Slavko Šodan, PhD
Associate Professor
University of Split, Split, Croatia
Faculty of Economics, Business and Tourism
E-mail: ssodan@efst.hr
https://orcid.org/0000-0002-5043-6801

Ivana Perica, PhD
Assistant Professor
University of Split, Split, Croatia
Faculty of Economics, Business and Tourism
E-mail: iperica@efst.hr
https://orcid.org/0000-0001-8395-5096

Stipe Ćurković
University of Split, Split, Croatia
Faculty of Economics, Business and Tourism
E-mail: scurko00@live.efst.hr
Orcid: https://orcid.org/0009-0002-8475-598X

AGENCY CONFLICTS AND FINANCIAL REPORTING QUALITY

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Abstract

This paper examines the impact of agency conflicts in owner-manager-creditors relations on financial reporting quality. Based on arguments from the agency theory and the positive accounting theory, we assume that companies without debt and in which managers are ultimate owners, i.e. where agency conflicts are not profound, have a higher earnings quality than companies using financial leverage and with separated owner-manager role. The data for empirical part of the research was gathered from Orbis Europe database. The sample consists of very large, large, and medium-sized companies from Croatia, Serbia, and Slovenia with financial data covering 2018 and 2019. In order to test research hypotheses the sample is divided into two groups depending on a company's ownership and debt characteristics. Descriptive statistics, univariate tests, correlation analysis and regression analysis are used to analyse the results. Our findings indicate that there is no statistically significant difference in the earnings quality concerning the type of ownership, while the level of financial leverage, by contrast, significantly decreases the earnings quality.

Keywords: Financial leverage, Agency costs, Financial reporting quality

1. INTRODUCTION

Financial reporting regulation tries to ensure that accounting information is produced by following rules that make it reliable for use. Accounting is regulated in the most countries by local legislation and by a system of financial reporting standards (Gowthorpe & Amat, 2005). However, this defined set of financial reporting rules must assure a certain level of discretion since it is not possible to set the accounting rules for every possible situation (Fields, Lys & Vincent, 2001). As accounting standards allow managers to use opportunities for discretion in financial reporting process, managers can convey their private information to investors by selecting appropriate financial reporting methods, estimates, and disclosures that should consequently increase the value of accounting as a form of communication. However, at the same time this setting also creates opportunities for intentional misrepresentation and opportunistic behaviour usually referred to as "earnings management" (Healy & Wahlen, 1999). "Earnings management" or "creative accounting" occurs because of managerial intervention in the reporting process when communication between companies and shareholders is intentionally distorted by the activities of financial statement preparers who intend to modify the content of the accounting information being transmitted (Gowthorpe & Amat, 2005).

Managers, i.e. financial statement preparers, may use their discretion when choosing the accounting policies to increase the wealth of all parties or to increase the wealth of one party. If the managerial choice of accounting policy is mainly focused at ex post increasing one's own benefits through the redistribution of wealth from other parties, then such behaviour is usually referred to as manipulative or opportunistic (Watts & Zimmerman, 1990; Stolowy & Breton, 2004). The opportunity for manipulative accounting actions arises if a company has significant accrual component of income because this component is not reflected in current cash flows and often involves discretion (Bergstresser & Philippon, 2006).

The recent accounting frauds show that the cases of financial reporting misrepresentation of the company's true and fair financial position and performance happen quite often (Akpanuko & Umoren, 2018). These events have motivated many scholars to research the accounting manipulation practices. The main research problem in the corporate governance literature is the conflict of interest between owners and the managers of the company (Bergstresser & Philippon, 2006). The responsibilities and segregation of duties given to the manager by the owner lead to a conflict of interest. Jensen and Meckling (1976) developed an agency theory suggesting that not maximizing one organization's performance is surely because of a conflict of interest between the two parties.

