

Window Dressing Detection in the Energy Sector Industry Listed on the Indonesian Sharia Stock Index

Deteksi Window Dressing pada Industri Sektor Energi yang Terdaftar pada Indeks Saham Syariah Indonesia

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ABSTRAK

Penelitian ini mempunyai tujuan yaitu ingin menganalisis apakah terdapat indikasi window dressing dalam laporan keuangan dilihat dari nilai cash holding, financial leverage dan nilai perusahaan pada sektor energi yang terdaftar di Indeks Saham Syariah Indonesia (ISSI) Bursa Efek Indonesia selama periode 2017-2020. Metode penelitian yang diterapkan yakni uji Beda t-test menggunakan uji Mann Whitney. Sampel yang dipakai ada 22 perusahaan sektor energi di ISSI BEI untuk rentang waktu 2017 triwulan pertama sampai 2020 triwulan keempat. Berdasarkan hasil analisa dalam riset ini membuktikan kalau tidak ada perbedaan nilai cash holding, financial leverage serta nilai perusahaan pada triwulan IV terhadap nilai dalam triwulan I, triwulan II serta triwulan III. Hal ini mengidentifikasi bahwa perusahaan tidak mengindikasikan gejala window dressing. Sehingga dapat ditarik kesimpulan bahwa beberapa perusahaan di sektor energi yang tertera di ISSI BEI pada tahun 2017 hingga 2020 tidak terindikasi melaksanakan praktik window dressing. Hal ini dapat digunakan sebagai dokumen evaluasi bagi perusahaan di sektor energi untuk lebih meningkatkan operasional mereka. Untuk menghindari adanya indikasi window dressing, perusahaan energi yang terdaftar di ISSI BEI harus memprioritaskan upaya strategis dalam meningkatkan kinerja keuangan perusahaan sehingga cash holding, financial leverage, dan nilai perusahaan dapat mencerminkan situasi perusahaan.

Kata kunci: window dressing, cash holding, financial leverage, nilai perusahaan.

ABSTRACT

This study aimed to analyze whether there are indications of window dressing in financial statements seen from the value of cash holding, financial leverage and company value in the energy sector listed on the Indonesian Sharia Stock Index (ISSI) of the Indonesia Stock Exchange (IDX) during the 2017-2020 period. The research method applied was the Different t-test using the Mann Whitney test. The sample used is 22 energy sector companies on the ISSI IDX for the period of 2017 first quarter to 2020 fourth quarter. Based on the results of the analysis, it proves that there is no difference in the value of cash holding, financial leverage and the value of the company in the 4th quarter of the value in the 1st, 2nd and 3rd quarters. This indicates that the company has no indication of window dressing symptoms. So it can be concluded that several companies in the energy sector listed on the ISSI IDX in 2017 to 2020 are not indicated to carry out window dressing practices. It can be used as an evaluation document for companies in the energy sector to further improve their operations. To avoid any indication of window dressing, energy companies listed on the ISSI IDX must prioritize strategic efforts in improving the company's financial performance so that cash holding, financial leverage, and company value can reflect the company's situation.

Keywords: window dressing, cash holding, financial leverage, firm value.

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I. INTRODUCTION

Various studies on the capital market are closely related to financial behavior in revealing various deviant things that can affect stock prices. Various studies conducted (Alteza, 2007; Iramani & Mahdi, 2006; Mardhiyah, 2012; Wulandari, 2013) indicate that there are differences in stock returns due to the influence of trading months. Observing these anomalies, seasonal anomalies are often observed related to the effect of company stock returns. With the existence of seasonal patterns in the previous period, investors can get abnormal returns. One of the classifications of seasonal anomalies is window dressing. According to Febriani (2021), Window dressing can be said to be the use of strategy by Investment Managers to increase portfolio or funding results before showing them to clients or shareholders. Window dressing is an attempt by some parties to carry out portfolio improvements. In addition to being carried out by investment managers, issuers or businesses listed on the Indonesia Stock Exchange also carry out window dressing. This can be observed through relatively rising stock prices at the end of the year or in December, window dressing is represented by an increase in several stocks with gains greater than 5-10% on a trading day (Febriani et al., 2021). Through window dressing events, investors can earn profits in short-term investments.

