

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable



Suripto¹, Andini², Holiawati³

^{1,2,3} Pamulang University

ABSTRACT: This study aims to test and analyse the effect of effect of Earnings Management, Information Asymmetry and Asset Growth on the Future Stock Returns and whether the Dividend Policy could strengthen the relationship between the effects of Earnings Management, Information Asymmetry and Asset Growth on the Future Stock Returns in index LQ-45 companies listed on the Indonesia Stock Exchange from 2017 to 2022. This type of research is quantitative, using secondary data. The hypothesis testing used in the study was the Moderated Regression Analysis and Eviews 13 applications. The population in this study were all companies listed on index LQ-45. The data collection technique in this study was purposive sampling technique, from 45 research populations to 18 used as research samples. The results showed that Earnings Management, Information Asymmetry and Asset Growth simultaneously affect Future Stock Returns in index LQ-45 companies from 2017 to 2022. The research results obtained Risk Earnings Management affects Future Stock Returns, Information Asymmetry has no effect on Future Stock Returns, Asset Growth has no effect Future Stock Returns and the dividend policy could not strengthen the relationship between the effect of earnings management, information asymmetry and asset growth on the future stock returns.

KEYWORDS: Earning Management, Information Asymmetry, Asset Growth, Dividend Policy; Future Stock Return

INTRODUCTION

The business world requires investors to be able to develop a company's business. Investors need information to assess the and performance of a company before making an investment decision. Company performance can be measured in term of financial and non-financial aspects. In research, the measure used to measure company performance is future stock returns or what is called the rate of return on shares in the future. Stock returns that shareholders have the motivation to invest their their capital in the hope of getting a return (return) in accordance with the invested capital. (Sugiyanto & Candra, 2020)

Based on kontan.co.id shows that a decline in stock returns occurred in several banking sector companies. Based on data, the banking industry again experienced a consistent decline in shares at the close of trading. Meanwhile, the potential for further deeper share price corrections remains wide open. Based on RTI data in May 2024, the ten banking issuers with the largest capitalization were corrected. PT Bank Mandiri Tbk (BMRI) was the banking issuer with the largest decline. (investasi.kontan.co.id). The phenomenon of declining shares in banking is one of several LQ-45 index companies. This research uses LQ-45 index company data. The LQ-45 index company is a company with a good level of liquidity, however, based on this phenomenon, it shows that the LQ-45 index company does not always show good performance throughout the year due to internal and external factors, so it is important for investors to analyze again before make investment decisions. The decline in stock prices has an impact on future stock returns because the returns obtained by investors so that the returns obtained in the future stock returns also decrease.

Investors need a source of information as a basis for decision making to invest, one of these sources of information can be in the form of financial reports. In financial reports there is an element of profit, where the profit can reflect the true value of the company which is used as a signal for investors and potential investors and will then be responded to by the market. (Lusiana, 2020). Signaling theory provides an overview that managers are still needed to signal the market regarding company conditions that can drive stock prices to a certain equilibrium value (Uswati & Mayangsari, 2018). Signaling motivation encourages management to carry out earnings management in presenting financial information in the form of increased profits or changes in dividend levels in the hope of signaling prosperity to shareholders (Gonedes, 1978). Earnings management is a management arrangement by presenting profits that aims to maximize market value through selection according to accounting policies (Scott,

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

2015).

Earnings management can occur due to information asymmetry. Information asymmetry is a situation in which the agent has more information about the company and the company's future prospects than the principal. This can trigger conflict between agents and shareholders. In research (Prasetyo, 2022) found that information asymmetry research strengthens the relationship between earnings management and future stock returns. These results illustrate that when information asymmetry increases, earnings management will improve. This is where the agent will have more information than the shareholder. This context is a trigger for conflict between management and shareholders. High information asymmetry is a means for management to act opportunistically (Uswati & Mayangsari, 2018).

Asset growth can be a signal to investors regarding the company's future cash flow, stating that large companies usually have more diversified business lines and are less likely to fail in the future (Ohlson, 1980). This is supported by the fact that large companies usually have high asset growth opportunities, so that these conditions can provide opportunities for companies to gain higher profits in the future. This condition will have a positive impact on the company's stock returns in the capital market. Growth needs to be controlled, because the risk of growth that is too rapid is the ability of human resources to adapt, tight cost control and increasingly busy operations (Yulianto & Mayasari, 2022).

The decisions taken by management regarding the profits generated also have an influence on the policy regarding the amount of dividends that will be distributed to investors. According to (Adiwibowo, 2018) dividend policy is a policy to determine whether the profits obtained by an entity will become dividends or be used as retained earnings to fund future investments. If an entity's dividend policy increases, the entity's stock returns will also increase. This means that when the dividend policy increases, stock returns will also increase.