This paper aims to identify how the conflicts of interest in owner-manager-creditors relations affect the financial reporting quality. We assume that the financial reporting quality will be higher in cases where agency conflicts are not profound. Empirical part of the research is conducted on the sample of companies from Croatia, Serbia, and Slovenia, categorized as very large, large, and medium-sized companies. In order to test our hypothesis, we analyse and compare

financial reporting quality in two specific settings. The first setting - without (severe) agency conflicts is when the owner performs a managerial function in an organization without any debts. The second setting – with (potential) agency conflicts is in companies that have separate owner-manager role and use financial leverage.

Our empirical evidence suggests that there is no statistically significant difference in the earnings quality concerning the type of ownership and debt of the observed companies. However, when we additionally analyse the separated impact of ownership and financial leverage on financial reporting quality, we find that financial leverage significantly decreases the level of financial reporting quality. This study makes several contributions to the existing literature on financial reporting quality by stressing the importance of the interactions of company ownership function and financial leverage on earnings quality. Although studies that examine the effects of company ownership function and management on earning quality are abundant, evidence of the impact of the interactions of company ownership function and financial leverage on earnings quality is relatively scarce. Most previous studies are focused on the earnings quality of publicly traded companies and there is a lack of reliable empirical evidence on earnings quality of private companies owned by managers that do not have significant manager-owner or manager- creditor conflicts of interests. This paper tries to fill that void. Our study contributes to the current discussion on the problem of financial reporting quality by helping to identify the relevant variables affecting earnings quality to mitigate the associated misspecification problems.

The remainder of the paper is organized as follows. The Section 2 reviews the agency theory, examines prior research, and develops the hypothesis. Section 3 describes the research methodology, followed by the results and discussion in Section 4. Finally, the conclusions and recommendations are derived in Section 5.

2. THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

The first comprehensive elaboration of agency theory was presented in 1976 in the study of Jensen and Meckling. Agency theory represents the relationship between two parties. This theory mentions the relationship between the principal and the agent in most cases. Jensen and Meckling (1976) define the agency relationship as a contract under which one party (the principal) delegates some decision-making authority to another party (the agent) to perform some actions in the interests of the principal. The principal represents the side with the resources and is willing to take risks to realize a business idea hoping that the concept will contribute to the return on investment. In this theory, an agent or management is described as a person a principal hires to guide and realize the principal's interests and realize his interests, whether it is rewarding for success, raising his reputation in society, satisfaction, prestige, and the rest. From conflicts of interest between two parties, problems arise in four key areas: moral hazard,

earnings retention, risk aversion, and time horizon (McColgan, 2001). The problem of moral hazard or the issue of covert action arises when a manager invests only part of the effort required to meet the agreed-upon norms. Anything more than that the agent will consider unnecessary to take risks. The solution to the moral hazard problem is sought to be established by offering a contract that would proportionately reward the agent's efforts and exposure to risk in favor of the organization's interests, such as a contract based on the agent's behavior and an agreement based on results (Eisenhardt, 1989). Brennan (1995) contends that the problem of over-investing because of grandiose managerial visions and cash distribution to shareholders may be of more concern than a moral hazard. Furthermore, the problem of earnings retention appears when managerial compensation is mainly composed of a fixed salary, or where their specific skills are difficult to transfer from one company to another (McColgan, 2001). The issue arises between shareholders and managers concerning the timing of cash flows because shareholders will be concerned with all future cash flows of the company, and management may only be concerned with company cash flows for their term of employment (McColgan, 2001).

Although agency theory has attracted attention in academic literature and is generally accepted, some researchers point to certain shortcomings. Therefore, Heath and Norman (2004) point to the simplistic presentation of the problem of opportunism in agency theory, which shows that all business participants strive to maximize their interests and invest exactly as much effort to achieve their interests. However, many studies have shown that the human interest in pursuing one's own interests builds on the well-known agency theory and is associated with manipulative accounting reporting. More precisely, financial reporting manipulations arise from an agency problem (Davidson, Jiraporn, Kim & Nemec, 2004; Jiraporn, Miller, Yoon & Kim, 2008; Rose, Mazza, Norman & Rose, 2013; Swastika, 2013).