The cause of window dressing is speculation on the performance of issuers (industry with shares listed on the stock exchange) at the end of the year which is predicted to be better than the previous period, things that become positive in economic data towards the end of the period until the historical stock market anomaly pattern is often repeated and becomes a habit (Christina & Andadari, 2015). In addition, the trigger for window dressing is due to the efforts of investment managers and issuers who wish to beautify their work for a whole year. The self-fulfilling prophecy factor also increases the opportunity for the application of window dressing at the end of the year (Rudiyanto, 2013). Financial ratios can be interpreted as a ratio calculation using financial statements as a tool for measuring the financial position, operations and performance of a business (Dahruji & Muslich, 2022). Window dressing is an earnings management action carried out by issuers for financial reports to be seen as good at the end of the quarter. Through the method of showing a large cash value at the end of the year, it can trigger assumptions in investors that the industry has a lot of cash and can pay dividends (Sari, 2019). In addition, when viewed from the statistics on the Indonesia Stock Exchange, the movement of the Composite Stock Price Index for the last 10 years in December has always increased.

The Indonesia Stock Exchange (IDX) has various indexes, for example, the Indonesian Sharia Stock Index (ISSI). The Indonesian Sharia Stock Index (ISSI) is a sharia stock index issued by the IDX in 2011. The Indonesian Sharia Stock Index (ISSI) is an index that is comprehensively listed and contains sharia shares (Fathurrahman & Widiastuti, 2021). The Indonesian Sharia Stock Index (ISSI) can also be used to understand the growth of Indonesian Islamic stocks, which is a benchmark for understanding the rise or fall of its stock price. In addition, ISSI is a parameter of the work of the Indonesian Islamic stock market. ISSI's constituents are all sharia shares listed on the IDX and are in the category included in the Sharia Securities List (DES) published with the OJK (Pujiningsih & Dahruji, 2021). Not only that, the Indonesia Stock Exchange (IDX) (2022b) also has a sector and industry classification of listed companies since January 25, 2021, which is called the "Indonesia Stock Exchange Industrial Classification" or IDX-IC. According to Suryahadi (2022), one of the sectors that has the highest increase in the Indonesia Stock Exchange (IDX) this year is the energy sector. From the beginning of the period or year-to-date (YTD) the index which includes mining stocks such as energy commodities, mining contractors and energy utilities rose 41,29%.

According to the National Energy Council (2021), final energy consumption during the last 5 years has increased by an average of 2,2% per year, but in 2020 it has decreased to 118,3 million TOE, mainly due to the effects of a decline in industrial and transportation activities that occurred due to constraints. social activities or activities in preventing the spread of COVID-19 during a pandemic. Energy industry needs are projected to increase by an average of 4,7% per year until 2050. The share of final energy demand in the industrial sector increases from 35,2% in 2017 to 39,3% in 2050. Energy needs in the transportation sector are projected to grow slightly smaller compared to the industrial sector, which is 3,8% per year or can increase 3,5 times in 2050 than in 2017. According to the Agency for the Assessment and Application of Technology (2022) Through the increase in the projected that the final energy needs of the commercial sector can increase the rate of average growth of 61%e economy and population, it is per year, has increased from 5,2% in 2017 to 9,0% in 2050. So, the energy

sector is still a basic need in society.

In research conducted by Sari (2019), it was identified the influence of cash holding on window dressing practices in companies listed in LQ45 for the 2015-2017 period. Research conducted by Aprillia (2016) indicated that there is a relationship between cash holding and window dressing in State-Owned Enterprise (SOE) companies during 2012-2014. Research conducted by Chandra (2022) showed that there is a significant influence on the fourth quarter financial statements in financial statements such as cash holding, financial leverage, managerial ownership, company size, liquidity ratios, return on assets and inventory turnover. in the mining sector during 2018-2020. Bestari's research (2014) found indications of doing window dressing through cash holding companies in the consumer goods industry in 2010-2013. In research conducted by Alandari (2016), it is known that those with the potential to do window dressing on equity mutual funds are Syailendra Equity in 2010, 2011 and 2012 and Batavia Dana Saham Optimal in 2012, 2013 and 2014. Then the research conducted by Putri (2022) confirmed that the window dressing phenomenon affects the dynamics of banking stock prices in 2018-2020.

