

TAX INCENTIVES AS A MEDIATOR IN THE ANALYSIS OF EARNINGS MANAGEMENT, GOOD CORPORATE GOVERNANCE, AND STICKY COST BEHAVIOR

Eny Lestari Widarni, Muhammad Buswari, Devina Az Zahra

STIE Jaya Negara Tamansiswa Malang

ABSTRACT

The purpose of this study is to empirically examine the effect of Earnings Management and Good Corporate Governance on Sticky Cost behavior, moderated by the provision of tax incentives. The data type used for sampling is purposive sampling, and hypothesis testing is conducted using the Partial Least Squares (PLS) analysis model with the help of SmartPLS version 3.0 for Windows. The results of this study are as follows: Earnings Management has a contribution to Sticky Cost behavior. Good Corporate Governance has a contribution to Sticky Cost behavior. The provision of tax incentives is not proven to be a moderating variable in the effect of Earnings Management on Sticky Cost behavior. However, the provision of tax incentives is proven to be a moderating variable in the effect of Good Corporate Governance on Sticky Cost behavior.

Keywords: Sticky Cost, Earnings Management, Good Corporate Governance, and the Provision of Tax Incentives

INTRODUCTION

Sticky cost behavior incur small cost adjustments when sales decline, resulting in low cost savings. Therefore when sales decrease and fixed costs become fixed or *sticky*, the profit earned will decrease. So that companies in responding to this must increase the volume of sales activities to earn profits (Kama & Weiss, 2013)

According to Cooper & Kaplan (1998) cost behavior is also related to the decisions taken by managers to deal with uncertainty in future demand (Apriliawati & Nugrahanti, 2015). From these reasons it is explained that there is an uncertainty about future demand related to the products sold by the company, which results in managers tending to choose to maintain unused resources rather than reduce resources when sales decline. But conversely, if managers prefer to adjust costs, then *sticky costs* will not occur (Afifah et al., 2018). Such as payment of severance pay to laid-off workers, training costs for new employees, installation and disposal costs for capital equipment (Linggardjaja, 2020).

The state of economic growth that occurred in Indonesia during the observation period, namely 2016 - 2020 showed an economic level that continued to increase but decreased dramatically in 2020. In 2016 it showed an economic level of 5.03% which continued to increase in 2017 by 5.07% ; in 2018 of 5.17%; in 2019 it was 5.02% and in 2020 it was 2.97%. Based on this situation, the researcher wants to see whether when the economy grows or decreases it is directly proportional to the indications of *sticky costs* that occur.

In terms of the behavior of companies that are required to be able to survive in difficult times due to the current impact of Covid-19, the phenomenon related to cost behavior in companies in Indonesia is still very interesting to study because the company's behavior in setting costs when there is a change in business activity can lead

to *cost stickiness*. According to Weiss (2013) this *sticky cost behavior* can have unfavorable consequences for the company because the higher the level of *sticky cost behavior* in the company, the more difficult it will be for the company to achieve profits (Vonna & Daud, 2016). *Good governance* refers to a set of mechanisms that monitor or motivate managers when there is a separation of ownership and control. Good corporate governance can reduce *cost stickiness*. (Xue & Hong, 2016).

In recent years both existing and under development, the government has provided significant tax incentives to encourage economic development. (Haga et al., 2019). In 2020, a decline in the realization of tax revenue is something that cannot be avoided, but what is needed is an effort to keep the decline from becoming too sharp in the following year. In addition, it is necessary to guarantee the sustainability of sources of tax revenue, namely business or economic actors by maintaining supply and demand. Under normal conditions, taxes play more of a budget function, namely as the main source of state revenue. Meanwhile, during a pandemic like today, this function can switch to a regulatory function, a stability function, and an even distribution function. In the regulatory function, the government can provide tax relief facilities or incentives (Warsito & Samputra, 2020)

This research is focused on the retail sub-sector in Indonesia. Retailers are individuals or business entities whose main activities are selling directly to final consumers in small batches. (Ministry of Finance, 2012).