More recently, various aspects of accounting manipulation have been the subject of numerous research papers and discussions (Leuz, Nanda & Wysocki, 2003; Baralexis, 2004; Davidson et al., 2004; Lambert & Sponem, 2005; Bergstresser & Philippon, 2006; Erickson, Hanlon & Maydew, 2006; Mather & Ramsay, 2006; Jo & Kim, 2007; Jiraporn et al., 2008; Feng, Ge, Luo & Shevlin, 2011; Dechow, Hutton, Kim & Sloan, 2012).

Developing and implementing a set of "high quality" accounting standards have also stimulated growth in the literature and focused researchers' attention on fundamental issues related to earnings management, i.e. accounting manipulation (DeFond, 2010).

One of these aspects researched in previous studies that fit into agency theory was the relationship between the founding family ownership and the financial reporting quality, precisely the agency issues between owners and managers related to accounting manipulation. Wang (2006) analysed the relationship between founding family ownership and earnings quality and showed that founding family ownership is associated with higher earnings quality, precisely with higher earnings informativeness, lower level of abnormal accruals

and less persistence of transitory loss components in earnings. Tong (2007) also found that the financial reporting practices of family firms are of better quality than those of non-family firms because of reputation concerns and better monitoring of managers. Yang (2010) explored the relationships between ownership and earnings management in family firms and found that non-family managers exhibit a greater tendency to manage earnings than family managers do. Rose et al. (2013) stated that separation of ownership and management functions might cause a decrease in the quality of financial statements if the manager does not own a particular share in the ownership of the company he runs. Mohammad and Wasiuzzaman (2020) also supported the findings that family ownership reduces earnings management activities.

In contrast to prior research, Fan and Wong (2002) perceived that concentrated ownership creates agency conflicts between the controlling owners and the outside investors. They stated that concentrated ownership is associated with low earnings informativeness because the controlling owners might report accounting information for self-interest, causing the reported earnings to lose credibility to the outside investors. In their research, Machuga and Teitel (2009) found that firms in Mexico that do not have concentrated family ownership or share directors have greater earnings quality than firms with concentrated family ownership or share directors. The results of a study by Chi, Hung, Cheng and Lieu (2015) are consistent with these findings. Their study was based on 379 listed firms over seven years and examined the relationship between family firms and earnings management. Their results showed that family firms are more likely to engage in earnings management than non-family firms are. Liu, Shi, Wilson and Wu (2017) documented that firms with family involvement engage in less accrual-based earnings management than those without family involvement. Borralho, Vázquez and Hernández-Linares (2020) found that family firms are less prone to earnings management practices than non-family firms are.

Based on previous research, it is impossible to draw a single conclusion on the impact of ownership on the earnings quality. These studies largely depend on capital market arrangements and the period covered by the data. Prior studies in accounting manipulation contexts also examined the impact of debt burdens and financial problems on manipulative actions in accounting but it is not possible to make clear conclusion about their effect on quality earnings. Habib, Bhuiyan, and Islam (2013) found that managers of financially distressed firms engage more in income-decreasing accounting manipulation practices than healthy firms. He (2015) stated that managers of firms with inside debt holdings are associated with a lower likelihood of earning management and suggested that the inside debt promotes high financial reporting quality.

Based on the above studies, we assume that companies in which the owner performs a managerial function with debt-free operations have a higher earnings quality than companies in which the owner-manager role is separate and with debt within the business.