LITERATURE REVIEW

Agency Theory Jensen and Meckling (1976) in Sugiyanto and Etty (2018) mentioned that agency theory explains agency problems that arise when the company owner (principal) gives authority to the management (agent). According to agency theory, management works in accordance with the interests of investors even though there are conflicts of interest. As a form of responsibility, management will disclose information to investors and shareholders. This information can be in the form of stock returns. A high stock return indicates that the company has good investment prospects in the future and investors will get large rewards for their investment. Agency theory in this research also focuses on earnings management practices that are common, including in Indonesia, namely opportunistic earnings management practices as predicted by agency theory (Gumanti, 2004 in (Fajryamantika, 2018)).

Signaling theory emphasizes the importance of information released by the company. Signal theory states that parties within the company such as management provide signals regarding the policies chosen by the company, while external parties such as investors act as parties who receive these signals (Spence, 1973). In line with signaling theory, companies that are able to show higher asset growth performance will be chosen by investors as investment alternatives. High asset growth provides a positive signal to investors by providing greater certainty of business continuity. Therefore, management will work as hard as possible in carrying out its duties for the benefit of investors in asset growth. (Firmansyah et al. 2020)

Future Stock Return, (Sugiyanto et al 2019) stated that the greater the risk management entrepreneur, so it was said that future return has a positive relationship with risk. But high returns do not always have to be accompanied by risky investments. This can happen in a rational market. Shares (stocks) is an ownership in a company. shareholders who are entitled to the company's income and are responsible for the risk of the portion of the company that represents each share there are two types of shares namely ordinary shares and preferred shares.

Earnings management refers to intentional actions taken during the financial reporting process aimed at external parties, with the purpose of achieving personal benefits for certain parties, in this case, the company. There are two ways to interpret earnings management. First, it is seen as an opportunistic behavior by management to maximize their utility in relation to compensation, debt agreements, and political costs. Second, earnings management is viewed from the perspective of efficient contracts, where it provides flexibility for managers to protect themselves and the company in anticipating unforeseen events, benefiting all parties involved in the contract (Scott, 2015).

Information asymmetry is a situation where the agent has more information about the company and the company's future prospects compared to the principal (Uswati & Mayangsari, 2018). The information will be used as a signal by the company when making announcements to the public to influence investors' decisions to invest in the company. In earnings management, information asymmetry exists, meaning that the higher the level of earnings management, the greater the information asymmetry. As a result, stock returns also increase based on this information, which will then serve as a signal to attract investors to invest.

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

From this information, investors expect to achieve high future stock returns.

Asset growth, as defined by Insiroh (2014, p. 986) in Michelle & Sha (2020), refers to the increase or decrease in a company's total assets. High asset growth sends a positive signal to investors by providing greater certainty about the company's ongoing operations. As a result, management will work as effectively as possible to benefit investors through asset growth. This reassures investors to invest in the company, as they are confident in companies that exhibit high asset growth. Investors view high asset growth as an indicator of the company's future stability, leading them to believe their investment will continue to grow, particularly with regard to the increase in stock returns over time (Firmansyah et al., 2020).

Dividend policy refers to the decision of whether the profits earned by a company will be shared with shareholders as dividends or retained as retained earnings to finance future investments. If the company opts to distribute profits as dividends, it will reduce the retained earnings, thereby lowering the total internal funds or internal financing available (Sartono, 2001) in (Adiwibowo, 2018).

Earnings management affects future stock returns because it is closely related to investment activities and stock price monitoring. Investment activities aim to allocate funds with the expectation of earning a return. This is in line with the findings of studies conducted by Sugiyanto (2020), Putri & Fitri (2021), and Uswati & Mayangsari (2018), which conclude that earnings management has a positive impact on future stock returns. Based on research that has been carried out previously, the hypothesis in this research is:

H1 : It is suspected that there is an influence of Earning Management on Future Stock Returns

Information asymmetry can influence stock prices because the available information affects investment decisions. A study conducted by Prasetyo (2022) shows that information asymmetry strengthens the relationship between earnings management and future stock returns. This finding indicates that as information asymmetry increases, earnings management tends to increase as well. The higher the level of earnings management performed by the company, the greater the information asymmetry. The information obtained from this situation can increase stock returns, which are then used as signals to attract investors to invest. Investors expect to receive higher future stock returns based on the available information. This shows that information asymmetry affects future stock returns. Therefore, information asymmetry plays a role in driving the increase of future stock returns. Based on research that has been carried out previously, the hypothesis in this research is:

H2 : It is suspected that there is an influence of Information Asymmetry on Future Stock Returns

Asset growth impacts future stock returns because companies with positive asset growth indicate a promising future outlook. This is supported by studies from Firmansyah et al. (2020) and Kampomo & Mayasari (2022), which found that asset growth can influence stock returns. Investors view asset growth as a positive signal, as companies with increasing assets are believed to have the potential to generate profits and a more stable future. Based on research that has been carried out previously, the hypothesis in this research is:

H3: It is suspected that there is an influence of Asset Growth on Future Stock Returns

The presence of earnings management influences the dividend policy implemented by the company. This dividend policy helps establish a positive image of the company in the eyes of investors and is seen as a factor that can increase the stock returns investors receive. As a moderating variable, the dividend policy also plays a role in either strengthening or weakening the impact of earnings management on future stock returns. Several prior studies, such as the one by Adiwibowo (2018), have shown that dividend policy can moderate the relationship between earnings management and stock returns. When a company practices earnings management and distributes large dividends to shareholders, the stock returns are likely to increase as well. Based on research that has been carried out previously, the hypothesis in this research is:

H4: It is suspected that Dividend policy moderates the relationship between Earnings Management and Future Stock Returns.

Dividend policy is a central concern for various stakeholders, including shareholders, creditors, and other external parties who have an interest in the information disclosed by the company (Adiwibowo, 2018). Companies that have favorable information are likely to focus on benefiting their shareholders by distributing dividends. This, in turn, can increase the interest of potential investors to invest in companies that consistently pay dividends, with the assumption that their investments will generate high returns. Dividend policy, as a moderating factor, can either strengthen or weaken the impact of information asymmetry on future stock returns. As information asymmetry increases, stock returns also tend to rise based on this information, which acts as a signal to attract investors to invest their capital. Based on research that has been carried out previously, the hypothesis in this research is:

H5: It is suspected that Dividend policy moderates the relationship between Information Asymmetry and Future Stock Returns.

The research by Firmansyah et al. (2020) found that asset growth has an impact on future stock returns. As a moderating variable, dividend policy can either enhance or diminish the impact of asset growth on future stock returns. Companies with strong

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

asset growth are viewed by investors as having a more secure future, which leads them to believe that their investment will continue to grow, especially in terms of increasing stock returns over time. Based on research that has been carried out previously, the hypothesis in this research is:

H6: It is suspected that Dividend policy moderates the relationship between Asset Growth and Future Stock Returns.

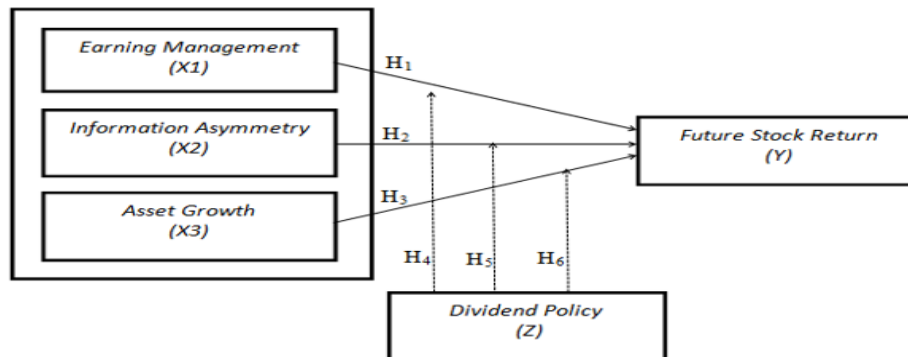


Figure 1. Research model
Source: Research Data, 2024

RESEARCH METHOD

This research uses an associative quantitative approach, which involves hypothesis testing that the associative method is a method that intends to explain the causal relationship and influence between variables through hypothesis testing. This study will examine the effect of Earnings Management, Information Asymmetry and Asset Growth on the Future Stock Returns With Dividend Policy as The Moderating Variable in the Index LQ-45 companies. Data analysis is carried out after data collection and data processing is complete using the company's financial statements. The data used comes from the annual reports and the company's stock price of Index LQ-45 companies. According to Sugiyono (2017: 232) "Data analysis is an activity after data from all respondents or other data sources are collected. Data analysis activities are grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, performing calculations to answer problem formulations and performing calculations to test hypotheses that have been proposed.

