing via SPSS 24
Figure 3. *Normal P-Plot Pattern*

From Figure 3, it can be seen that if the data follows the existing line, it can be concluded that the following research has met the requirements for the data to be normally distributed.

b. Multicollinearity Test

Multicoli testnearity as a test of the second requirement after normality. In order to observe whether there is no correlation between the independent variables, it means that the value of VIF and tolerance can be observed.

Table 6. Uji Multicollinearity

Model	Unstandardized Coefficients B	Collinearity Statistics Std. Error	Tolerance	VIF	
1	(Constant)	.903	3.598		
	LN_Management Ownership	.857	.545	.731	1.368
	LN_Financial Leverage	-.059	.176	.825	1.212
	LN_Income Tax	-1,701	1,583	.988	1.012
	LN_Company Size	-1.914	1.062	.846	1.182

Source: Data processing via SPSS 24

From tested multicollinearity showing the following research data, there was no multicollinearity because the tolerance value for managerial ownership was 0.731, financial leverage was 0.825, income tax was 0.988, and company size was 0.846 that all variables had met the requirements, namely higher than 0.10 and the VIF value of managerial ownership was 1.368 financial leverage 1.212, income tax 1.012, and 1.182 it can be concluded that the independent variable does not exceed the number 10, it means that there is no multicorrelation found in the independent variables used.

c. Autocorrelation Test

In the following research, autocorrelation testing must be carried out. Autocorrelation testing using the Durbin Watson test method can be calculated and seen through the following:

Table 7. Durbin Watson Test

Model	R	Durbin-Watson
1	.422a	2,142

Source: Data processing via SPSS 24

Guidance from the Durbin Watson table for k = 4 and N = 30 then:

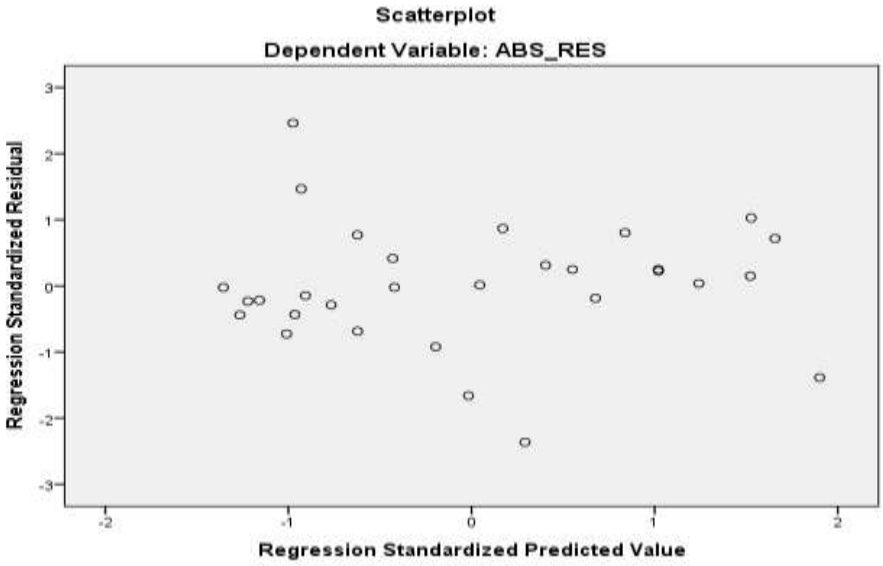
dL = 1.1426 4 - dL = 2.8574

dU = 1.7386 4 – Du = 2.2614

Then the results of the DW test meet the fifth criterion, namely dU < d < 4 – dU or 1.7386 < 2.142 < 2.2614, meaning that there is no positive and negative autocorrelation in the following research.

d. Heteroscedasticity Tes

Testheteroscedasticity was tested using the scatterplot test method



Source: Data processing via SPSS 24

Figure 4. *Scatterplot Test*

Figure 4 shows that the points are scattered in a random pattern below and above the zero point (0) on the Y axis, not clustered in one place. So it can be concluded that there is no heteroscedasticity of the scatterplot.

4.3 Analysis Method

Table 8. Analysiss Multiple Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.903	3.598		.251	.804
	LN_Management Ownership	.857	.545	.334	1.574	.128
	LN_Financial Leverage	-.059	.176	-.067	-.336	.739
	LN_Income Tax	-1,701	1,583	-196	-1.075	.293
	LN_Company Size	-1.914	1.062	-.355	-1.803	.084

Source: Data processing via SPSS 24

The model to analyze the data used in testing the hypothesis in this research, namely the multiple linear regression data has the following equations:

Income Smoothing Practice = 0.903 + 0.857 Managerial Ownership - 0.059 Financial Leverage - 1.701 Income Tax - 1.914 Company Size

The explanation of the multiple linear analysis equation is as follows:

1. The value of the constant (Y) states that if the independent/independent variable is constant (Managerial Ownership, Financial Leverage, Income Tax, and Company Size) is 0 then the practice of income smoothing is worth 0.903 (90.3%)
2. bigThe regression coefficient for managerial ownership is 0.857 (85.7%) which means that every 1 unit of managerial ownership changes, the income smoothing practice increases by 0.857 (85.7%).
3. QuantityFiancial Leverage regression coefficient of -0.059 (-59%) means that every time there is a change of 1 Financial Leverage unit, the practice of income smoothing has decreased by -0.59 (-59%)
4. bigThe regression coefficient for Income Tax is -1.701(-170.1%) which means that every time there is a change of 1 unit of Income Tax, the Practice of Income Smoothing has decreased by -1.701(-170.1%).
5. bigThe regression coefficient for Firm Size is -1.914(-191.4%) which means that every time there is a change of 1 unit of Firm Size, the Income Smoothing Practice decreases by -1.914(-191.4%).