3. METHODS

Empirical part of the research was conducted on the financial data gathered from Orbis Europe database. The data provided information on the financial characteristics of individual companies, which we classified into two groups depending on a company's ownership and debt characteristics. The first group of companies from the database consisted of companies without financial leverage in which ownership function was not separated from the management position and the second group were companies with financial debt in which ownership and management functions were separated. The companies have the characteristic of active business status and cover the areas of Croatia, Serbia, and Slovenia. Regarding the company size category, this sample includes very large, large, and medium-sized companies[1] with financial data covering 2018 and 2019. The first group defined in this way represented data for 2,115 companies. In the data cleaning process, 339 companies were excluded from the sample due to missing data. Therefore, a final sample for the first group consists of 1,776 companies, of which 954 companies are located in Croatia, 759 in Serbia and 63 in Slovenia.

The second group consisted of companies using financial leverage in which ownership function was separated from management. All companies were also from Croatia, Serbia, and Slovenia and had an active business status as well as the same size categories of companies (very large, large, and medium). The initial number of observations in the second group were 2,536 companies. In the data cleaning process, 383 companies were excluded from the sample due to missing data. Therefore, the final sample for the second group consists of 2,153 companies, of which 1,291 are from Croatia, 779 are from Serbia and 83 are from Slovenia.

In order to perform the empirical analysis of earnings quality, we first calculated the ratio of the total accounting accruals and total assets as the main proxy variable for earnings quality. It is important to emphasize that in this formula, the earnings quality is higher if the value of the variable is closer to zero, and *vice versa*, if the value is significantly different from zero, it indicates a larger proportion of accruals in earnings and consequently lower earnings quality. Accruals are calculated as (Δtotal current assets - Δcash) - (Δtotal current liabilities- Δshort-term debt - Δtaxes payable) - depreciation expense (Leuz et al., 2003, Tapia & Fernandez, 2011).

The second indicator of earnings quality used in this paper is the Pearson coefficient of correlation between net operating cash flow and operating income before depreciation and amortization. High-quality earnings should be strongly positively correlated with operating cash flow.

[1] Size classification is defined according to the Orbis database criteria based on operating revenue, total assets, and number of employees. Companies on Orbis are considered very large when they match at least one of the following conditions: (1) Operating Revenue higher than 100 million EUR (2) Total assets higher than 200 million EUR (3) Employees higher than 1,000 or (4) listed. Large companies: (1) Operating Revenue higher than 10 million EUR (2) Total assets higher than 20 million EUR (3) Employees higher than 150 and (4) not very large company. Medium sized companies: (1) Operating Revenue higher than 1 million EUR (2) Total assets higher than 2 million EUR (3) Employees higher than 15 and (4) not very large or large company. Small companies those not included in another category.

The empirical part of the research consists of descriptive statistics, univariate analysis and multiple regression analysis. We started with a descriptive analysis to find the average earnings quality in selected companies. Afterwards, we used the T-test statistics to determine if there are significant differences in average values of earnings quality between the groups. As an additional test for earnings quality, we performed a correlation analysis between earnings and operating cash flows for both groups of companies. Finally, we conducted a regression analysis to examine the relationship between ownership variables and earnings quality after controlling for various control variables that could affect earnings quality (return on assets – ROA; company size - natural logarithm of total assets).

4. RESULTS AND DISCUSSION

We started the empirical investigation with a descriptive analysis. The descriptive analysis (Table 1) showed how the average earnings quality for 1,776 companies without debt in which the ownership and managerial function are not separated was 0.1685 (the earnings quality is better if this number is as close as possible to zero). The standard deviation or average deviation from the arithmetic mean is 0.3982, which does not represent a large dispersion between companies. The median shows that 50% of companies had an earnings quality of 0.0902 or less, and the other 50% had an earnings quality of more than 0.0902. The upper quartile shows that the first 75% of companies have an earnings quality of 0.1962 and less, while the other 25% have an earnings quality of 0.1962 and more.