The dependent variable is the variable that is the main focus of the researcher (Sekaran and Bougie, 2017). The dependent variable is influenced by the independent variable, and through the analysis of the dependent variable, it is possible to find answers and solutions to the existing problems. The dependent variable in this study is Future Stock Return. The measurement used in research Based on the research by Nurrohman and Zulaikha (2013) in (Fajryamantika, 2018), in calculated return t+1 (stock one year ahead). Future stock return is calculated using the following formula:

$$FRSt+1 = (Pt+1 - Pt + DT+1) / Pt$$

Where:

FRSt+1: Stock Return in periode t+1 Pt+1: Stock price in period t+1

Pt: Stock price in period t DT+1: Dividend periode t+1

According to Sekaran and Bougie (2017), the independent variable is the variable that influences the dependent variable, either positively or negatively. In this study, the independent variables are Earnings Management, Information Asymmetry and Asset Growth.

1. Earning Management

Earnings management refers to intentional actions taken during the financial reporting process aimed at external parties, with the purpose of achieving personal benefits for certain parties, in this case, the company. Measurement of earnings management using the discretionary accruals formula (discretionary accruals) Suropto's research (2021) uses the Modified Jones model, the formula for the variables in earnings management is explained as follows:

a. Total accruals using the modified Jones model

$$TAC = Niit - CFOit$$

Where:

TAC : Total accruals

Niit : Net income of company i in period t.

CFOit : The operating cash flow of company i in period t.

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

b. Total accruals estimated with the OLS (Ordinary Least Square) regression equation

$$TACT/TAT-1 = (\beta)1(1/TAT-1) + (\beta)2(\Delta REVt/TAT-1) + (\beta)3(PPEt/TAT-1) + e$$

Where:

TACT : Total accruals in period t

TAT-1 : Total asset in period t.-1

$\Delta REVt$: Revenue changes in period t

PPEt : The Company's fixed assets in period t

$(\beta)1, (\beta)2, (\beta)3$: regression coefficient.

e : error term

c. Non-discretionary accruals

$$NDTACT = (\beta)1(1/TAT-1) + (\beta)2(\Delta REVt - \Delta RECT)/TAT-1 + (\beta)3(PPEt/TAT-1) + e$$

Where :

NDTACT: Non-Discretionary total accruals in period t

TAT-1 : Total asset in period t.-1

$\Delta REVt$: Revenue changes in period t

$\Delta RECT$: Receivables changes in period t

PPEt : The Company's fixed assets in period t

$(\beta) 1, (\beta) 2, (\beta) 3$: Fitted coefficient Obtained from the regression results in the calculation of total accruals

e : Error term

d. Discretionary total accruals

$$DTACT = (TACT/TAT-1) - NDTACT$$

Where:

DTACT: Discretionary total accruals in period t

TACT : Total accruals in period t

TAT-1 : Total asset in period t-1

e : Error term

2. Information Asymmetry

Information asymmetry is a situation where the agent has more information about the company and the company's future prospects compared to the principal (Uswati & Mayangsari, 2018). In this study, information asymmetry is measured using the relative bid-ask spread. Rahmawati et al. (2006) in research (Uswati & Mayangsari, 2018). Information asymmetry is calculate the relative bid-ask spread as follows:

$$SPREADit = (\text{askit} - \text{bidit}) / ((\text{askit} + \text{bidit}) / 2) \times 100$$

Where :
SPREADit = Relative bid-ask spread of company i on day t
ASKit = Highest ask (offer) price of company i's stock on day t

BIDit = Lowest bid (demand) price of company i's stock on day t

3. Asset Growth

Asset growth, as defined by Insiroh (2014, p. 986) in research Michelle & Sha (2020), refers to the increase or decrease in a company's total assets. In this study, Asset growth is measured using in research (Michelle & Sha,2020) as follows:

$$GROWTHit = (TAt - TAt-1) / TAt-1$$

Where:

GROWTH: growth of company's assets in year t

TAt : total assets of the company in year t-1

TAT-1: total assets of the company in year t-1

A moderating variable is a variable that affects (weakens/strengthens) the relationship between the independent and dependent variables. This study uses dividend policy as a moderating variable in the relationship between Earnings Management, Information Asymmetry and Asset Growth on the Future Stock Returns. Dividend policy in this study is measured through the dividend payout ratio. According to Keown et al. (2008) in research Adiwibowo (2018), the dividend payout ratio is the amount of dividends relative to the company's net income or earnings per share. Mathematically, the dividend payout ratio can be expressed with the following formula (using percentage):

$$DPR = (\text{Dividend Per Share} / \text{Earning Per Share}) \times 100\%$$

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

The population used is Index LQ-45 companies for the 2017-2022 period which are listed on the Indonesia Stock Exchange there are 45 companies in 2024. The sample is explain that a sample is a portion or subgroup of a population selected by researchers, and is expected to represent the population so that it can be generalized (Sekaran & Bougie,2017). The method used in selecting samples is purposive sampling method. The data analysis technique in this study uses statistical calculations. The data analysis technique used uses the Eviews Serie 13 application. The data analysis technique used in this study uses panel data regression. Panel or poll data is a combination of cross-section and time series type data, where a number of variables are observed over a number of categories and collected within a certain period of time. A special feature of time series data is a numeric sequence where the interval between observations or a number of variables is constant and fixed, while cross section data is a unit of analysis at a certain point with observations of a number of variables. In the panel data model, the model equation using cross section data can be written as follows:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \epsilon_{it}$$

