THE INFLUENCE OF OPERATIONAL CASH FLOW, LEVELS OF DEBT, AND FIRM SIZE ON EARNINGS PERSISTENCE (EMPIRICAL STUDY OF PROPERTY AND REAL ESTATE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE, 2019-2021)

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Abstract : *This study aims to examine the effect of Operational Cash Flow, Debt Level and Firm Size on Earnings Persistence. The population used in this research is all Property and Real Estate Companies on the Indonesia Stock Exchange (IDX) in 2019-2021. The sample in this study was 36 units using purposive sampling method. Testing the hypothesis in this study using multiple linear regression analysis using SPSS version 26. The results of this study indicate that Operational Cash Flow and Firm Size have a significant positive effect on earnings persistence, while the level of debt has no significant effect on earnings persistence and. Operational Cash Flow, Debt Level and Firm S simultaneously have a significant effect on earnings persistence.*

Keyword : *Earning Persistence, Operating Cash Flow, Debt Level and Firm Size*

1. Introduction

Indonesian accounting standards now require each company, especially publicly listed companies, to prepare financial reports according to the International Financial Reporting Standard (IFRS). If considering the current standard, financial reporting is an obligation in ensuring that every existing business can be said to have credibility and is feasible. Financial reporting has the objective of documenting various facts along with financial information regarding the reporting entity, in order for current investors, creditors and potential investors to make decisions regarding the provision of resources to the entity.

Finance represents an important component in the business world, because it will describe whether the business can progress or vice versa (Della Rohma Dwi Astiningsih et al., 2023). The financial reports show the results of the assessment of each company in a certain period, so that they can be applied in describing company performance (Silvita et al., 2020). The financial statements contain facts and financial information that are used as a basis for making decisions, determining compensation for management, evaluating work for management, and distributing dividends equally to shareholders. Financial reports have the goal of reducing bankruptcy in business (Kassa et al., 2022). In the financial statements, the information presented includes company profits. Currently globally the economic conditions in Indonesia are said to be critical, affecting both small and large companies in all corporate sectors. Each company facing this situation, if it cannot compete in its own field and optimize its performance, will not be able to survive, which can lead to bankruptcy. In the current era of globalization, companies compete to optimize performance in order to achieve their respective goals. (Gunawan & Gurusinga, 2022)

Each company has a goal to have a profit. Profit is the income generated and costs charged at a certain period of time, for example within a period of months or years. To make it easier for

managers to make decisions, quality profits are needed, namely persistent profits. Earnings persistencebegins to be questioned when profits are high or low in companies with significant or even steep levels of change. (Fanani, 2010) in (Pradhita & Abbas, 2021)

Persistent profits are useful for investors to make decisions regarding investment in the company. One of the promising investments is investment for property and real estate companies, because being one of the businesses will guarantee profits for investors. Because there is an opportunity to make a profit from the high price of land after the property has started to be built. So the researchers chose property and real estate companies. Every human being will try to meet the need for boards, because these needs are basic needs. Opportunities for the development of this property and real estate company can be observed from the size of Indonesia's population which is quite large and the ability to own a house which is quite high. Even though the interest and demand for housing is quite large every year, without closing the opportunity for profits to be obtained it is not persistent, in other words it is not sustainable. Even though the interest and demand for housing is quite large every year. Some businesses that will lose or even get a significant portion of their profits in too fast a period of time, are now able to form, including in the property and real estate sector.

The phenomenon of Earnings persistencethat occurs in property and real estate companies based on annual financial reports that have been listed on the Indonesia Stock Exchange (IDX), not all property companies experience persistent profits. Non-persistent profits occurred at PT Summarecon Agung Tbk, where profit before tax was IDR 922.91 billion in the 2019 period to IDR 439.76 billion in the 2020 period, meaning a decrease of 52.35%. As a result, profit for the year The phenomenon of Earnings persistencethat occurs in property and real estate companies based on annual financial reports that have been listed on the Indonesia Stock Exchange (IDX), not all property companies experience persistent profits. Non-persistent profits occurred at PT Summarecon Agung Tbk, where profit before tax was IDR 922.91 billion in the 2019 period to IDR 439.76 billion in the 2020 period, meaning a decrease of 52.35%. As a result, the current year's profit will be attributable to the owner of the parent entity that is recorded by the company with the SMRA code, which has fallen dramatically from IDR 514.98 billion in the 2019 period to IDR 179.83 billion in the 2020 period, which means that PT Summarecon Agung Tbk has decreased by 65.08%. to IDR 179.83 billion in the 2020 period, which means that PT Summarecon Agung Tbk fell by 65.08%.