Based on the background described above that there are gaps between the results of previous studies, this research was conducted with the aim of knowing and analyzing whether *Earning management*, *Good Corporate Governance* has an effect on *sticky cost* by providing tax incentives as a moderating variable. \

Theoretical basis

Sticky Cost

Costs are said to be *sticky* if the increase in costs tends to change easily when sales increase compared to when sales decrease. Malcom argued that some costs are difficult to adjust with production activities. Costs that are difficult to adjust are fixed costs or *fixed costs* because these costs tend to stick and are difficult to follow even though the company's activities are declining. (Afiffah et al., 2018).

There are interior and exterior variables that affect cost resistance. internal, such as historical sales data, labor adjustment costs, earnings management, intellectual capital, good governance, ownership, internal control, compensation and incentive plans, corporate social responsibility, management orientation, optimistic management behavior, and sources of corporate financing. markets, applicable laws and regulations, culture, and external auditors are examples of external factors. . (Linggardjaja, 2020)

Earning management

Beneish, Earning Management (*Earning management*) arises as a result of agency problems, namely the misalignment of interests between owners and management (Hanifah & Purwanto, 2013). According to Shchipper, Earning Management is a deliberate intervention carried out with a specific purpose in the financial reporting process to obtain some personal gain. Earnings management has an impact on information in financial reports that is not in accordance with actual conditions so that it can harm interested parties (Larastomo et al., 2016)

Earning Management is still a phenomenon that continues to exist and is a fundamental thing for companies to do in the company's financial statements. Earning Management is not always interpreted as a negative effort that is detrimental due to profit manipulation, there is still a good side to Earning Management.

Scott divides the way of understanding Earning Management into two. First, see it as an opportunistic behavior of managers to maximize their utility in the face of compensation contracts, debt contracts and political costs (*opportunistic earning management*). Second, by looking at Earning Management from the perspective of *efficient contracting (Efficient Earning management)*, where Earning Management gives managers a flexibility to protect themselves and the company in anticipating unexpected events for the benefit of the parties involved in the contract. Thus, managers can influence the market value of their company's shares through Earning Management, for example by making *income smoothing* and profit growth over time (Susanti, 2009).

Good Corporate Governance

Good Corporate Governance (Good governance) is a concept proposed to improve company performance through supervision or monitoring of management performance and ensuring management accountability to *stakeholders* based on the regulatory framework. The concept of *Good Corporate Governance* is put forward in order to achieve more transparent corporate management for all users of financial reports. If this concept can be applied properly, it is hoped that economic growth will continue to rise along with the transparency of company management which is getting better and in the future it can benefit many parties.

Companies with weak *Good Corporate Governance* will have more gaps for deviations, while good *Good Corporate Governance* can be a limit for personal interests so that they do not break through the interests of the company. (Larastomo et al., 2016)

Provision of Tax Incentives

Sejati defines that tax incentives are one of the instruments often used by developing countries to attract investment to their countries, including Indonesia (Safrina et al., 2020).

From this understanding, tax incentives can be defined as a tool that can be used by the government in increasing investment by providing measurable convenience to influence investor behavior in determining their business activities.

In relation to the research conducted for 2016-2019, Indonesia currently has two types of incentives that can be offered to investors, namely the *Tax Holiday* which is regulated in PMK No. 35 of 2018 concerning the Provision of Corporate Income Tax Reduction Facilities and *Tax Allowance* as regulated in PP No. 9 of 2016 concerning Amendments to PP No. 18 of 2015 concerning Income Tax Facilities for Investment in Certain Business Fields and/or in Certain Regions. (Safrina et al., 2020)

RESEARCH METHODOLOGY

Variable Operational Definitions

1. *Earning management*

In research conducted by Suhesti (2015) it shows that managers are more likely to carry out Earning Management through real activities compared to accrual

activities because they are considered to be able to capture real effects better than just operating accruals and are more difficult to detect by auditors than accrual-based Earning Management, which uses formula as follows:

$$CFO_t/A_{t-1} = \alpha_0 + \alpha_1(1/\log A_{t-1}) + \beta_1(S_t/A_{t-1}) + \beta_2(\Delta S_t/A_{t-1}) + \varepsilon_t$$

Information :