Meanwhile, in the research conducted by Primasari & Tri Wahyuningtyas (2021), it is known that there is no indication in the practice of window dressing from the financial performance of earnings management and cash holding in using F-Score analysis. Research conducted by Primasari (2020) found that non-banking companies did not indicate the practice of window dressing in 2015-2019. The research conducted by Rahmawati (2018) found that there was no effect on the value of cash holding, financial leverage and managerial ownership on window dressing, but on the variable size of the company, there was an effect on window dressing in the mining sector companies in 2013-2016.

Based on the gap between several studies above, the authors used different independent variables for this recent study which are cash holding, financial leverage, and firm value. There has been no previous study that used the three comparisons variable together in research in order to detect window dressing. Another thing that makes this study different from the previous study is that the subject focused on the energy sector industry listed in the Indonesian Sharia Stock Index (ISSI) and the period used was between 2017-2020 period. Companies that have the initiative to practice window dressing will often change the value of their cash holdings, financial leverage, and company value.

The purpose of this study was to analyze whether there are indications of window dressing in the financial statements seen from the value of cash holding, financial leverage, and company value in the energy sector listed on the Indonesian Sharia Stock Index (ISSI) for the 2017-2020 period.

II. LITERATURE REVIEW

Agency Theory

According to Supriyono (2018), agency theory is a contractual relationship between the principal and the agent. This relationship stems from the fact that the principal gives authority and rights to agents who are considered capable and trustworthy to make policies and decisions that maximize the interests of both sides. Agency theory is that business owners (shareholders) authorize company directors to manage the business in accordance with the agreed contract, if both parties benefit from increasing business value, the board of directors will act in the interests of the business because the principal holds the highest authority in agency theory.

Signaling Theory

According to Hartono (2013), signaling theory emphasizes the importance of the information provided by an industry on the investment decisions of parties outside the industry. Information disseminated through disclosure is a signal for investors in making investment decisions. If the news is positive, the market will react when receiving it. The collaboration between signal theory and firm value is to emphasize that a good firm's value becomes a positive signal and vice versa.

Indonesian Sharia Stock Index (ISSI)

Indonesia Sharia Stock Index (ISSI) is an index of sharia shares issued on the Indonesian capital market on May 12, 2011. ISSI is an index that is listed on the IDX with a comprehensive list of sharia shares. ISSI's constituents are re-elected twice for one year, every May and November following the

DES review schedule. Therefore, in every selection period there are always sharia shares that enter and leave as ISSI constituents (BEI, 2022a).

Cash Holding

According to Murtini & Ukru (2021), cash holding can be understood as cash that can be invested in tangible physical assets and distributed to investors. According to Gili and Shah (2012), cash holding can be interpreted as cash on hand or available to be invested in physical assets and distributed to shareholders. There are three reasons for holding cash holdings: companies hold cash for business purposes, to hedge against unexpected costs and for speculative purposes. In the business model, the business provides cash to fulfill business activities. The benefit of holding a cash holding is that businesses can reduce transaction costs by using cash rather than liquidating assets. As a precautionary measure, the company uses cash to plan for unexpected events from the financing aspect. Businesses are expected to keep cash as a precautionary measure to protect against future cash shortages. The speculative motive indicates that the company will speculate and observe various new business opportunities that are considered profitable for the company by using the available cash. In this study, the method or technique used is a different test that uses cash holding as a parameter for window dressing conditions in the company. If the value of sig. the results of the different test showed <0.05 in the cash holding variable between the fourth quarter and the first, second, and third quarters, indicating the practice of window dressing (Rahmawati et al., 2018). The way to calculate cash holding in this study is the same as how to calculate according to Khokhar (2013) using the formula:

$$\text{Cash Holding} = \frac{\text{Cash} + \text{cash equivalent}}{\text{Total Assets} - \text{cash}}$$