Basic needs such as food ingredients are prioritized by consumers when compared to property assets, if you look at the current pandemic. Property can develop if there is demand in the community. This phenomenon raises questions about the persistence of earnings, because profits that fluctuate sharply downward in a short period of time indicate that the company cannot maintain its profits even if it bears them for the future. With this in mind, it is important to be able to see the factors that influence earnings persistence.

Basic needs such as food ingredients are prioritized by consumers when compared to property assets, if you look at the current pandemic. Property can develop if there is demand in the community. This phenomenon raises questions about the persistence of earnings, because profits that fluctuate sharply downward in a short period of time indicate that the company cannot maintain its profits even if it bears them for the future. With this in mind, it is important to be able to see the factors that influence earnings persistence.

The company's needs regarding the nominal operating cash flow in each period will be different. By increasing the level of nominal rationalization of operating cash flow, it will increase the persistence of profits, and vice versa. Operating Cash Flow is the amount of cash flow originating from operating activities which illustrates the determining factor for a company's operations whether it is able to produce cash flow that is sufficient for repaying loans, paying dividends and carrying out new investment activities that do not use outside funding flows, so cash flow statements can be used as an additional assessment in making decisions. Research conducted by (Gunawan & Gurusinga, 2022) and (Hidayat & Fauziyah, 2020) proves that operating cash flow has a positive effect on earnings persistence, because high operating cash flow is obtained from high uncertainty in the operating environment.

The company obtains sources of funds from its own capital and loan capital used in developing the company's business activities, the level of debt, this is related to the company's source of funds obtained from loan capital. Debt policy is an alternative that can be carried out by companies apart from selling shares in the capital market. To assess the size of the company's assets, a debt-financed valuation is carried out. In increasing the persistence of earnings that wish to maintain the company's performance, it can be seen from the nominal level of debt that tends to develop the company. In order to continue to be given loan funds, the company must improve its performance so that creditors consistently have trust in the company. Due to the increasing nominal debt held by each company, in the future each company will be more vigilant in preparing a report (Damayanty & Masrin, 2022). Research conducted by (Gunawan & Gurusinga, 2022) and (Setyaningrum & Ridarmelli, 2021) proves that the level of debt has a negative effect on profit persistence, because if the debt level increases, Earnings persistencewill decrease.

One measure to measure the company is to use the size of the company. Company size describes the large and small scale of the company. Increasing a company's size will result in a larger nominal asset, an increase in sales, having a credible information system and having better position stakeholders (Damayanty, Wahab, et al., 2022). The stability of the company will be better calculated, then the resulting estimation errors will reflect that it is smaller than that of a large company. Large companies are considered to have good opportunities in a relatively long period of time and are more likely to make persistent profits. Research conducted by (Pradhita & Abbas, 2021) and (Arisandi & Astika, 2019) proves that company size has a positive effect on profit persistence, because company size can indirectly be used in generating and controlling profits, because the size of total assets can determine whether there is a source of funds for company activities.

So based on the description above, this research was conducted to describe the impact of operational cash flow, debt levels, and company size partially or simultaneously on Earnings persistencein property and real estate companies on the IDX for the 2019-2021 period.

2. Literature Review And Hypothesis Development
2.1. Agency Theory

Agency theory describes the relationship between the separation of company ownership (principal) and company management (agent) (Kusuma, 2018). Agency theory focuses on the importance of shareholders or company owners providing management of the company to competent staff called agents, who will have a better understanding of carrying out business on a regular basis. In order for the company owner to get the maximum profit or profit while the budget

is efficient, management is separated from company ownership (Nuraeni et al., 2018). Managers need to increase the competence of the company through profit making, because managerial ownership encourages agents to not only act as agents but also as principals.