CFO_t = Cash flow of company i operating activities in year t

A_{t-1} = Total assets of company i in year t-1

S_t = Sales of company i in year t

S_t = Sales of company i in year t minus year t-1

α = Regression coefficient

ε = error term in year t

2. Good Corporate Governance

Good Good Corporate Governance is a system that acts as a regulator and controller of the company with the aim of providing added value to investors' investments. Local KAP affiliated with *The BigTen Auditors* are KAP Osman Bing Satrio and Eny; Tuanakotta Mustofa & Partners affiliated with *Deloitte Touche Tohmatsu*. KAP Haryanto Sahari & Partners; Tanudiredja, Wibisana; Drs. Hadi Susanto & Partners affiliated with *Price Waterhouse Coopers* (PwC). KAP Purwantono, Suherman & Surja; Prasetyo, Sarwoko and Sandjaja who are affiliated with *Ernst & Young*. KAP Siddharta Widjaja & Partners affiliated with KPMG. KAP Amir Abadi Jusuf, Aryanto, Mawar & Partners affiliated with RSM. Gani, Paino, Handayani, Prasetyo & Partners (Grant Thornton). Fahmi, Tanubrata & Partners (BDO). Kosasih, Nurdiyaman, Dahono & Partners (Crowe Horwath). Mulyamin, Sensi, Suryanti & Lianny (Moore Stephens). Hadori, Sugiarto, Adi & Partners (BKR) (Darmawan, 2018)

Provision of Tax Incentives

The moderating variable used in this study is the provision of tax incentives, which implies that companies will choose to reduce profits in response to a reduction in tax rates. For companies whose profits do not reach the target, the decrease in profits made for tax purposes can be reduced by *earnings pressure* in order to increase accounting profit. Companies whose earnings do not reach the target do not decrease their profits in response to a reduction in tax rates but tend to exercise *earnings pressure* to increase accounting profits in order to increase firm value.

Earnings pressure in this study is obtained from changes in a company's profits (current year's profit minus previous year's profit) divided by the initial year's assets with the following formula:

$$EPresit = \frac{Nit - Nit - i}{A0}$$

Sticky Cost

The dependent variable used in this study is the *sticky cost behavior*. By using the formula :

$$\Delta \ln SG\&A = \beta_0 + \beta_1 \times \Delta \ln Sales + \beta_2 \times Decrease \times \Delta \ln Sales + \mu,$$

Where $\Delta \ln SG\&A$ is the log-change in selling, general, and administrative expenses (i.e., expenses), $\Delta \ln Sales$ is the log-change in annual sales, and Decreasing is a dummy variable equal to 1 (one) if $\Delta \ln Sales$ is less than zero, and zero otherwise. We

define a measure of cost stickiness as negative of β_2 , so a greater value of *Cost Stickiness* indicates a higher level of cost stickiness.

Population and Sample

Population is an object or subject that has certain qualities and characteristics determined by researchers to be analyzed and concluded (Sugiyono, 2014: 215). The population in this study were all retail sub-sector companies listed on the Indonesia Stock Exchange (IDX) totaling 28 companies. According to the Chairperson of the Indonesian Retailers Association (Aprindo) retail is a strategic industry, the economic growth that the government expects comes from household consumption (Oktavianari & Baskara, 2019). The growth of the retail sector industry is highly dependent on household consumption. Therefore, if people's consumption and purchasing power decline, it will have an impact on the performance of the retail sector.

The sample is part of the population (Sugiyono, 2014: 215). The sample period for this study is 2016 - 2020, the sample selection for this period is because the data studied is the latest reported financial report data. The company sample selection uses a *purposive sampling technique*, because the sampling technique is based on data sources with certain considerations (Sugiyono, 2014: 218-219).

Analysis Techniques

Data analysis used in this research is *Partial Least Square* analysis with Smart PLS 3.0 software. Abdillah & Jogiyanto (2015) argued that the PLS approach is *distribution free* (does not assume a certain distribution of data, can be in the form of nominal, category, ordinal, interval and ratio) (Agustina & Suhaidar, 2020)

Ghozali (2016) explains that the *Partial Least Square* (PLS) model has a model concept which is divided into two stages, namely Designing a measurement model (*outer model*) which is often also called (*outer relation or measurement model*) defines how each indicator block relates to latent variables. Designing a structural model (*inner model*), which is also called (*inner relations, structural model and substantive theory*) describes the relationship between latent variables based on *substantive theory*.