The average earnings quality for 2,153 companies using financial leverage and in which the ownership function is separated from the managerial position was 0.1592. The standard deviation or average deviation from the arithmetic mean is 0.3576, which does not represent a large dispersion between companies. The median shows that 50% of companies had an earnings quality of 0.0924 or less, and the other 50% had an earnings quality of more than 0.0924. The upper quartile shows that the first 75% of companies have an earnings quality of 0.1856 and less, while the other 25% have an earnings quality of 0.1856 and more.

Table 1

The descriptive analysis

		The earnings quality (the first group)	The earnings quality (the second group)
Number of observations		1776	2153
Arithmetic mean		0.1685	0.1592
Median		0.0902	0.0924
Standard deviation		0.3982	0.3576
Percentiles	25	0.0355	0.0391
	50	0.0902	0.0924
	75	0.1962	0.1856

Note: The first group contains companies without debt in which the ownership and managerial function are not separated, and the second group companies that are using financial leverage and in which the ownership and managerial functions are separated.

Source: authors' calculations

The average values of earnings quality measure indicates that companies using financial leverage and in which the ownership function is separated from the managerial position have lower mean values of earnings quality (indicating better earnings quality) in comparison to the other group.

The t-test analysis is used to provide information regarding the statistical significance of the mean difference in the earnings quality between the two groups of companies.

Table 2

The t-test statistics

Earnings quality	Number of observations	Arithmetic mean	Standard deviation	Sig.
The first group	1776	0.1685	0.3982	0.156
The second group	2153	0.1593	0.3576	

Note: The first group contains companies without debt in which the ownership and managerial function are not separated, and the second group companies that are using financial leverage and in which the ownership and managerial functions are separated.

Source: authors' calculations

As can be seen from the Table 2, t-test values are not statistically significant (0.156 > 0.05), and it can be concluded that there is no statistically significant difference in the earnings quality between different types of ownership.

The earnings quality can also be measured as the level of correlation between the operating cash flow and the operating income before depreciation and amortization. Thus, we performed a correlation analysis to test if the correlations between operating cash flow and operating income before amortization differ between the two groups of companies. The results are reported in Table 3.

Table 3

Correlation of net operating cash flow and operating income

		The first group		The second group	
		Net operating cash flow	EBIT+ amortization	Net operating cash flow	EBIT+ amortization
Net operating cash flow	Pearson correlation	1	0.661	1	0.594
	Sig.		0.000		0.000
	N	1776	1776	2153	2153
EBIT+amortization	Pearson correlation	0.661	1	0.594	1
	Sig.	0.000		0.000	
	N	1776	1776	2153	2153

Note: The first group contains companies without debt in which the ownership and managerial function are not separated, and the second group companies that are using financial leverage and in which the ownership and managerial functions are separated.

Source: authors' calculations

For the first group of companies, Pearson correlation coefficient is positive and statistically significant. The value of 0.661 indicates a positive semi-strong relationship between these two variables. For the second group of companies, Pearson correlations coefficient also indicates a positive semi-strong relationship between net operating cash flow and operating income before depreciation and amortization. In both cases, the correlation analysis revealed that the correlations are approximately equal and belong to the same strength of the semi-strong correlation, which suggested that the earnings quality is trivially different in both groups of companies.

We also examined the relationship between agency conflicts and earnings quality after controlling for return on assets (ROA) and company size (natural logarithm of total assets). We performed regression analysis, where the dependent variable was the earnings quality, while the independent variables were: agency conflicts, ROA, and company size. Variable agency conflicts is a binary variable which has value of 0 for companies from the first group in which agency conflicts are not profound, and value 1 for the second group of companies with significant agency conflicts. Variable ROA is return on assets and it is calculated as ratio of net income and total assets while variable Size represents natural logarithm of total assets.

ANOVA (Table 4) shows that the regression model is a statistically significant predictor of earnings quality ($F(3,3925) = 43.757$, $p = 0.000$).