2.2. Profit Persistence

Earnings persistencebecomes a correction in current year profit. Profits embody important benefits for each company that are obtained from the results of producing various kinds of goods for services (Damayanty, Ayuningtyas, et al., 2022). Persistence is an advantage that has the advantage of describing future earnings because it is generated by the company in a sustainable manner and over a relatively long period of time. The decline that is formed in profit predictions can have an impact on the usefulness of current year profit information to predict future earnings (Nadya & Zultilisna, 2018) in (Pratomo & Nuraulia, 2021). The formula for calculating earnings persistence is:

$$\text{Profit Persistence} = \frac{\text{PTBIt} + 1}{\text{Average Total Assetst}}$$

2.3. Operating Cash Flow

Operational cash flow is the amount of cash flow originating from operating activities which is an indicator in determining whether the company's operations are able to generate sufficient cash flow to cover loans, pay dividends and carry out new investments without relying on external sources of funding. The formula for calculating operating cash flow is:

$$\text{OCF} = \frac{\text{Operating Cash Flow} - \text{Comprehensive Cash Income} + \text{Cash Tax}}{\text{Taxes on Average Total Assets}}$$

2.4. Debt Level

Debt policy is one of the company's investment alternatives besides selling shares on the capital market (equity capital). The level of debt in the company will cause the company to increase earnings persistence with the aim of maintaining good performance in the eyes of investors and auditors. This is because if the company is unable to pay, it will result in a risk of failure, to the extent that the desired debt level depends on the ability of the company's financial condition (Wanti, 2020). The level of debt in this study uses the *Debt to Assets Ratio* (DAR). The formula for calculating the debt level is:

$$\text{DAR} = \frac{\text{Total Amount of Debt}}{\text{Total Assets}}$$

2.5. Firm Size

The size of the company shows its condition through the calculation of total assets. Large-scale companies have more nominal assets than small-scale companies (Damayanty & Putri, 2021). Company size is one of the factors that determines the size of the company's performance, because

as a result of the larger the size of the company, the greater the chance for the company to have persistent profit development that can attract investors and creditors (Setyaningrum & Ridarmelli, 2021). The formula for calculating company size is:

$$\text{Firm Size} = \text{LN (Total Assets)}$$

2.6. Hypothesis Development
2.6.1. Effect of Operating Cash Flow on Profit Persistence

Operating cash flow is the cash flow obtained from operating activities or activities in ensuring whether the company's operations receive adequate cash flow results or not in closing loans, making new investments and paying dividends. With a higher level of rationalization of the value of operating cash flow, so that it will promote profit persistence, and vice versa

Research conducted by (Hidayat & Fauziyah, 2020) proves that operating cash flow has a positive effect on profit persistence, because the high operating cash flow is obtained from the high uncertainty in the operating environment. So that operating cash flow information can be used as a tool for checking profit information that can predict future profits.

H1 : Operating Cash Flow has a positive effect on Profit Persistence.

2.6.2. Effect of Debt Level on Profit Persistence

In determining the composition of the company's capital structure, the level of debt becomes important. If the maturity has been determined and the company is unable to pay off the debt, then the company can be said to have failed in paying debts. Investors will be wary when investing in companies that have high debt levels, because the debt level of each company causes the company to maximize Earnings persistencewith the aim of upholding good performance in the eyes of creditors and auditors.

Research conducted by (Gunawan & Gurusinga, 2022) proves that the level of debt has a negative effect on profit persistence, if the debt level increases, Earnings persistencewill decrease. Because the company's risk will be even greater if the capital obtained is not managed optimally.

H2 : The level of debt has a negative effect on earnings persistence.

2.6.3. The Effect of Firm Size on Profit Persistence

Firm size is one of the factors that can describe the size of the company's performance, because the higher the probability that the company has high profit growth, the result is that the company has persistent profits that are able to attract investors or creditors.

Research conducted by (Arisandi & Astika, 2019) proves that company size has a positive effect on earnings persistence, so that investors and creditors are advised before investing and providing loans to pay attention to the size of the company which can be seen in the total assets of the financial statements.

