

The Moderating Role of Independent Commissioners on the Effect of Corporate Social Responsibility (CSR) Disclosure and Chief Executive Officer (CEO) Tenure on Earnings Management

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Received : June 24, 2025

Accepted : July 04, 2025

Published : July 31, 2025

Citation: Utami, R, S., Hariyani, D, S., & Juliyanti, W. (2025). The Moderating Role of Independent Commissioners on the Effect of Corporate Social Responsibility (CSR) Disclosure and Chief Executive Officer (CEO) Tenure on Earnings Management. *Moneta : Journal of Economics and Finance*, 3(3), 146-162.

ABSTRACT: Earnings management is a significant concern in financial reporting, as it has the potential to mislead stakeholders and distort a company's actual performance. This study aims to examine the effect of Corporate Social Responsibility (CSR) disclosure and Chief Executive Officer (CEO) tenure on earnings management, while also evaluating the moderating role of independent commissioners. A quantitative approach was adopted, employing multiple linear regression and Moderated Regression Analysis (MRA), based on 124 firm-year observations from 31 manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2020–2023 period. The findings reveal that CSR disclosure does not significantly influence earnings management ($p = 0.089 > 0.05$), suggesting that CSR activities are not effectively mitigating manipulative financial reporting. In contrast, CEO tenure has a significant positive effect on earnings management ($\beta = 0.094$; $p = 0.001 < 0.05$), indicating that longer-serving CEOs are more likely to engage in such practices. Furthermore, independent commissioners significantly moderate the relationship between CSR disclosure and earnings management ($\beta = -1.689$; $p = 0.004$), while their moderating effect on the relationship between CEO tenure and earnings management is not statistically significant ($p = 0.350 > 0.05$). These results emphasize the need to strengthen internal governance mechanisms to promote greater transparency in CSR reporting and to deter opportunistic behavior by executive leadership.

Keywords: Earnings Management, Corporate Social Responsibility (CSR) Disclosure, Chief Executive Officer (CEO) Tenure, Independent Board of Commissioners.



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INTRODUCTION

Earnings management is one of the crucial issues in financial accounting, as it is closely related to the integrity and transparency of the financial information presented by companies. This practice commonly arises as a managerial response to pressure to present stable and favorable financial performance in the eyes of stakeholders. High profits are often perceived as a key indicator of

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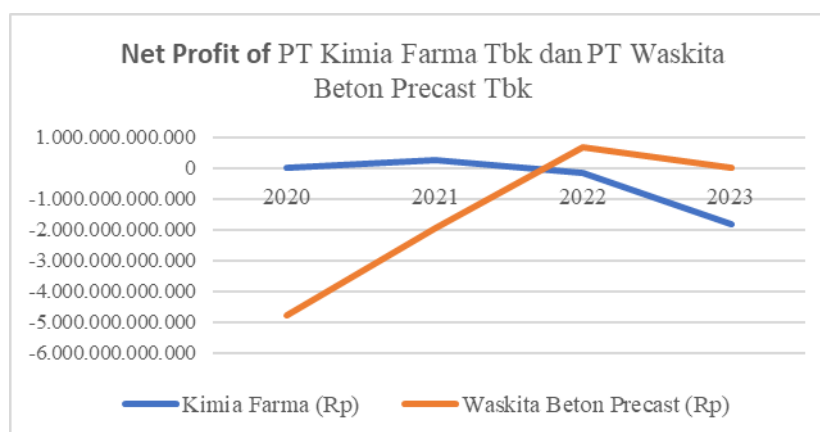
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managerial success and serve as an important benchmark in decision-making by owners, investors, and creditors (Hastiwi et al., 2022).

However, in practice, excessive pressure to meet market expectations may drive management to manipulate financial reports through discretionary accrual-based earnings management (Irman et al., 2023). This condition is reinforced by agency theory as proposed by Jensen and Meckling (1976), which states that there is a conflict of interest between the principal (owner) and the agent (manager) due to information asymmetry. This imbalance allows managers to make decisions that benefit themselves such as increasing compensation or securing their position even if those decisions may harm the owners of the company (Pramudianti, 2024). One opportunistic behavior that arises from this condition is earnings management, which involves manipulating accounting figures to create the perception of short-term financial success and stability.