RESEARCH RESULTS AND DISCUSSION

Research Results - Hypothesis Testing

In the outer model test, there is an analysis of the validity and reliability of the PLS indicators :

Discriminant Validity

According to Ghozali (2006), discriminant validity is used to ensure that each latent variable is different from the other variables :

Table 1 Discriminant Validity

indicator	Earning Management (X ¹)	Good Corporate Governance (X ²)	Sticky Cost Behavior (Y)	Providing Tax Incentives (Z)
Earning Management (X1)	1.000000	0.124714	0.369911	-0.121509
Good Corporate	0.124714	1.000000	0.159256	-0.216906

indicator	Earning Management (X¹)	Good Corporate Governance (X²)	Sticky Cost Behavior (Y)	Providing Tax Incentives (Z)
<i>Governance (X2)</i>				
Sticky Cost Behavior (Y)	0.369911	0.159256	1.000000	0.595957
Providing Tax Incentives (Z)	-0.121509	-0.216906	0.595957	1.000000

Source: PLS 3.0 processed data, 2021

Each indicator of each latent variable has a higher cross loading value compared to the cross loading value when associated with other latent variables. This shows that each latent variable already has high discriminant validity, and some even have gauges that are highly correlated with other constructs.

When compared with the cross loading value when it is associated with other latent variables, then each indicator of each latent variable has a higher cross loading value. This shows that the Discriminant Validity of each latent variable is already high.

Table 2
Discriminant Validity Calculation Results Against Moderating Variables

Indicator	Earning Management * Providing Tax Incentives (X1*Z)	Good Corporate Governance * Providing Tax Incentives (X2*Z)
Earning Management * Providing Tax Incentives (X1*Z)	1.000000	0.508671
Good Corporate Governance * Providing Tax Incentives (X2*Z)	0.508671	1.000000

Source: Results of PLS 3.0 data processing , 2021

This shows that some of the latent variables in the moderating variable have measuring instruments that are highly correlated with other constructs, and each latent variable in the moderating variable has good discriminant validity.

The square root value of each Average Variance Extracted (AVE) construct and the correlation between other constructs in the model are used to measure discriminant validity. According to Ghazali (2011), the AVE value must be greater than 0.50 or the p value must be less than the 5% significance level. The following table displays the results of this study's Discriminant Validity measurements::

Table 3
Average Variance Extracted (AVE) Calculation Results

Variable	AVE
Earning Management (X1)	1.000000
<i>Good Corporate Governance (X2)</i>	1.000000
Sticky Cost Behavior (Y)	1.000000
Providing Tax Incentives (Z)	1.000000
Earning Management * Providing Tax Incentives (X1*Z)	1.000000

<i>Good Coprorate Governance * Providing Tax Incentives (X2*Z)</i>	1.000000
--	----------

Source: Results of PLS 3.0 data processing , 2021

Based on these results the Discriminant Validity value is above 0.50 as shown in the Average Variance Extracted (AVE) table. The validity of all the variables can be inferred from these results, which provide some confidence. All variables used in this study will be tested for reliability after being declared valid .

Composite Reliability

When measuring a concept or variable, a reliability test is needed to determine its stability. Construct reliability values can also be used to determine reliability criteria (Ghozali, 2006). Composite reliability values can be used to measure reliability in this study. To decide whether a reliable estimating instrument is carried out through the dependency coefficient. According to Ghozali (2011), the reliability coefficient must be greater than 0.70. Composite reliability measurement results can be seen in the table. Below this:

Table 4. Composite Reliability Measurement Results

Variable	Composite Reliability
Earning Management (X1)	1.000000
<i>Good Corporate Governance (X2)</i>	1.000000
Sticky Cost Behavior (Y)	1.000000
Providing Tax Incentives (Z)	1.000000
Earning Management * Providing Tax Incentives (X1*Z)	1.000000
<i>Good Coprorate Governance * Providing Tax Incentives (X2*Z)</i>	1.000000

Source: Results of PLS 3.0 data processing , 2021

The Composite Reliability value of all variables is greater than 0.70 as shown in the table. Based on these findings, it can be concluded that all variables are reliable and can be continued in further analytical tests .