H3 : Firm Size has a positive effect on Profit Persistence

3. Research Methods

3.1. Research Design

This research methodology is a quantitative method to see whether operational cash flow, debt levels and company size affect earnings persistence. The data used is secondary data obtained from the website www.idx.co.id. The research population is property and real estate companies listed on the IDX in 2019-2021. So that the research population is 87 companies. The research sample used purposive sampling, with the sample being selected based on predetermined criteria. The analysis used in this research uses multiple regression analysis using IBM SPSS 26 software.

3.2. Measurement

Measurement of independent variables and dependent variables in this study are as follows:

Table 1. Variable Mearurement

Varible	Indicator	Measure Scale	Unit of Measure
Earnings persistence (Y)	Earnings persistenceis measured by calculating accounting profit before tax and future comprehensive income divided by average total assets	$\dfrac{PTBIt + 1}{\text{Average Total Assetst}}$ Source: (Putra, 2016)	Ratio
Operating Cash Flow (X1)	Operating cash flow is measured by the total operating cash flow less cash pend. comprehensive income plus taxes on a cash basis, and divided by average total assets	Operating cash flow – cash pend. Comprehensive + tax in cash Average - Average Total Assets Source: (Putra, 2016)	Ratio
Debt Level (X2)	Debt level is measured using DAR, namely by total debt divided by total assets.	DAR $= \dfrac{\text{Total Amount of Debt}}{\text{Total Assets}}$ Source: (Setyaningrum & Ridarmelli, 2021)	Ratio
Firm Size (X3)	Firm size is measured using the natural logarithm of total assets or assets in the financial statements.	LN (Total Assets) Source: (Setyaningrum & Ridarmelli, 2021)	Ratio

(Source: Data processed by researchers

Berikut adalah hasil analisis regresi berupa koefisien atas hasil-hasil persamaan independen:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon$$

Information:
Y   = Earnings Persistence
α   = Constant
β1   = Coefficient of Operating Cash Flow
X1   = Operating Cash Flow

$\beta2$ = Debt Level Coefficient
X2 = Debt Level
$\beta3$ = Firm Size Coefficient
X3 = Firm Size
ε = Standard Error

4.   Result And Discussion
4.1.   Research

This research uses quantitative methods in the form of secondary data. The data used is in the form of annual financial reports obtained through the IDX website, namely www.idx.co.id. The population in this research is property and real estate companies on the Indonesia Stock Exchange in 2019-2021 totaling 87 companies. Using a purposive sampling technique, the sample is selected based on predetermined criteria so as to obtain 12 sample companies within a period of 3 years resulting in 36 research samples. Sampling criteria as follows:

Table 2. Sampling Criteria with Purposive Sampling Method

No	Criteria	Amount
1	Property and Real Estate company listed on the Indonesia Stock Exchange	87
2	Property and Real Estate companies that report successive annual financial reports in the research year on the Indonesian Stock Exchange	66
3	Property and Real Estate companies that have complete data needed related to research	64
4	Property and Real Estate Companies that IPO on the IDX before 2019	(20)
5	Property and Real Estate Companies that experienced losses during the research year	(32)
Companies used as samples		12
Research Year		3
The data used as a sample for 2019-2021		36

Descriptive Statistical Analysis

Tabel 3. Descriptive statistics
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Operating Cash Flow (X1)	36	-,00717	,10759	,0456328	,02960073
Debt Level (X2)	36	,07890	,55528	,3443342	,13582241
Firm Size (X3)	36	27,17459	31,74957	29,3922108	1,41205659
Earnings Persistence (Y)	36	,00301	,09150	,0389269	,02896282
Valid N (listwise)	36				

(Source : Data processed in SPSS V.26)

Based on the results of the table above, the results of the descriptive statistical test are as follows:

a. There are 36 data collected from 2019-2021, which have a minimum value of 0.00301 and a maximum value of 0.09150 and a mean of 0.0389269 and a maximum value of 0.09150 and a standard deviation of 0.02896282, with a standard deviation value of more than the mean meaning that the data is spread evenly.

b. Operational Cash Flow states that the number of samples is 36 with a minimum value of 0.00717 for the company (BCIP) Bumi Citra Permai Tbk and a maximum value of 0.10759 for the company (MTLA) Metropolitan Land Tbk and an average of 0.0456328 with a standard deviation of 0.02960073.

c. The level of debt proxied using DAR (Debt to Asset Ratio) states that the number of samples is 36 with a minimum value of 0.07890 for the company (RDTX) Roda Vivatex Tbk and a maximum value of 0.55528 for the company (CTRA) Ciputra Development Tbk and an average of 0.3443342 with a standard deviation of 0.13582241.

d. Company size states a sample size of 36 with a minimum value of 27.17459 for the company (NZIA) Nusantara Almazia Tbk and a maximum value of 31.74957 for the company (BSDE) Bumi Serpong Damai Tbk and an average of 29.39220108 with a standard deviation of 1.41205659.