One of the sectors particularly vulnerable to such practices is the manufacturing sector. This sector is a major contributor to Indonesia's Gross Domestic Product (GDP) and is characterized by complex operational activities, including multi-stage production processes, intricate inventory management, and high fixed costs. These complexities provide opportunities for management to manipulate financial statements, including through accrual-based earnings management (Dechow & Skinner, 2000, as cited in Purwoto, (2024). This phenomenon is clearly reflected in several large companies, such as PT Kimia Farma Tbk (KAEF) and PT Waskita Beton Precast Tbk (WSBP), which have shown significant fluctuations in net income during the 2020 to 2023 period. These fluctuations not only indicate financial instability but also raise suspicions that accounting interventions may have been used to maintain market perceptions.

Figure 1. Net Profit of PT Kimia Farma Tbk (KAEF) and PT Waskita Beton Precast Tbk (WSBP) for the Period 2020–2023



Source: IDX Channel, Cari saham

The phenomenon of extreme profit fluctuations among publicly listed companies in Indonesia indicates weaknesses in internal control systems and corporate governance. A notable case occurred at PT Kimia Farma Tbk (KAEF), which recorded a profit surge in 2021 but subsequently experienced significant losses in the following years. Investigations revealed that the profit spike

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did not fully reflect improvements in operational performance, but was allegedly the result of financial statement manipulation by a subsidiary (Liputan6.com, 2024). Similarly, PT Waskita Beton Precast Tbk (WSBP) was suspected of recognizing fictitious projects worth IDR 10.5 billion in an effort to maintain public confidence in the stability of its financial statements (Nuari, 2024).

These cases illustrate deeper problems related to inadequate corporate governance. Such conditions are often caused by weak internal control systems, poor-quality Corporate Social Responsibility (CSR) disclosures (Juliani & Ventty, 2022), and managerial characteristics such as long Chief Executive Officer (CEO) tenure. According to agency theory (Jensen & Meckling, 1976), information asymmetry between managers and shareholders may lead to opportunistic behavior, including earnings manipulation.

Ideally, CSR reflects a company's ethical responsibility toward society and the environment (Pramudianti, 2024). However, in practice, CSR is often used as a tool for legitimacy to mask poor financial performance rather than as a genuine commitment (Sui et al., 2019). Several researchers, including Nguyen, et al., (2024), Brahem et al., (2022), and Riadh, (2021), have revealed that Corporate Social Responsibility (CSR) is often utilized as a strategy to mask earnings management activities. On the other hand, studies by Prameswari et al., (2022) and Sinaga et al., (2023) argue that CSR has no significant impact on earnings management, as companies that genuinely adopt CSR practices are more likely to refrain from manipulating financial reports.

A similar pattern is evident in the correlation between the presence of an independent board of commissioners and the relationship between CEO tenure and earnings management practices. Optimal oversight by independent commissioners is believed to suppress the potential for earnings manipulation stemming from prolonged CEO tenure by limiting excessive managerial dominance (Sugiarto & Trisnawati, 2024). However, findings from Thaher & Suhendah, (2022), (Azkiah et al., 2025), and Desi Prawestri et al., (2022) indicate that the role of independent commissioners has not been significantly effective in mitigating the impact of CEO succession on earnings management practices.

Based on the aforementioned background, this study raises research questions concerning how Corporate Social Responsibility (CSR) disclosure and Chief Executive Officer (CEO) tenure influence earnings management practices, and to what extent the presence of independent commissioners moderates these relationships. Accordingly, the study aims to examine the moderating role of independent commissioners in the relationship between CSR disclosure and CEO tenure on earnings management, particularly in manufacturing companies listed on the Indonesia Stock Exchange during the 2020–2023 period.