Model Structural Evaluation

The coefficient of determination, also known as R Square (R^2), measures the fit of the regression equation by expressing the proportion of the total variation in the dependent variable that is explained by the independent variable. The fit of the model is said to be better when R2 is close to 1. The value of R2 is between 0 and 1. These values can be seen above in Table R2 (Ghozali, 2005). A model can be categorized as strong (R^2 0.70), moderate (R^2 0.45), or weak (R^2 0.25) . The following is the result of the R^2 value :

Table 5 Results of measurement of R Square (R²)

Variable	R Square
Earning Management (X1)	-
<i>Good Corporate Governance</i> (X2)	-
Sticky Cost Behavior (Y)	0.729524
Providing Tax Incentives (Z)	-
Earning Management * Providing Tax Incentives (X1*Z)	-
<i>Good Coprorate Governance</i> * Providing Tax Incentives (X2*Z)	-

Source: PLS 3.0 processed data, 2021

Based on Table R², it can be seen that the R² value is 0.729524 for the variable (Y) Sticky Cost Behavior, which means that (X₁) Earning Management, (X₂) *Good Corporate Governance*, (X₃) Product Market Competition and (Z) Giving Tax incentives as a moderating variable can be explained by the variable (Y) Sticky Cost Behavior of 73% and the remaining 27% is not explained in this study.

Proof of Hypothesis

The estimated value of the path coefficient between constructs must have a significant value. The significance of the relationship can be obtained by *Bootstrapping* or *Jackknifing* procedures. The resulting value is a t-count value which is then compared with the t-table. If the t-count > t-table (1.96) at the significance level (α5%), the estimated value of the path coefficient is significant (Ghozali, 2011).

This study has six testing hypotheses. The results of each test are presented as follows:

Table 6 Bootstrapping Measurement Results

Relations Between Variables	Original sample (O)	sample Means (M)	standard Deviation (STDEV)	standard Error (STERR)	T Statistics ((O/STERR))
Earning Management (X1) -> Sticky Cost Behavior (Y)	0.398879	0.394046	0.080529	0.080529	4.953241
<i>Good Corporate Governance</i> (X2) -> Sticky Cost Behavior (Y)	0.081247	0.085178	0.029877	0.029877	2.719342
Earning Management *Providing Tax Incentives (X1*Z) -> Sticky Cost Behavior (Y)	-	-	0.066883	0.066883	0.251347
<i>Good Coprorate Governance</i> * <i>Providing Tax Incentives</i>	0.720080	0.719828	0.106196	0.106196	6.780643

Relations Between Variables	Original sample (O)	sample Means (M)	standard Deviation (STDEV)	standard Error (STERR)	T Statistics (O/STERR)
(X2*Z) -> Sticky Cost Behavior (Y)					

Source: PLS 3.0 processed data, 2021

Influence Earning management on Sticky Cost Behavior

The test results above show that the effect Earning Management on *Sticky Cost* with a positive coefficient (*standardized coefficient*) of 0.398879 and t-statistic of 4.953241 > t-table (1.96) then the H1 hypothesis is accepted, this can be interpreted that the effect of Earning Management on *Sticky Cost Behavior* is proven to have a positive effect and significant . Then the proposed hypothesis related to, " *Earning management* has a significant effect on *Sticky Cost Behavior* " gets support with a positive direction of influence in this study .

Influence Good Corporate Governance Against Sticky Cost Behavior

The test results above show that the effect *Good Coprorate Governance* on *Sticky Cost Behavior* with a positive coefficient (*standardized coefficient*) of 0.081247 and t-statistic of 2.719342 > t-table (1.96) then the H2 hypothesis is accepted, this can be interpreted that the effect of *Good Coprorate Governance* on *Sticky Cost Behavior* is proven to have an effect positive and significant. Then the proposed hypothesis related to, " *Good Coprorate Governance* Has a Significant Influence on *Sticky Cost Behavior* " gets support with a positive direction of influence in this study .

Providing Tax Incentives Moderates Earning Management Against Sticky Cost Behavior

The test results above show that the effect Giving Tax Incentives to *Sticky Cost Behavior* with a positive coefficient (*standardized coefficient*) of 0.002033 and t-statistic of 0.045757 < t-table (1.96), and also the moderating effect of the Earning Management relationship on *Sticky Cost Behavior* which is moderated by Giving Tax Incentives shows results negative coefficient (*standardized coefficient*) of -0.016811 and t-statistic of 0.251347 <t-table (1.96) then Hypothesis H4 is rejected, this can be taken to mean that Tax Incentives are proven unable to moderate the Earning Management relationship to *Sticky Cost Behavior*. So the proposed hypothesis related to, "Giving Tax Incentives Moderates *Earning management* which Has a Significant Influence on *Sticky Cost Behavior* " does not get support in this study.