Multiple Linear Regression Analysis

Table 4. Multiple Linear Regression Analysis
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,186	,082		-2,261	,031
	Operating Cash Flow (X1)	,425	,138	,435	3,091	,004
	Debt Level (X2)	-,062	,032	-,290	-1,950	,060
	Firm Size (X3)	,008	,003	,377	2,632	,013

a. Dependent Variable: Earnings Persistence (Y)
(Source : Data processed in SPSS V.26)

Based on table 4 above, the results of multiple linear analysis obtained the following equation:

$$Y = -0{,}186 + 0{,}425\,(X1) - 0{,}062\,(X2) + 0.008\,(X3) + \varepsilon$$

Information:
Y   = Earnings Persistence
α = Constant
$\beta1$ = Coefficient of Operating Cash Flow
X1 = Operating Cash Flow
$\beta2$ = Debt Level Coefficient
X2 = Debt Level
$\beta3$ = Firm Size Coefficient
X3 = Firm Size
ε = Standard Error

a. in the linear regression model is -0.186 with negative parameters stating that if each increase of one independent variable unit (Operating Cash Flow, Debt Level, and Company Size) will be followed by a decrease in Earnings persistenceof 0.186αa. The constant value (
b. The regression coefficient of Operational Cash Flow is 0.425 with a positive value indicating that for every one unit increase in Operating Cash Flow, the Earnings persistencelevel increases by 0.425 assuming the variable Debt Level proxied using DAR and Firm Size from the regression model is fixed.
c. The debt level regression coefficient proxied using DAR (Debt to Asset Ratio) is -0.062 with a negative parameter which states that if the debt level increases by one unit, the Earnings persistencelevel will decrease by 0.062 assuming the variables of Operational Cash Flow and Company Size from the regression model are fixed.
d. The regression coefficient of Firm Size of 0.008 is positive, thus stating that if each increase in Firm Size is one unit, the Earnings persistencelevel increases by 0.008 assuming the variables of Operational Cash Flow and Debt Level from the regression model are fixed.

Hypothesis Test Results

Table 5. T-statistical Test Results (Partial)
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-,186	,082		-2,261	,031
Operating Cash Flow (X1)	,425	,138	,435	3,091	,004
Debt Level (X2)	-,062	,032	-,290	-1,950	,060
Firm Size (X3)	,008	,003	,377	2,632	,013

a. Dependent Variable: Earnings Persistence (Y)
(Source : Data processed in SPSS V.26)

a. First Hypothesis

The test results show that the t count is 3.091 with a significance value of 0.004, which means it is less than 0.05. This states that operational cash flow has a significant positive effect on earnings persistence, meaning that the first hypothesis (H_1) is accepted.

b. Second Hypothesis

The test results show that the t count is -1.950 with a significance value of 0.060, which means it is greater than 0.05. This shows that the level of debt has a significant negative effect on earnings persistence, meaning that the second hypothesis (H_2) is rejected.

c. Third Hypothesis

The test results show t count of 2.632 with a significance value of 0.013 which means it is less than 0.05. This shows that firm size has a significant positive effect on earnings persistence, meaning that the third hypothesis (H_3) is accepted.

Table 6. Simultaneous Test Result (Test F)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,013	3	,004	8,165	,000[b]
	Residual	,017	32	,001		
	Total	,029	35			

a. Dependent Variable: Earnings Persistence (Y)
b. Predictors: (Constant), Firm Size (X3), Operating Cash Flow (X1)
, Debt Level (X2)
(Source : Data processed in SPSS V.26)

The fourth hypothesis states that operating cash flow, debt levels and company size have a positive effect on earnings persistence. Based on table 12 above, the test results show that the f count is 8.165 with a significance value of 0.000, which means less than 0.05. This shows that operational cash flow, debt levels and company size have a significant positive effect on earnings persistence, meaning that the fourth hypothesis (H4) is accepted.