Agency Theory

Agency theory, introduced by Jensen and Meckling (1967), describes a contractual arrangement in which the business owner (principal) entrusts managerial responsibilities to an appointed executive (agent) within the framework of corporate governance. This delegation of authority can give rise

to divergent interests, primarily driven by unequal access to information between the two parties. This theory highlights two main functions: the Belief Revision Role, which helps both parties understand and adapt to the dynamics of the decision-making environment, and the Performance Evaluation Role, which serves to assess the outcomes of decisions to ensure that the distribution of results between the principal and agent aligns with the established agreement (Ulfa, 2022).

Earnings Management

Earnings management involves deliberate actions by management to adjust financial reports, either by modifying figures or choosing specific accounting methods, in order to portray a more favorable financial position than what truly reflects the company's actual performance Yani & Yusrawati, (2024). This opportunistic behavior has the potential to mislead both investors and other stakeholders. In this study, earnings management is assessed using the Modified Jones Model developed by Jones (1991).

1. Calculating total accruals using the cash flow approach:

$$TACit = NIit - CFOit$$

2. Determining the coefficients β_1 , β_2 , and β_3 using the regression method:

$$\frac{TACit}{A(it-1)} = \beta_1 \left(\frac{1}{A(it-1)} \right) + \beta_2 \left(\frac{\Delta Revit}{A(it-1)} \right) + \beta_3 \left(\frac{PPEit}{A(it-1)} \right) + e$$

3. Calculating Non-Discretionary Accruals (NDAC):

$$NDAit = \beta_1 \left(\frac{1}{A(it-1)} \right) + \beta_2 \left(\frac{\Delta Revit - \Delta Recit}{A(it-1)} \right) + \beta_3 \left(\frac{PPEit}{A(it-1)} \right)$$

4. Calculating Discretionary Accruals (DAC):

$$DACit = \frac{TACit}{A(it-1)} - NDAit$$

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) reflects a company's dedication to achieving sustainable development as an integral aspect of its economic obligations. The evaluation and reporting of CSR activities are conducted using a CSR index formulated in accordance with the Global Reporting Initiative (GRI) standards, which are guided by the principles set forth by the World Business Council for Sustainable Development (WBCSD) (Wardani et al., 2022). The formula is as follows:

$$CSRIj = \frac{\sum X_{ij}}{N_j}$$

Chief Executive Officer (CEO) Tenure

CEO tenure denotes the duration, measured in years, that an individual has held the position of chief executive officer, starting from their initial appointment until the conclusion of the period under review. The longer the tenure, the greater the CEO's influence over decision-making, including financial reporting (Wijanarko et al., 2024). According to (Saputri, 2021), a prolonged

tenure may increase the risk of power abuse, including earnings management practices, making CEO tenure a key indicator in assessing managerial behavior.

Independent Board of Commissioners

An Independent Board of Commissioners refers to board members who have no affiliation with either the company's management or its controlling shareholders, thereby enabling them to carry out their supervisory duties objectively and professionally. The presence of independent commissioners is a crucial component of good corporate governance (GCG), particularly in overseeing management performance and policy (Pramudianti, 2024). In this study, The proportion of independent commissioners is calculated as the percentage of independent board members relative to the total number of commissioners within the company's board structure, using the following formula:

$$\text{Independent Board of Commissioners} = \frac{\text{Number of Independent Commissioners}}{\text{Total Number of Board Commissioners}} \times 100\%$$

The Effect of Corporate Social Responsibility (CSR) Disclosure on Earnings Management

Corporate Social Responsibility (CSR) disclosure refers to a company's effort to report its social responsibilities to the public in order to build trust and demonstrate ethical compliance (Pramudianti, 2024). Although CSR activities may increase operational costs, they can enhance corporate image and foster public loyalty Santi Hariyani et al., (2022). However, according to agency theory, managers may exploit CSR disclosures as a tool to obscure earnings management practices, under the guise of ethical compliance Setiawati et al., (2022). This notion is supported by empirical findings from Nguyen et al., (2024), (Brahem et al., 2022), Riadh, (2021), Zulkarnain & Helmayunita (2021), Khanchel et al., (2024), Setiawati et al., (2022), Pakawaru et al., (2021), (Astuti et al., 2023), and (Finishtya et al., 2021), which indicate that CSR disclosure has a positive influence on earnings management. This implies that the more extensive the CSR disclosure, the higher the likelihood of earnings management by managers.