Where:

- Y_{it} : Future Stock Return
- α : Konstanta
- β : Coefisien Regresion
- ϵ : error
- X_1 : Earning Management
- X_2 : information asymmetry
- X_3 : Asset Growth

In addition to using Regression data panel, in the study for the hypothesis testing used was the Moderated Regression Analysis, the model equation can be written as follows:

$$Y_{it} = \alpha + \beta_1 ML + \beta_2 AI + \beta_3 AG + KD + \beta_4 ML * KD + \beta_5 AI * KD + \beta_6 AG * KD + e$$

Keterangan :

- Y_{it} : Future Stock Return ML : Earning Management
- AI : Information Asymmetry
- AG : Asset Growth
- α : Konstata Regresi
- KD : Dividend Policy
- e : error

RESULTS

Table 1. Process and Results of Sample Selection Based on Criteria

No	Criteria	Total
1	The LQ-45 Index companies based on data from 2024	45
No	Criteria	Total
2	The companies provide complete annual reports during the research period, which is from 2017 to 2022.	(10)
3	Companies that have experienced profits (net income) during the 2017-2022 period.	(8)
4	Companies that distributed dividends during the 2017-2022 period.	(9)
	Samples used	18
	Number of years of observation (2017-2022)	6
	Number of samples during the study period	108

Source: Research Data, 2024

An overview of the variables in this study can be presented in table 2 below:

Table 2. Descriptive Statistical Result

	Y_FRS	X1_ML	X2_AI	X3_AG	Z_KD
Mean	-3.91769	-4.1393	-0.75533	-5.16852	-1.66506
Median	-3.9134	-3.73565	-0.802	-4.81955	-1.52275

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

Maximum	0.711100	-1.4703	4.409600	-1.1594	1.714700
Minimum	-9.4165	-12.6526	-3.6034	-11.6805	-7.6395
Std. Dev.	2.166827	2.157619	1.334840	1.953071	1.686894
Skewness	-0.3583	-1.74694	0.872088	-1.14953	-1.06692
Kurtosis	3.000458	6.685265	4.691254	4.732393	4.926526
Jarque-Bera	2.310762	116.0479	26.56121	37.29104	37.19132
Probability	0.314938	0.000000	0.000002	0.000000	0.000000
Sum	-423.111	-447.045	-81.5756	-558.2	-179.826
Sum Sq. Dev.	502.3798	498.1194	190.6525	408.1502	304.4805
Observations	108	108	108	108	108

Source: Research Data, 2024

Table 3. Chow Test Results Model I (Without Moderation)

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.901079	(17,87)	0.5747
Cross-section Chi-square	17.515529	17	0.4200

Source: Research Data, 2024

The chow test results can be seen that the chow test results model I show the cross sections Chi-square value of 0.4200 and based on the hypothesis if the cross-section probability $>0,05$ then H_0 is accepted and H_a is rejected, meaning this study uses a common effect approach.

Table 4. Chow Test Results Model II (With Moderation)

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.303787	(17,83)	0.2109
Cross-section Chi-square	25.561882	17	0.0828

Source: Research Data, 2024

The chow test results can be seen that the chow test results model II show the cross sections Chi-square value of 0.0828 and based on the hypothesis if the cross-section probability $>0,05$ then H_0 is accepted and H_a is rejected, meaning this study uses a common effect approach.

Table 5. Langrange Multiplier Test Results Model I (Without Moderation)

	Cross-section	Test Hypothesis Time	Both
Breusch-Pagan	0.258009 (0.6115)	0.078632 (0.7792)	0.336641 (0.5618)

Source: Research Data, 2024

The results of the langrange multiplier test model I show the Probability Breusch-Pagan value of 0.5618 and based on the condition that the value of $0.5618 > 0,05$, then H_0 is accepted, with the conclusion that the right model is common effect.