Test Results for the Coefficient of Determination (Adjusted R2)

Table 7. Test Results for the Coefficient of Determination (Adjusted R2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,658[a]	,434	,380	,02279641

a. Predictors: (Constant), Firm Size (X3), Operating Cash Flow (X1), Debt Level (X2)
b. Dependent Variable: Earnings Persistence (Y)
(Source : Data processed in SPSS V.26)

Based on table 11 above, it shows that the result of Adjusted R2 is 0.380 or 38%, which means that 38% of the dependent variable, namely earnings persistence, can be explained by the independent variables, namely, operating cash flow, debt levels and company size. Meanwhile, the remaining 62% is explained by other variables not examined in this study. This shows that there are

other factors besides operating cash flow, debt levels and company size that affect earnings persistence.

4.2. Discussion

Based on the test results from this study, the results of testing the operational cash flow variable showed a t count of 3.091 with a significance value of 0.004 which means less than 0.05. This states that operational cash flow has a significant positive effect on earnings persistence, meaning that the first hypothesis (H1) is accepted. The results of this study are in line with research (Gunawan & Gurusinga, 2022) and (Hidayat & Fauziyah, 2020) which show that operational cash flow has a positive effect on earnings persistence. Information on the company's operating cash flow can be used as a tool to check profit information as a measure of company performance. The company will find it easier to optimize profits and maintain the persistence of profits, because the company has excess operating cash flow so the company can properly finance its operational activities.

While the results of testing the debt level variable stated that the t count was -1.950 with a significance value of 0.060, which means greater than 0.05. This shows that the level of debt has a significant negative effect on earnings persistence, meaning that the second hypothesis (H2) is rejected. The results of this study are in line with research (Gunawan & Gurusinga, 2022) and (Setyaningrum & Ridarmelli, 2021) which state that the level of debt has a negative effect on earnings persistence. Companies that have very large debt levels cause a decrease in persistence profits that will be generated by the company and companies that have very large debt levels result in increased Earnings persistencethat will arise because large debts have a risk of failure to pay.

Also, the results of testing the variable company size show t count of 2.632 with a significance value of 0.013 which means less than 0.05. This shows that firm size has a significant positive effect on earnings persistence, meaning that the third hypothesis (H3) is accepted. The results of this study are in line with research (Pradhita & Abbas, 2021) and (Arisandi & Astika, 2019) which explain that company size has a positive effect on earnings persistence. In determining investment decisions, the basic grouping of companies on the operating scale, namely large, medium and small, can be used by investors. The bigger a company, the greater the expectation of large or high profit progress. High profit progress can affect the persistence of earnings and be prolonged in the company to attract potential investors who are worried about the practice of modifying earnings

Then, simultaneously the test results show that f count is 8.165 with a significance value of 0.000 which means it is smaller than 0.05. This shows that operational cash flow, debt levels and company size have a significant positive effect on earnings persistence, meaning that the fourth hypothesis (H4) is accepted.

5. Closing
5.1. Conclusion

From the above discussion it can be concluded that Operational Cash Flow and Firm Size have a significant positive effect on earnings persistence, while the level of debt has no significant effect on earnings persistence and. Operational Cash Flow, Debt Level and Company Size simultaneously have a significant effect on earnings persistence.

5.2. Research Limitations

This research is limited because it only uses property and real estate companies on the IDX in the 2019-2021 period. Thus these findings cannot cover other industries that are on the IDX. Based on the value of Adjusted R2 in this study, it was 0.380 or 38%, which means that 38% of the dependent variable, namely earnings persistence, can be explained by the independent variables, namely operational cash flow, debt levels and company size. Meanwhile, the remaining 62% is explained by other variables not examined in this study.

5.3. Sugestion

Further researchers are advised to be able to expand the use of samples with other sectors listed on the IDX, such as banking, manufacturing, or other industries so that they can affect earnings persistence. It is also advisable to increase other variables such as Accrual Reliability, Sales Volatility, Institutional Ownership or Book Tax Difference.

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