

## ABSTRACT

*This study aims to examine and understand whether directors compensation, firm size and firm growth affect earnings management to avoid earnings decline. Earnings management actions can be done by choosing an accounting method that suits the company's wishes as long as the method does not conflict with the applicable Financial Accounting Standards.*

*The population in this study are manufacturing companies (consumer goods) listed on the Indonesia Stock Exchange during the 2016-2018 period. The sample in this study amounted to 84 manufacturing companies. The research sample was obtained using purposive sampling method based on certain criteria. The analytical method used in this research is multiple regression analysis.*

*The results of multiple regression analysis show that the director's compensation variable has no effect on the practice of earnings management partially. Firm size variable has no effect on Earnings Management Practices in this study. Large companies tend to maintain the good name and information that is spread about the company itself. The results of testing the company's growth variables on earnings management, it can be seen that the company's growth affects the earnings management practices of a company. This means that the smaller the value of the company's growth, the more likely it is for a company to practice earnings management.*

*Keywords: quantitative, director's compensation, company size, company growth, earnings management*