Table 4

ANOVA of the graded regression model

Model	Sum of square	df	Mean square	F	Sig.
Between the sample	18.018	3	6.006	43.757	0.000
Within the sample	538.776	3925	0.137		
In total	556.796	3928			
Dependent variable: earnings quality					
Independent variable: (constant term), ownership, ROA, company size					

Source: authors' calculations

Estimated regression model coefficients are presented in Table 5. Performed collinearity statistics (VIF, TOL) indicate that there is no serious problem of multicollinearity in the model.

Table 5

Estimated linear regression model

Model	B	Standard error	Standardized coefficient	t	Sig	TOL	VIF
(Constant term)	0.516	0.033		15.713	0.000		
Agency conflicts	-0.012	0.012	-0.015	-0.976	0.329	1.000	1.000
Company size	-0.053	0.005	-0.178	-11.261	0.000	0.990	1.011
ROA	0.016	0.019	0.013	0.821	0.412	0.990	1.010
Dependent variable: earnings quality							

Source: authors' calculations

To capture the relation between earnings quality and agency conflicts, we estimated the following regression model:

$$\hat{y_i} = 0{,}516 - 0{,}012x_{1i} - 0{,}053x_{2i} + 0{,}016x_{3i} \quad (1)$$

where:

$\hat{y_i}$ = earnings quality,
x_1 = agency conflicts,
x_2 = company size,
x_3 = ROA.

Based on the level of significance of 5%, the company's size is the only significant variable and it has a negative impact on the earnings quality. However, the earnings quality variable is constructed in a way that the values closer to zero represent a higher quality of earnings. Therefore, a negative sign on company size coefficient indicates that larger companies have a higher level of earnings quality. Variables agency conflicts and ROA are not statistically significant in the model and do not have a considerable impact on the dependent variable, i.e. the earnings quality.

Finally, in order to analyse separate effects of agency conflicts arising either from financial leverage or from ownership, we replaced the agency conflicts variable with the two new variables: ownership - binary variable which has the value of 0 for companies in which the ownership and managerial function are not separated, and 1 for the companies in which the ownership and managerial functions are separated; and the variable leverage - calculated as ratio of total debt and total assets. Estimated regression model is presented in Table 6 and has the following analytical form:

$$\hat{y_i} = 0{,}312 - 0{,}012x_{1i} + 0{,}046x_{2i} - 0{,}034x_{3i} + 0{,}162x_{4i} \quad (2)$$

where:

$\hat{y_i}$ = earnings quality,
x_1 = agency conflicts,
x_2 = company size,
x_3 = ROA,
x_4 = financial leverage.

Table 6

Estimated linear regression model

Model	B	Standard error	Standardized coefficient	t	Sig	TOL	VIF
(Constant term)	0.312	0.034		9.140	0.000		
Ownership	-0.012	0.011	-0.016	-1.072	0.284	1.000	1.000
ROA	0.046	0.018	0.040	2.490	0.013	0.902	1.108
Company size	-0.034	0.005	-0.122	-7.570	0.000	0.909	1.100
Leverage	0.162	0.013	0.210	12.511	0.000	0.837	1.194
Dependent variable: earnings quality							

Source: authors' calculations

Estimated results show that although the ownership variable is still not significantly related to earnings quality as in previous model, financial leverage, size and ROA have significant effect on earnings quality. As the earnings quality variable is constructed in a way that the values closer to zero represent a higher quality of earnings, we can conclude that ROA and financial leverage decrease the level of earnings quality and the company size improves it.

5. CONCLUSION

This paper examines whether companies without debt and in which managers are ultimate owners, i.e. companies where agency conflicts are not profound, have higher earnings quality in comparison to companies using financial leverage and with separated owner-manager role.