H1: Corporate Social Responsibility disclosure has a positive effect on earnings management.

The Effect of CEO Tenure on Earnings Management

CEO tenure, or the length of time a CEO has served in office, is closely associated with the degree of influence and control a manager holds over company operations. CEOs with longer tenures tend to have greater access to internal information and increased authority, which may be exploited for personal gain through financial statement manipulation (Wijanarko et al., 2024). Within the framework of agency theory, the longer a CEO remains in power, the higher the likelihood of opportunistic behavior due to weakened oversight mechanisms. This argument is supported by findings from Chen et al., (2024), (Edi & Cristi, 2022), Salsabilla et al., (2024), Wijanarko et al.,

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(2024), and Saputri, (2021), which indicate that CEO tenure has a positive effect on earnings management.

H2: CEO tenure has a positive effect on earnings management

Moderating Role of Independent Board of Commissioners on the Relationship Between CSR Disclosure and Earnings Management

The independent board of commissioners plays a crucial role in the structure of good corporate governance. Their independence from internal corporate interests allows for more objective oversight of managerial policies. In the context of CSR, independent commissioners can promote more transparent disclosures and prevent the misuse of CSR for manipulative purposes, as evidenced by studies conducted by Khlifi & Zouari, (2022), Intihanah et al., (2022), Diana, (2024), Juliani & Ventty (2022), and Prameswari et al., (2022). Therefore, the presence of independent commissioners is expected to strengthen the effect of CSR in reducing earnings management practices.

H3: The independent board of commissioners strengthens the negative relationship between CSR disclosure and earnings management.

The Moderating Role of the Independent Board of Commissioners on the Relationship Between CEO Tenure and Earnings Management

CEOs with longer tenures tend to have greater dominance in decision-making; however, the presence of an effective independent board of commissioners can limit such authority and suppress earnings management practices (Prawestri et al., 2022). The effectiveness of this oversight depends on how actively the commissioners perform their roles. Studies such as those by Sugianto & Trisnawati (2024), Arifin et al., (2022), and Rahmadani & Cahyonowati, (2022) support the notion that independent commissioners can moderate the influence of CEO tenure and reduce earnings management through enhanced supervision.

H4: The independent board of commissioners strengthens the negative relationship between CEO tenure and earnings management.

METHOD

Annual reports and sustainability reports accessed through the official websites of the companies and the Indonesia Stock Exchange (www.idx.co.id). A total of 124 firm-year observations from 31 manufacturing companies listed on the IDX during the 2020–2023 period were selected using

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purposive sampling. The inclusion criteria include companies that were consistently listed on the IDX and provided complete annual and sustainability reports for the 2020–2023 period. Companies with incomplete or inconsistent data were excluded. Data analysis was conducted using multiple linear regression and Moderated Regression Analysis (MRA) with SPSS version 25. The analytical steps consisted of descriptive statistics, classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation), and hypothesis testing (R^2 , F-test, t-test, and interaction test) (Murniati et al., 2023). The validity of CSR disclosure was tested using content analysis based on the GRI standards, with inter-coder reliability applied to ensure scoring consistency.

RESULT AND DISCUSSION

Descriptive Statistics Test

Table 1. Descriptive Statistics Results

Descriptive Statistics		N	Minimum	Maximum	Mean	Std. Deviation
CSR		124	.011	.637	.25732	.126461
CEO Tenure		124	1.00	42.00	6.7823	9.36657
Independent Board of Commissioners	of 124	124	25.00	83.33	46.4023	13.57545
Earnings Management		124	-.31	.16	-.0234	.07348
Valid N (listwise)		124				