Financial Leverage

According to Syaifullah (2018), financial leverage is the use of fixed-cost funds in the hope that they will provide additional returns on top of fixed costs to increase the returns available to shareholders. A high leverage ratio can increase the risk of bankruptcy, so the company uses fixed-cost funds so that in using these funds it increases earnings per share. Financial Leverage occurs due to the use of debt capital which causes the business to become heavily indebted and incur interest expenses. The leverage ratio is a ratio that measures how well the company's assets are financed with debt. The more debt a company uses, the higher its fixed costs are in the form of interest and principal payments. In this study, the method or technique used is a different test that uses financial leverage as a parameter for window dressing conditions in the company. If the value of sig. the results of the different tests showed <0.05 on the financial leverage variable between the fourth quarter and the first, second, and third quarters, indicating the practice of window dressing (Rahmawati et al., 2018). The way to calculate financial leverage in this study is the same as how to calculate according to Riyanto (2010) using the formula:

$$\text{Debt to Total Asset} = \frac{\text{Total debt}}{\text{Total Assets}}$$

Firm Value

According to Prasetyorini (2013) Firm value is the price that will be paid by prospective buyers (investors) if the business is sold. The company's standard goal is to optimize shareholder wealth. Optimizing shareholder wealth can be achieved by optimizing the value of the company. A large firm value can be accompanied by large shareholder wealth. The greater the share price, the greater the firm value. The establishment of a business has the aim of increasing the welfare of shareholders by increasing the value of the company. Markers of the firm value can be observed through the company's stock price in the market. In this study, the method or technique used is a different test that uses firm value as a parameter of window dressing conditions in the company. If the value of sig. the results of the different tests showed <0,05 in the variable value of the company between the fourth quarter and the first, second, and third quarters, indicating the practice of window dressing (Rahmawati et al., 2018). As for how to calculate the firm value using the Price Book Value (PBV) formula, which are:

$$PBV = \frac{\text{Market price per share}}{\text{Book price per share}}$$

Window Dressing

According to Sari (2019), Window dressing is a term commonly used to identify the practice

of using short-term financial transactions to manipulate book values in quarterly reports where the previous quarter was above the quarterly average. Window dressing is a financial statement that is designed to better represent the financial position than it really is. The change in the window was also reflected in the stock sell-off that did not go well at the end of the period. Investment managers practice window dressing by selling or buying shares owned the day before closing to protect the company's performance over a certain period of time (Putri & Sari, 2022). In this study, to see whether there is an indication of window dressing on each cash holding value, financial leverage and firm value at the end of the period, the formula can be used:

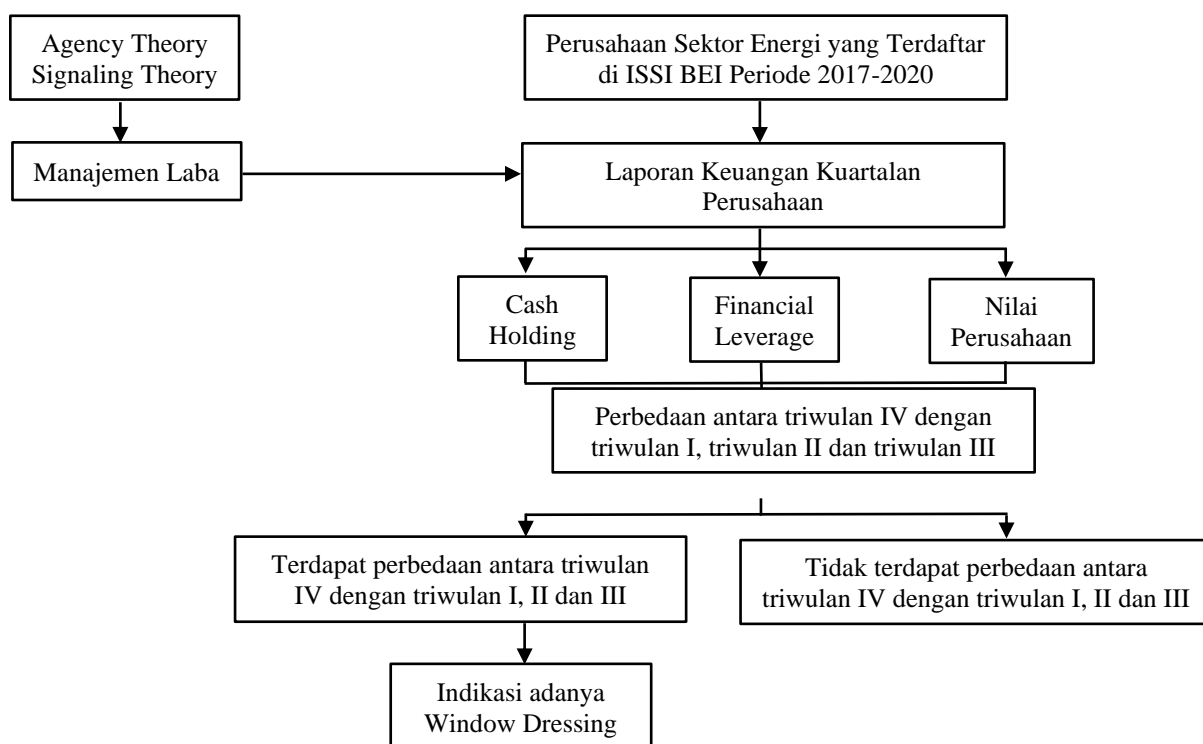
$$WD_{4,it} = \frac{X_{4,it} - X_{avg\ 1-3,it}}{X_{avg\ 1-3,it}} \times 100$$