Providing Tax Incentives Moderates Good Corporate Governance Against Sticky Cost Behavior

The test results above show that the effect of giving tax incentives on *Sticky Cost behavior* is with a positive standardized coefficient of 0.002033 and a t-statistic of 0.045757 <t-table (1.96), and also the moderating effect of *the Good Corporate Governance* relationship on *Sticky Cost Behavior* which is moderated by the provision of tax incentives shows a positive coefficient (*standardized coefficient*) of 0.720080 and t-statistic of 6.780643 > t-table (1.96) then the H5 hypothesis is accepted, this can be used to say that the provision of tax incentives is proven to be able to moderate the relationship between *Good Coprorate Governance* on *Sticky Cost Behavior* . Then the

proposed hypothesis related to, "Giving Tax Incentives Moderates *Good Corporate Governance* which Has a Significant Influence on *Sticky Cost Behavior* " gets support with a positive direction of influence in this study.

CONCLUSION

Based on the results of the research that has been done, it can be concluded several things as follows:

1. *Earning management* has a significant effect on sticky cost behavior
2. *Earning management* has a contribution to Sticky Cost Behavior.
3. *Good Corporate Governance* has a contribution to Sticky Cost Behavior.
4. The provision of tax incentives is not a moderating variable in the relationship between *earning management* and sticky costs.
5. Intensive giving p ajak proved to be a moderating variable in the relationship between *Good Corporate Governance* Against Sticky Cost Behavior

REFERENCE

- Afiffah, A., Murdayanti, Y., Purwohedi, U., & Jakarta, UN (2018). Sticky Cost Behavior Phenomenon. *Ejournal Ukrida* , 18 (1), 141–152.
- Agustina, D., & Suhaidar. (2020). The Effect of Love of Money and Social Intelligence on the Attitudes of Accounting Students at Bangka Belitung University. *Valid Scientific Journal* , 17 (2), 138–150.
- Apriliawati, R., & Nugrahanti, YW (2015). Sticky Cost Behavior in Selling, Administrative and General Expenses (Studies in Manufacturing Companies Listed on the Indonesia Stock Exchange in the 2009-2012 Period). *Optimum: Journal of Economics and Development* , 5 (2), 168. <https://doi.org/10.12928/optimum.v5i2.7866>
- Banker, RD, & Byzalov, D. (2014). Asymmetric cost behavior. *Journal of Management Accounting Research* , 26 (2), 43–79. <https://doi.org/10.2308/jmar-50846>
- Banker, RD, Byzalov, D., & Chen, LT (2013). Employment protection legislation, adjustment costs and cross-country differences in cost behavior. *Journal of Accounting and Economics* , 55 (1), 111–127. <https://doi.org/10.1016/j.jacceco.2012.08.003>
- Boakye, BY, Atiso, F., & Koranteng, E. (2019). Relationship between Real *Earning management* and Cost Behavior. *SEISENSE Journal of Management* , 2 (6), 65–77. <https://doi.org/10.33215/sjom.v2i6.244>
- Bugeja, M., Lu, M., & Shan, Y. (2015). Cost Stickiness in Australia: Characteristics and Determinants. *Australian Accounting Review* , 25 (3), 248–261. <https://doi.org/10.1111/auar.12066>
- Cheung, J., Kim, H., Kim, S., & Huang, R. (2018). Is the asymmetric cost behavior affected by competition factors?*. *Asia-Pacific Journal of Accounting and Economics* , 25 (1–2), 218–234. <https://doi.org/10.1080/16081625.2016.1266271>
- Darmawan, D. (2018). The influence of political relations on Earning Management in service sector companies with control variables of firm size and audit quality. *Journal of Finance and Business* .
- Haga, J., Höglund, H., & Sundvik, D. (2019). Cost behavior around corporate tax rate cuts. *Journal of International Accounting, Auditing and Taxation* , 34 (March), 1–11. <https://doi.org/10.1016/j.intaccaudtax.2019.01.001>