Table 6. Langrange Multiplier Test Results Model II (Without Moderation)

	Cross-section	Test Hypothesis Time	Both
Breusch-Pagan	0.056797 (0.8116)	0.045952 (0.8303)	0.102749 (0.7486)

Source: Research Data, 2024

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

The results of the langrange multiplier test model II show the Probability Breusch-Pagan value of 0.7486 and based on the condition that the value of $0.7486 > 0,05$, then H_0 is accepted, with the conclusion that the right model is common effect. After conducting the model selection test, the next stage is to carry out a classical assumption test, which shows that the regression model has met the classical assumption test which includes normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. In this study no classical assumption symptoms were found. In this study found that result of the data is normally distributed, there are no symptoms of multicollinearity, there are no symptoms of heteroscedasticity, and there is no autocorrelation in this research model. Panel data regression analysis test with common effect model which obtained the following results.

Table 7. Panel Data Regression Analysis Test Results (Common Effect)

Periods included: 6
Cross-sections included: 18
Total panel (balanced) observations: 108

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.53598	0.65527	-5.39619	0.00000
ML	0.28553	0.09685	2.94826	0.00395
AI	0.06103	0.15275	0.39958	0.69029
AG	-0.16374	0.10732	-1.52573	0.13011
R-squared	0.08505	Mean dependent var		-3.91769
Adjusted R-squared	0.05866	S.D. dependent var		2.16683
S.E. of regression	2.10232	Akaike info criterion		4.36029
Sum squared resid	459.653	Schwarz criterion		4.45963
Log likelihood	-231.456	Hannan-Quinn criter.		4.40057
F-statistic	3.22245	Durbin-Watson stat		1.85845
Prob(F-statistic)	0.02570			

Source: Research Data, 2024

Based on the results of the coefficient of determination test (R^2 test) presented in Table 7, shows the Adjusted R-squared value of 0.05866. it means that the independent variables in this study, namely the Earnings Management, Information Asymmetry and Asset Growth variables affect Future Stock Returns by 5,86% and 94,14% are influenced by other variables outside this research model. Based on the results of the regression equation presented in Table 7, the calculated F value is 13.94778 and the prob value (F statistic) shows 0.02570 which means that the value is smaller than the significant level $0.02570 < 0.05$. it can be concluded that Earnings Management, Information Asymmetry and Asset Growth simultaneously affect Future stock returns. This shows that the regression equation used to predict Future Stock Returns is feasible to use in this study. Future Stock Returns indicators have a role in helping companies and their stakeholders, especially in attract many of investors to invest their capital in that companies, so with the role of Earning Management, Information Asymmetry and Asset Growth can improve the company's financial performance and can increase Stock Returns in the future. Then several conclusions were obtained regarding the partial test (t test) between the independent variable and the dependent variable, by determining the amount of t table using the formula $df = (n-k)$, namely $108-4 = 104$, then the t table value was obtained at 1.65964 with the results obtained including :

1. Earning Management

The t value of the Earning Management variable is 2.94826 and the t table value is 1.65964. Then the calculated t value $>$ t table value or $2.94826 > 1.65964$. Or the probability value on Earning Management is 0.00395, this value is smaller than the specified significant level or $0.00395 < 0.05$. Based on this, it can be concluded that Earning management affects Future Stock Returns. Earnings management refers to the strategies or techniques used by management to influence the reported financial results of a company. An increase in earnings management, when done properly within the applicable accounting rules and regulations, can enhance the perceived financial health of the company. This, in turn, can lead to higher investor confidence, which can increase the demand for the company's stock and lead to higher future stock returns.

2. Information Asymmetry

The calculated t value of the Information Asymmetry variable is 0.39958 and the t table value is 1.65964. Then the calculated t value $<$ t table value or $0.39958 < 1.65964$. Or the probability value on Information Asymmetry is 0.69029, this value is bigger than the specified significant level or $0.69029 > 0.05$. Based on this, it can be concluded that Information Asymmetry variable had no effect on Future Stock Returns. In this case, This result shows that the existence of information asymmetry is considered unable

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

to increase stock returns in the future, where the information asymmetry that occurs cannot be a signal for investors to be able to invest their capital to expect high returns in the future.