Source: Secondary data processed using SPSS 25, 2025

Based on the descriptive analysis of 124 observations from manufacturing companies during the 2020–2023 period, the average Corporate Social Responsibility (CSR) disclosure score is 0.2573. This indicates that the level of CSR reporting remains low and varies significantly across companies. For instance, PT Indo Kordsa Tbk recorded a score of only 0.011, while PT Chandra Asri Petrochemical reached the highest score of 0.637. The average CEO tenure is 6.78 years, but it shows substantial variation. Some companies, such as PT Steel Pipe Industry of Indonesia Tbk, have had the same CEO for up to 42 years, whereas others like PT Barito Pacific Tbk had a CEO with only a one-year tenure. Concerning the percentage of independent board members, the average is 46.4%, ranging from 25% to 83.33%. PT Unilever Indonesia Tbk stands out as an example of a company with a strong governance structure. The average earnings management value is -0.0234 , indicating a tendency toward income smoothing. The lowest value was recorded by PT Indofarma Tbk (-0.309), while the highest was by PT Kalbe Farma Tbk (0.156), reflecting diverse accounting strategies applied by firms.

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Multiple Linear Regression Test

Table 2. Results of the Multiple Linear Regression Test

Coefficients ^a							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	-.637	.025		-25.809	.000		
CSR	.129	.075	.148	1.717	.089	.999	1.001
CEO Tenure	.094	.029	.284	3.288	.001	.999	1.001

a. Dependent Variable: Earnings Management

Source: Secondary data processed using SPSS 25, 2025

Based on Murniati et al. (2013), the multiple linear regression model is formulated as follows:

$$Y = -0,637 + 0,129 X_1 + 0,094 X_2 + e,$$

The regression results indicate that CSR disclosure does not have a statistically significant effect on earnings management ($p = 0.089 > 0.05$). This suggests that CSR initiatives, while potentially improving corporate image, are not yet effectively integrated into core governance mechanisms that deter earnings manipulation. In contrast, CEO tenure shows a significant positive effect on earnings management ($\beta = 0.094$; $p = 0.001 < 0.05$), implying that longer-serving CEOs may accumulate discretionary power that enables greater flexibility in financial reporting. These findings align with Irman et al. (2023), who noted that managerial tenure can create conditions conducive to opportunistic behavior, and contrast with Prameswari et al., (2022), who found no significant relationship. From a managerial standpoint, these results highlight the importance of balancing executive continuity with governance oversight to prevent entrenchment effects that can distort reported earnings

Coefficient of Determination Test

Table 3. Result of the Coefficient of Determination Test

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.316 ^a	.100	.085	.10531	1.805

a. Predictors: (Constant), CEO Tenure, CSR

b. Dependent Variable: Earnings Management

Source: Secondary data processed using SPSS 25, 2025

According to the regression results presented in the Model Summary table, the R Square value is 0.100, indicating that the independent variables, namely CSR and CEO tenure, account for 10% of the variation observed in the earnings management variable. The remaining 90% is attributed

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to other factors not captured within this regression model. This R Square value represents the extent to which the model contributes to explaining the phenomenon under study.

Simultaneous Significance Test (F-test)

Table 4. F-Test Results

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.149	2	.074	6.713	.002 ^b
	Residual	1.342	121	.011		
	Total	1.491	123			
a. Dependent Variable: Earnings Management						
b. Predictors: (Constant), CEO Tenure, CSR						

Source: Secondary data processed using SPSS 25, 2025

Based on the ANOVA test results shown in the table above, the calculated F value is 6.713 with a significance level of 0.002. The degrees of freedom (df) for regression is 2 (representing the two independent variables: CSR and CEO Tenure), and the residual df is 121 ($n - k - 1 = 124 - 2 - 1$). When compared to the F table value at $\alpha = 0.05$ with $df_1 = 2$ and $df_2 = 121$, which is approximately 3.07, the result shows that $F_{\text{calculated}} > F_{\text{table}}$ ($6.713 > 3.07$) and the significance value is less than 0.05 ($0.002 < 0.05$). Thus, it can be concluded that the regression model is simultaneously significant. This means that CSR and CEO Tenure jointly have a significant effect on earnings management, making the model appropriate for further testing.