- Hanifah, OE, & Purwanto, A. (2013). The effect of the structure of *Good Corporate Governance* and financial indicators on financial distress (Studies in Manufacturing Companies Listed on the Stock Exchange). *Diponegoro Journal of Accounting* , 2 , 1–15.
- Hartatik, NK, & Susilowati, E. (2018). Analysis of the Love of Money Association, Organizational Ethical Climate and Spirituality on *Earning Management* Motivation. *Behavioral Accounting Journal* , 1 (2), 212–229. <https://doi.org/10.33005/baj.v1i2.33>
- Kama, I., & Weiss, D. (2013). Do Earnings Targets and Managerial Incentives Affect Sticky Costs? *Journal of Accounting Research* , 51 (1), 201–224. <https://doi.org/10.1111/j.1475-679X.2012.00471.x>
- Kang, GG, Liu, X., Orenstein, P., Ladik, D., Industry, P., Registered, Y., & Amman, S. (2016). *Determination of the Behavior of Sticky Costs in Jordan* . 23 (April), 63–81.
- Kartikasari, R., Suzan, L., & Muslih, M. (2018). The Behavior of Sticky Costs Against Labor Costs and Operating Expenses in Sales Activities. *Journal of Contemporary Accounting Research* , 10 (1), 1–7.
- Ministry of Finance. (2012). Real Sector Profile Study Team Report: Trade, Hotel and Restaurant Sector. *Ministry of Finance of the Republic of Indonesia Fiscal Granting Agency Macroeconomic Granting Center* .
- Kumalah, Ratih., & Junaidi, A. (2020). Business Strategy and Utilization of Tax Giving During the COVID-19 Pandemic and the New Normal Era (Case Study of Marketplace SME Actors). *Proceedings of the Stiami Seminar Volume 7, No. 2, October 2020* , 7 (1), 55.
- Larastomo, J., Prime, HD, Triatmoko, H., & Sudaryono, EA (2016). The Effect of *Good Governance* and Tax Avoidance on Earning Management in Manufacturing Companies in Indonesia. *Essence* , 6 (1), 63–74. <https://doi.org/10.15408/ess.v6i1.3121>
- Li, J., & Luo, Z. (2020). The impact of product market competition on stock price crash risk. *Journal of Business and Industrial Marketing* , 35 (7), 1141–1153. <https://doi.org/10.1108/JBIM-12-2018-0375>
- Linggardjaja, IK (2020). Factors Affecting Cost Stickiness: A Literature Review. *MEA Scientific Journal (Management, Economics, And Accounting)* , 4 (1), 52–65.
- Lung Li, W., & Zheng, K. (2020). Product Market Competition and Cost Stickiness Wu-Lung. *Journal of Chemical Information and Modeling* , 53 (9), 1689–1699.
- Noviastika F, D., Mayowan, Y., & Karjo, S. (2016). Manufacturing Listed on the Indonesian Stock Exchange (Studies on the Indonesian Stock Exchange Related to Foreign Companies). *Journal of Taxation (JEJAK)* , 8 (1), 1–9.
- Nugroho, AC, & Stoffers, J. (2020). Market Competition and Agency Problem: a Study in Indonesian Manufacturing Companies. *Journal of Management Dynamics* , 11 (1), 65–77. <https://doi.org/10.15294/jdm.v11i1.21684>
- Oktaviantari, NKA, & Baskara, IKG (2019). The Influence of Company Size, Tangibility Assets, and Managerial Ownership on Capital Structure in the Retail Sub-Sector. *Udayana University E-Journal of Management* , 8 (6), 3843. <https://doi.org/10.24843/ejmunud.2019.v08.i06.p20>
- Primary, RS (2020). Effect of product market competition, hedging, research and development, and marketing on firm value (Empirical Studies in Manufacturing Companies) *Repository.Uinjkt.Ac.Id* .