3. Asset Growth

The calculated t value of the Asset Growth variable amounting to -1.52573, and the t table value is 1.65964. Then the calculated t value < t table value or $-1.52573 < 1.65964$ Or the probability value on Asset Growth is 0.13011, this value is bigger than the specified significant level or $0.13011 > 0.05$. Based on this, it can be concluded that Asset Growth had no effect on Future Stock Returns. The result shows that high asset growth performance does not result in an increase in the return value in the future

Table 8. Moderated Regression Analysis Test Results (Fixed Effect)

Periods included: 6

Cross-sections included: 18

Total panel (balanced) observations: 108

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.46418	0.88488	-5.04495	0.00000
ML	0.28754	0.11101	2.59028	0.01102
AI	-0.14831	0.25182	-0.58895	0.55723
AG	-0.26829	0.14771	-1.81637	0.07231
KD	-0.30349	0.40200	-0.75495	0.45206
ML*KD	0.04137	0.07113	0.58156	0.56217
AI*KD	-0.12748	0.12670	-1.00622	0.31674
AG*KD	-0.04982	0.06895	-0.72262	0.47160

Source: Research Data, 2024

Based on the results of the Moderated Regression Analysis Test presented in Table 8, The MRA test results can be explained as follows:

The interaction test between the variables Earning Management and Dividend Policy on Future Stock Return shows a probability value of 0.56217 or above the significant level (0.05), which shows the result that Dividend Policy is unable to moderate the relationship between Earning Management and Future Stock Returns. The interaction test of the variables Information Asymmetry and Dividend Policy on Future Stock Return shows a probability value of 0.31674 or above the significant level (0.05), which shows the result that Dividend Policy is unable to moderate the relationship between Information Asymmetry and Future Stock Returns. And the interaction test of the Asset Growth and Dividend Policy variables on Future Stock Return shows a probability value of 0.47160 or above the significant (0.05), which shows the result that Dividend Policy is unable to moderate the relationship between Asset Growth and Future Stock Returns. Based on the result of research, the dividend policy is unable to moderate the relationship between Earnings Management, Information Asymmetry and Asset Growth and Future Stock Returns. The dividend policy as moderating variable is called the Homologizer Moderator type, where this variable does not interact with the predictor variables and does not have a significant relationship with the dependent variable.

CONCLUSION

This study aims to measure the effect of Earnings Management, Information Asymmetry and Asset Growth on the Future Stock Returns with Dividend Policy as The Moderating Variable in Index LQ-45 companies for the 2017-2022 period. Based on the results of the coefficient of determination test (R2 test) presented in Table 7, shows the Adjusted R-squared value of 0.05866. that means the independent variables in this study, namely the Earnings Management, Information Asymmetry and Asset Growth variables, affect Future Stock Returns by 5,86% and 94,14% are influenced by other variables outside this research model. Based on the results of the F-statistic value, it shows that Earnings Management, Information Asymmetry and Asset Growth variables simultaneously affect Future stock returns. The result show that the role of Earning Management, Information Asymmetry and Asset Growth can improve the company's financial performance and can increase Stock Returns in the future.

Companies that apply the principles of agency theory, Earning management affects Future Stock Return. Earning management effectively to increase of the The Future Stock Return when done properly within the applicable accounting rules and regulations,

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

can enhance the perceived financial health of the company. This, in turn, can lead to higher investor confidence, which can increase the demand for the company's stock and lead to higher future stock returns. In the corporate context, information asymmetry can occur when managers have more internal information and future company prospects than shareholders and stakeholders. This information will be used as a signal by the company when making an announcement to the public to influence investors' decisions to invest in the company. But based on result of this research, information asymmetry had no effect on Future Stock Returns. The result not in line with signaling theory, this result shows that the existence of information asymmetry is considered unable to increase stock returns in the future, where the information asymmetry that occurs cannot be a signal for investors to be able to invest their capital to expect high returns in the future. Based on Signalling theory companies that are able to show higher asset growth performance will be chosen by investors as alternative investments. High asset growth provides a positive signal to investors by providing greater certainty of business continuity, but the result in this research not in line with signalling theory which shows that asset growth had no effect on Future Stock Return. The result shows that high asset growth performance does not result in an increase in the return value in the future.

Based on bird in the hand theory. This theory states that dividends have a higher level of certainty than Capital Gains. According to this theory, investors prefer dividends that are certain in amount and also expect Capital Gains that may still fluctuate. The results of research not in line with bird in the hand theory, the result showed the dividend policy could not strengthen the relationship between the effect of earnings management, information asymmetry and asset growth on the future stock returns. In this case, the dividend policy is called the Homologizer Moderator type, where this variable does not interact with the predictor variables and does not have a significant relationship with Future Stock Return. Based on (Solimun, 2011) Homologizer moderation is a variable that has the potential to be a moderating variable that affects the strength of the relationship between the predictor variable and the dependent variable. This variable does not interact with the predictor variable and does not have a significant relationship with the dependent variable.