4.4 Hypothesis Test

a. Partial Test (t test)

Table 9. t test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.903	3.598		.251	.804
	LN_Management Ownership	.857	.545	.334	1.574	.128
	LN_Financial Leverage	-.059	.176	-.067	-.336	.739
	LN_Income Tax	-1,701	1,583	-196	-1.075	.293
	LN_Company Size	-1.914	1.062	-.355	-1.803	.084

Source: Data processing via SPSS 24

The magnitude of t table in probability 0.05 has a 2-way significance test and df 25 is 1.708. So the results of the t-test in this observation can be explained, namely:

1. The results of the t-test partially have t-count 1.574 < t-table 1.708 and the significance value is 0.128 > 0.05, meaning that managerial ownership has no effect on income smoothing practices.
2. The results of the t-test with a partial value of t count -0.336 > t table -1.708 and the value of sig. 0.739> 0.05, meaning Ha is accepted and H0 is rejected, meaning that financial leverage has a non-significant and negative effect on income smoothing measures.
3. The result of the t-test with the value of t-count -1.075 < t-table -1.708 and the value of sig. 0.293 > 0.05, meaning that income tax has no effect on income smoothing practices.
4. The results of the t test with the value of t count -1.803 > t table -1.708 and the value of sig. 0.84 > 0.05, meaning Ha is accepted and H0 is rejected, meaning that firm size has a negative and insignificant effect on income smoothing practices.

b. Simultaneous Significance Test (Test F)

Table 10. F Uji test

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9,221	4	2,305	1,352	.279b
	Residual	42,632	25	1,705		
	Total	51.853	29			

a. Dependent Variable: LN_Y

b. Predictors: (Constant), LN_X4, LN_X2, LN_X3, LN_X1

Source: Data Processing Through Spss 24

The magnitude of the F table for df 1 (4) and df 2 (25) is 2.76. From the table F value, it can be compared with F count 1,352 < F table 2.76 and significant value 0.279 > 0.05 means that H0 is accepted and Ha is rejected, meaning that the four x variables do not have a simultaneous effect on the practice of income smoothing

c. Determination Test

Table 11. Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.422a	.178	.046	1.30587

Source: Data Processing Through Spss 24

From the table above, the value of Adjusted R Square is 0.046, this number indicates that the contribution of the four independent factors to the practice of income smoothing is 4.6%, while the rest is determined by other factors/causes.

4.5 Discussion

a. Effect of Managerial Ownership on Income Smoothing Practices

The results of the analysis in the following research show that managerial ownership has no effect on income smoothing practices. This is because the manager is also a shareholder and investor so that he will avoid things that can harm him such as financial statements that cannot be accounted for. So it can be concluded that the greater the managerial ownership, the lower the opportunity for someone to practice income smoothing.

ThingThis is in line with the research of Herlina Pratiwi and Bestaria Dwi Handayani (2014), where the results of their research also indicate that managerial ownership has no real effect on income smoothing actions.

b. The Effect of Financial Leverage on Income Smoothing Practices

The following research shows that financial leverage has a negative and insignificant effect on income smoothing measures. This is because each company wants potential investors to invest in the industry, if debt increases, profits will be low. Shareholders will look for solutions so that the debt owned by the company is not high and earns a stable profit, so income smoothing is carried out so that profits are more stable and reduce debt. This shows that the practice of income smoothing will continue to be carried out so that financial statements remain stable.

ThingThis is not in line with Astuti Yuli Setyani's 2019 research, indicating that the result is that financial leverage has no effect on income smoothing. It is possible that investors do not want to risk making their investment if the industry has a high level of financial leverage.

c. InfluenceIncome Tax Against Income Smoothing Practices

The research results indicate that income taxation has no effect on income smoothing. This is because taxes usually have their own guidelines for calculating taxable income in accordance with the laws and regulations, so the opportunity to practice income smoothing is very low.

This is in line with researchSuharto and I Ketut Sujana (2016), indicate that income tax has no effect on income smoothing measures.

d. The Effect of Firm Size on Income Smoothing Practices

Result research indicates that when financial leverage has a negative and insignificant effect on income smoothing measures. This is because a good firm size will attract potential investors who will invest in a company and the company will continue to maintain a stable company size in terms of sales, income, and others. This indicates that the industry will continue to carry out income smoothing measures, both high and low company sizes. This is not in line with researchNi Putu Nanda Ayunika & I Ketut Yadnyana (2018), The size of the company has a real positive effect on the practice of income smoothing.

V. Conclusion

The conclusions based on the research results include:

1. Managerial ownership partially has no effect on the practice of income smoothing or profits in the beverage and food industry listed on the IDX in 2018-2020.
2. Financial Leverage partially has a negative and insignificant effect on the practice of smoothing profits or profits in the beverage and food industry listed on the IDX in 2018-2020.
3. Income Tax partially has no effect on the practice of income smoothing or profits in the beverage and food industry listed on the IDX in 2018-2020.
4. Company size partially has a negative and insignificant effect on the practice of income smoothing or profits in the beverage and food industry listed on the Indonesia Stock Exchange in 2018-2020.
5. managerial ownership, Financial Leverage, Income Tax, and Company Size simultaneously have a negative and insignificant effect on the practice of income smoothing or profit in the beverage and food industries listed on the IDX in 2018-2020.

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