- <http://repository.uinjkt.ac.id/dspace/handle/123456789/51470>
- Ratnawati, L., & Nugrahanti, YW (2016). Sticky Cost Behavior Selling Costs, Administrative and General Costs and Cost of Goods Sold in Manufacturing Companies. *Journal of Economics and Business* , 18 (2), 65. <https://doi.org/10.24914/jeb.v18i2.314>
- Safrina, N., Suhartono, A., & Savitri, AA (2020). "Maintaining Marwah" Tax Incentives Impacting Tax Revenue in Indonesia in 2019. *Journal of Applied Accounting Research* , 4 (1), 1–11.
- Santosa, DF, Anggraeni, L., & Pranowo, K. (2020). Financial Distress Determinants of Retail Sub-Sector Companies on the Indonesia Stock Exchange. *Journal of Business and Management Applications* , 6 (1), 128–141. <https://doi.org/10.17358/jabm.6.1.128>
- Slamet, A., & Wijayanti, P. (2016). Response to Changes in Income Tax Rates, Incentives and Non-Tax Incentives on Earning Management. *Indonesian Journal of Accounting* , 5 (2), 115. <https://doi.org/10.30659/jai.5.2.115-130>
- Soenjoto, EA, & Alfiandri, A. (2019). The Asymmetrical Cost Behavior: Cost Stickiness in Indonesian Listed Manufacturing Companies. *International Journal of Accounting and Taxation* , 7 (1), 26–34. <https://doi.org/10.15640/ijat.v7n1a3>
- Susanti, RI (2009). Earning Management in banking companies on the Indonesian stock exchange in the 2009-2014 period. *Journal of Economic & Business Dynamics* , 6 (2), 121–136.
- Tambun, S. (2019). *The Effect of Digitizing Tax Services and Cooperative Compliance on Efforts to Prevent Tax Avoidance Moderated Fiscal Giving During the Covid 19 Pandemic* . 4 (2), 1–10.
- Vonna, SR, & Daud, RM (2016). Analysis of Sticky Cost Behavior on Production and Non-production Costs (Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange Period 2011-2014). *Scientific Journal of Accounting Economics Students (JIMEKA)* , 1 (1), 120–132.
- Warsito, & Samputra, PL (2020). *Potential of Tax Declining and Tax Policy Strategy to Anticipate the Impact of the Covid-19 Pandemic : A National Resiliencce* . 11 (2) , 93–108 .
- Winasis, SE, Nur, E., & Yuyetta, A. (2017). *The Effect of Executive Gender Diversity on Firm Value, Tax Avoidance as an Intervening Variable: A Case Study of a Mining Company Registered on the Bei in 2012-2015* . 6 (1), 311–324.
- Xue, S., & Hong, Y. (2016). *Earning management , Good Corporate Governance and expense stickiness*. *China Journal of Accounting Research* , 9 (1), 41–58. <https://doi.org/10.1016/j.cjar.2015.02.001>
- Yang, Y. (2019). Do Accruals *Earning management* Constraints and Intellectual Capital Efficiency Trigger Asymmetric Cost Behavior? Evidence from Australia. *Australian Accounting Review* , 29 (1), 177–192. <https://doi.org/10.1111/auar.12250>
- Indonesia Stock Exchange (IDX). Accessed March 29, 2021 From www.Idx.co.id
- Lestari, S.H. (2020). *"Gojek and Alfamart Open Shopping Services From Home Through Gomart"* . Accessed April 18, 2021 From <https://Surabaya.Tribunnews.Com/2020/05/05/Gojek-Dan-Alfamart-Buka-Layanan-Belanja-Dari-Rumah-Lewat-Gomart?Page=2>

- Fadli, A. (2019). " *Retail Vs E-Commerce, Waiting for Fair Rules*" . Accessed April 18, 2021 From <https://Www.Aprindo.Org/Retail-Vs-E-Commerce-Menanti-Aruran-Yang-Adil/>
- Kusuma, H. (2017). " *The Retail Sector is Sluggish But VAT Deposits are Rising, This is the Ministry of Finance's Analysis*" . Accessed April 18, 2021 From <https://Finance.Detik.Com/Berita-Ekonomi-Bisnis/D-3581092/Sector-Ritel-Lesu-Tapi-Setoran-Ppn-Naik-Ini-Analisa-Kemenkeu>
- Iskandar. (2020). " *New Normal, Grab Collaborates with Mppa to Open a Virtual Store*" . Accessed April 18, 2021 From <https://Www.Liputan6.Com/Tekno/Read/4325455/New-Normal-Grab-Kolaborasi-Jadi-Mppa-Buka-Toko-Virtual>
- Safitri, K. (2020). " *Shopping at Hypermart, Now Can Via Grabmart*" . Accessed April 18, 2021 From <https://Money.Kompas.Com/Read/2020/08/03/151800626/Belanja-Di-Hypermart-Kini-Jadi-Via-Grabmart>