REFERENCES

- 1) Adiwibowo, A. S. (2018). Pengaruh Manajemen Laba, Ukuran Perusahaan Dan Leverage Terhadap Return Saham Dengan Kebijakan Dividen Sebagai Variabel Moderasi. *Jurnal Ilmiah Akuntansi Universitas Pamulang, Vol 6 No 2, Juli 2018, 203-222.*
- 2) Fajryamantika, S. (2018). Pengaruh Intellectual Capital, Kualitas Audit, Manajemen Laba, Dan Return Saham Terhadap Future Stock Return (studi empiris pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia Periode 2013-2015).
- 3) Firmansyah, A., Karyadi, E. A., & Setyaningty, H. S. (2020). Manajemen Laba, Pertumbuhan Aset terhadap Return Saham Pada Perusahaan Subsektor Ritel Di Indonesia. *Jurnal Akuntansi Universitas Jember, Vol. 18 No. 2.*
- 4) Insiroh, L. (2014). Pengaruh Profitabilitas, Ukuran Perusahaan, Pertumbuhan Aset, Dan Struktur Aset Terhadap Struktur Modal. *Jurnal Ilmu Manajemen (JIM), Vol 2 No 3.*
- 5) Jensen, M., & Meckling, W. (1976). Theory of the Firm : Managerial Behaviour, Agency Costs and Ownership Structure. *Journal Of Financial Economics.*
- 6) Keown, Arthur J., Martin, John D., Petty, J.W, & Scott, David F.,JR, (2008). Manajemen Keuangan (Prinsip dan Penerapan), Edisi Kesepuluh. Jakarta: PT.Indeks
- 7) Lusiana. (2020). Pengaruh Manajemen Laba dan return saham terhadap Future Stock Return dengan Asimetri Informasi Sebagai Variabel Moderating . *Repository Institut Informatika dan Bisnis Darmajaya.*
- 8) Michelle, & Sha, T. L. (2020). Pengaruh Asset Growth, Profitability, Firm Size, Operating Cash Flow terhadap Stock Return. *Jurnal Multiparadigma Akuntansi Tarumanagara, Vol.2 Edisi April 2020, 883 - 892.*
- 9) Nurrohman dan Zulaikha. 2013. Pengaruh Earning Per Share, Return Saham, Kualitas Audit, dan Hasil Laba terhadap Return Saham Satu Tahun Ke depan. *Diponegoro Journal of Accounting 2(3): 1-9. ISSN (online) : 2337-3806.*
- 10) Prasetyo, W. U. (2022). Pengaruh Manajemen Laba Terhadap Future Stock Return Dengan Asimetri Informasi Sebagai Variabel Moderasi. *Repository UNISNU*
- 11) Rahmawati, Suparno, & Qomariyah, N. (2006). Pengaruh Asimetri Informasi terhadap Praktik Manajemen Laba Pada Perusahaan Perbankan Publik Yang Terdaftar Di Bursa Efek Jakarta. *Simposium Nasional Akuntansi 9 Padang.*
- 12) Sekaran, Uma dan Roger Bougie, (2017), Metode Penelitian untuk Bisnis: Pendekatan Pengembangan-Keahlian, Edisi 6, Buku 2, Salemba Empat, Jakarta Selatan 12610.
- 13) Scott, W. R. (2015). *Financial Accounting Theory, seven edition.* United States: Canada Cataloguing.
- 14) Soemarso. (2018). *Etika Dalam Bisnis & Profesi Akuntansi Dan Tatakelola Perusahaan .* Jakarta.

The Effect of Earning Management, Information Asymmetry and Growth Asset on Future Stock Return with Dividend Policy as the Moderating Variable

- 15) Solimun, 2011. Analisis Variabel moderasi dan Mediasi. Program Studi Statistika FMIPA Universitas Brawijaya. Malang.
- 16) S, Sugiyanto; Candra. (2020). Moderating Good Corporate Governance Effect Sales Growth, Conservatisme Accounting And Liquidity Risk Terhadap Agresivitas Pajak (Studi Pada Perusahaan Manufaktur Dan Jasa Keuangan Terdaftar Bei). *Proseding Seminar Nasional Akuntansi 2(1)*.
- 17) Suropto, (2021). Peranan Manajemen Laba Memoderasi Pengaruh Likuiditas dan Inventory Intensity Terhadap Agresivitas Pajak Pada Perusahaan Yang Terdaftar Indeks Saham LQ 45. *Humanities, Management and Sciene Proceeding 2021*. Vol. 1 No. 2 Juni 2021.
- 18) Uswati, L., & Mayangsari, S. (2018). Pengaruh Manajemen Laba Terhadap Future Stock Return Dengan Asimetri Informasi Sebagai Variabel Moderating, Vol 20 No 2. *EKUITAS (Jurnal Ekonomi dan Keuangan)*, 242-259.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.