Individual/Partial Significance Test (t-test)

Based on the multiple linear regression results, the calculated t values for each independent variable are obtained, while the critical t value is determined from the T-distribution with a significance level of $\alpha = 0.05$ and degrees of freedom (df) = $n - k - 1 = 124 - 2 - 1 = 121$. Therefore, the t table value at $\alpha = 0.05$ and $df = 121$ is 1.658. The analysis of each variable can be described as follows:

1. The t-value for Corporate Social Responsibility (CSR) is 1.717, which exceeds the t-table value (1.658), but with a p-value of 0.089 (> 0.05), indicating that its influence on earnings management is not statistically significant. This suggests that CSR disclosure does not have a proven significant effect on earnings management practices.
2. The t-value for CEO tenure is 3.288, with a significance level of 0.001 (< 0.05), indicating a statistically significant impact on earnings management. This implies that the longer a CEO remains in office, the higher the likelihood that the firm engages in earnings management.

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Moderated Regression Analysis (MRA)

Table 5. MRA Test Result

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	-.641	.024		-26.698	.000	
	CSR	.148	.073	.171	2.027	.045	.989 1.011
	CEO Tenure	.088	.028	.267	3.173	.002	.991 1.009
	Independent Board of Commissioners	.351	.218	.384	1.613	.109	.124 8.079
	Moderate1	-1.689	.575	-.588	-2.939	.004	.175 5.716
	Moderate2	.218	.232	.130	.938	.350	.362 2.761

a. Dependent Variable: Earnings Management

Source: Secondary data processed using SPSS 25, 2025

The findings from the Moderated Regression Analysis (MRA) reveal that the interaction between the independent board of commissioners and CSR disclosure has a statistically significant negative influence on earnings management (coefficient = -1.689 ; p -value = 0.004). This suggests that the involvement of independent commissioners can reduce the impact of CSR on earnings manipulation. On the other hand, the interaction between independent commissioners and CEO tenure yields a positive coefficient of 0.218 ; however, this result is not statistically significant (p -value = 0.350), indicating that independent commissioners do not play a significant moderating role in the relationship between CEO tenure and earnings management.

Coefficient of Determination (R^2) Test

Table 6. Coefficient of Determination (R^2) Test Result

Model Summary ^b					
Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	.417 ^a	.174	.139	.10217	1.904
a. Predictors: (Constant), Moderate2, CEO Tenure, CSR, Moderate1, Independent Board of Commissioners					
b. Dependent Variable: Earnings Management					

Source: Secondary data processed using SPSS 25, 2025

Based on Table 6, the R Square value of 0.174 indicates that the independent variables comprising CSR, CEO tenure, the moderating variable (independent board of commissioners), and the two interaction terms (moderation 1 and moderation 2) collectively explain 17.4% of the variation in the dependent variable, which is earnings management. The remaining 82.6% is explained by other factors outside of this research model. The Adjusted R Square value of 0.139 reflects the model's adjustment for the number of predictor variables used, accounting for the complexity of the model. Although the coefficient of determination is relatively low, it still demonstrates that the model contributes to explaining variations in earnings management behavior, albeit with other influential variables that should be considered in future research.

Model Feasibility (F-test)

Table 7. F-Test Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.259	5	.052	4.962	.000 ^b
	Residual	1.232	118	.010		
	Total	1.491	123			
a. Dependent Variable: Earnings Management						
b. Predictors: (Constant), Moderate2, CEO Tenure, CSR, Moderate1, Independent Board of Commissioners						

Source: Secondary data processed using SPSS 25, 2025

Based on the model testing results shown in the table above, the calculated F-value is 4.962. Referring to the F-distribution table, the critical F-value is determined using degrees of freedom for the numerator (df1), which corresponds to the number of independent variables (5), and for the denominator (df2), calculated as the total sample size minus the number of predictors and one ($124 - 5 - 1 = 118$). As a result, the F-table value is 2.29. Since the F-statistic exceeds the F-table value ($4.962 > 2.29$) and the significance level is 0.000, which is less than 0.05, the alternative hypothesis (H_a) is accepted. This confirms that the overall regression model is statistically valid.