Contrary to our main assumption that companies without agency conflicts would have a higher earnings quality, research results show that there is no significant difference in the earnings quality between the two groups. Multiple regression analysis indicates that only the variable Size significantly affects the level or earnings quality. However, when we analyse the separate effects of agency conflicts arising either from financial leverage or from ownership on the earnings quality, we find that profitability (ROA) and financial leverage decrease the level of earnings quality and the company size has a positive effect on the earnings quality. The results of previous studies (Wang, 2006; Tong, 2007; Yang, 2010; Habib et al., 2013; Rose et al., 2013, Mohammad & Wasiuzzaman, 2020) generally find that the separation of ownership and management functions and financially distressed firms might cause a decrease in the quality of financial statements. We believe our results may come from the fact that only very large, large, and medium-sized companies from Croatia, Serbia, and Slovenia were included in the sample. Namely, as the size prove to be a significant determinant of the earnings quality, we controlled this impact by including in the sample only the large and medium companies without small companies which mostly have the same owner and the manager of the company. Also, our institutional setting of Croatia, Serbia and Slovenia is significantly different to research setting of previous research which is mostly performed on the sample of US and western Europe countries with developed financial markets, which could influence the results.

This study has several research contributions. Although there are many studies that examine the effects of company ownership function and management on earning quality, there is little evidence of the impact of the interactions of company ownership function and financial leverage on the earnings quality. Most of prior studies are mainly focused on the earnings quality of publicly traded firms and there is a lack of reliable empirical evidence on the earnings quality of private firms owned by managers that do not have significant manager-owner or manager-creditor conflicts of interests. This paper fills in that void.

Our analysis provides valuable insights to researchers regarding the earnings quality by helping them to identify the relevant variables affecting the earnings quality. Despite its contributions, our study has some limitations that call for future development. In our research, we use only three countries to analyse the financial reporting quality, so any generalisation and conclusions should be taken with caution.

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Dr. sc. Slavko Šodan

Izvanredni profesor
Sveučilište u Splitu, Split, Hrvatska
Ekonomski fakultet
E-mail: ssodan@efst.hr
https://orcid.org/0000-0002-5043-6801

Dr. sc. Ivana Perica

Docentica
Sveučilište u Splitu, Split, Hrvatska
Ekonomski fakultet
E-mail: iperica@efst.hr
https://orcid.org/0000-0001-8395-5096

Stipe Ćurković

Sveučilište u Splitu, Split, Hrvatska
Ekonomski fakultet
E-mail: scurko00@live.efst.hr
Orcid: https://orcid.org/0009-0002-8475-598X

AGENCIJSKI SUKOBI I KVALITETA FINANCIJSKOG IZVJEŠTAVANJA

Sažetak

U radu se ispituje utjecaj agencijskih sukoba u odnosima vlasnik-menadžer-vjerovnici na kvalitetu financijskog izvještavanja. Na temelju argumenata iz agencijske teorije i teorije pozitivnog računovodstva, pretpostavlja se da tvrtke bez dugova u kojima su menadžeri krajnji vlasnici, tj. gdje agencijski sukobi nisu duboki, imaju veću kvalitetu zarade od tvrtki koje se koriste financijskom polugom i imaju odvojene uloge vlasnika i menadžera. Za empirijski dio istraživanja podaci su prikupljeni iz baze podataka Orbis Europe. Uzorak se sastoji od vrlo velikih, velikih i srednjih poduzeća iz Hrvatske, Srbije i Slovenije s financijskim podacima za 2018. i 2019. godinu. Za provjeru hipoteza istraživanja uzorak je podijeljen u dvije skupine, ovisno o vlasničkom i dužničkom obilježju poduzeća. Za analizu rezultata korišteni su deskriptivna statistika, univarijantni testovi, korelacijska analiza i regresijska analiza. Naši nalazi pokazuju da ne postoji statistički značajna razlika u kvaliteti zarade s obzirom na vrstu vlasništva, za razliku od razine financijske poluge koja značajno smanjuje kvalitetu zarade.

Ključne riječi: financijska poluga, troškovi agencije, kvaliteta financijskog izvještavanja.

JEL klasifikacija: M40, M41, M48.