

CHAPTER V

SUMMARY

5.1 Conclusion

Based on the testing results and discussion, it can be concluded that board of commissioner, number of the board of commissioners meeting, independent commissioner composition, independent audit committee composition, number of audit committee meeting, institutional ownership and managerial ownership had no significance influence to earnings management. It indicates that good corporate governance mechanism failed to minimize earnings management on Islamic Banks in Indonesia.

5.2 Suggestions

Based on the above conclusion, several suggestions are can be presented:

1. Further study should develop models that estimate earnings management is more appropriate for the conditions in Indonesia and add an indicator other corporate governance mechanisms such as board of directors size, board of directors character, transparency and accountability, etcetera.
2. Examine and analyze new variable which can be the earnings management proxy then compare it with others proxy. Therefore, it can be determined which the best proxy to explain the earnings management accurately.

3. This study only used a sample of Islamic bank category. By using a sample of more study such as conventional banks, company listed in JII, company listed in IDX, etcetera. It is possible different results with this study results.
4. This study only used a two-year period. By using a longer period, it is possible different results with the results of this study.