1. The Influence of Corporate Social Responsibility (CSR) Disclosure on Earnings Management

The outcomes of the regression analysis indicate that CSR disclosure does not have a statistically significant effect on earnings management (significance value = $0.089 > 0.05$). This reflects the generally low level of CSR disclosure among most manufacturing firms, although some companies have recognized its importance. These findings are not in line with agency theory, which posits that CSR may be used to conceal earnings management practices. Instead, it aligns with the studies of Prameswari et al., (2022), Sinaga et al., (2023), Hickman et al., (2021), and Solikhah, (2022), who argue that CSR is perceived more as a reputation management strategy rather than a tool for earnings manipulation. Therefore, the first hypothesis (H_1) is rejected.

2. The Influence of CEO Tenure on Earnings Management

The CEO tenure variable shows a significant positive effect on earnings management (coefficient = 0.094; significance = $0.001 < 0.05$). This means that the longer a CEO serves, the higher the tendency to engage in earnings management. This finding supports agency theory, suggesting that long-tenured CEOs have greater control and an increased potential for opportunistic behavior. The result is consistent with the studies of Altarawneh et al., (2022), Chen et al., (2024), Edi & Cristi, (2022), Salsabilla et al., (2024), Wijanarko et al., (2024), and Saputri, (2021). Therefore, the second hypothesis (H_2) is accepted.

3. The Moderating Role of Independent Commissioners on the Influence of CSR Disclosure on Earnings Management

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The results from the Moderated Regression Analysis (MRA) reveal that the interaction between CSR disclosure and the presence of independent commissioners yields a regression coefficient of -1.689 , with a significance level of $0.004 (< 0.05)$. This suggests that greater synergy between CSR initiatives and independent oversight can lower earnings management practices by 1.689 points. Thus, independent commissioners play a significant and negative moderating role in the relationship between CSR disclosure and earnings management. This finding aligns with the principles of Good Corporate Governance (GCG) and is reinforced by previous research conducted by (Khelifi & Zouari, 2022), Intihanah et al., (2022), Diana, (2024), Juliani & Ventty (2022), and Prameswari et al., (2022). Thus, the third hypothesis (H3) is accepted.

4. The Moderating Role of Independent Commissioners on the Influence of CEO Tenure on Earnings Management

The interaction between CEO tenure and independent commissioners yields a regression coefficient of 0.218 with a significance value of $0.350 (> 0.05)$, indicating that CEO tenure does not significantly moderate the influence of independent commissioners on earnings management. In other words, the CEO's tenure neither strengthens nor weakens the relationship. This result aligns with the study conducted by Thaher & Suhendah, (2022), Azkiah et al., (2025), and Desi Prawestri et al., (2022), which highlight the weak effectiveness of independent commissioners in monitoring the CEO's influence on management practices particularly because their presence is often formal in nature and lacks true independence. Therefore, the fourth hypothesis (H4) is rejected.

CONCLUSION

The results of this study indicate that Corporate Social Responsibility (CSR) disclosure does not have a statistically significant effect on earnings management. In contrast, Chief Executive Officer (CEO) tenure shows a significant positive correlation, indicating that the longer a CEO serves, the greater the potential for manipulation in financial reporting. Moreover, independent commissioners are found to be effective in negatively reinforcing the relationship between CSR disclosure and earnings management, although they do not significantly moderate the influence of CEO tenure. This study contributes to the literature by confirming the limited role of independent commissioners in preventing CEOs from engaging in earnings management practices in manufacturing firms in Indonesia.

Future research is recommended to consider additional variables such as ownership structure, audit committees, market pressure, and CEO characteristics to broaden the understanding of factors influencing earnings management. In addition, cross-industry studies and longer observation periods are needed to obtain more representative findings. Companies are also expected to strengthen the role of independent commissioners in overseeing CSR disclosures to reduce manipulative practices.

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