Description:

$WD_{4,it}$: Percentage of window dressing in the fourth quarter for company I in year t.

$X_{4,it}$: variable X in the fourth quarter for company I in year t.

$X_{avg\ 1-3,it}$: The average variable X from the first quarter to the third quarter of the company I in year t.



Source: Author's Data Processed (2022)

Figure 1.

Research Framework

From the above framework, the first process was to analyze by identifying companies that are included in the energy sector on the ISSI IDX for the 2017-2020 period. After that, the data on cash holding, financial leverage and company value were tested every quarter. The Mann Whitney test was used to detect whether there are indications of practicing window dressing or not by looking at the sig value. $<0,05$ between the fourth quarter and the first, second, and third quarters, then it detected the practice window dressing (Rahmawati et al., 2018).

Hypothesis

Relationship of Cash Holding with Window Dressing

Research conducted by Bestari (2014) showed that the cash holding value from the first quarter to the fourth quarter, the average percentage of window dressing in the fourth quarter was 39.66%

greater than the average cash holding in the first quarter to the third quarter and the opposite of the cash holding ratio. year with a mean annual inverse ratio of -91.48 on average up to the sampling period. The rate of change in window dressing per year indicates a positive number, thus illustrating a sign of the practice of window dressing. It can be concluded that the company's cash holding in the first, second, third and fourth quarters is indicated by the practice of window dressing. The speculative motive indicates that the company will speculate and observe various new business opportunities that are considered profitable for the company by using the available cash. If the value of sig. the results of the different test showed $<0,05$ in the cash holding variable between the fourth quarter and the first, second and third quarters, indicating the practice of window dressing (Rahmawati et al., 2018). Therefore, the hypothesis can be proposed as follows:

H1: There is a difference between the company's cash holding value in the fourth quarter and the first quarter, second quarter, and third quarter.

Financial Leverage Relationship with Window Dressing

In research conducted by Bestari (2014) it can be seen that the average financial leverage in the first quarter is smaller than the average financial leverage in the fourth quarter which occurred in 2010, 2011 and 2013. In 2010, the average financial leverage in the first quarter was 0,191, while in the fourth quarter it was 0,200. In 2011, the average financial leverage ratio in the first quarter was 0,156, while in the fourth quarter it was 0,185. In 2013, the average financial leverage in the first quarter was 0.153, while in the fourth quarter it was 0,207. In 2012, the average financial leverage in the first quarter was 0.182, while in the fourth quarter it was 0,173. The percentage rate of window dressing per year indicates a positive number, thus describing an indication of window dressing practice. It can be concluded that the company's financial leverage in the first, second, third and fourth quarters is indicated by the practice of window dressing. Leverage ratio is a ratio that measures how well the company's assets are financed with debt. The more debt a company uses, the higher its fixed costs in the form of interest and principal payments. If the value of sig. the results of the different test showed $<0,05$ on the financial leverage variable between the fourth quarter and the first, second and third quarters, indicating the practice of window dressing (Rahmawati et al., 2018). Therefore, the hypothesis can be proposed as follows:

H2: There is a difference between the company's financial leverage in the fourth quarter and the first quarter, second quarter, and third quarter.

Relationship of Corporate Values with Window Dressing

Riswandi (2020) confirmed that there is an influence between firm value and earnings management by showing that earnings management has a positive influence on firm value. Likewise, Nersiyanti's research (2020) confirmed that earnings management has a significant effect on firm value. A large company value can be accompanied by large shareholder wealth. The greater the share price, the greater the value of the company. The establishment of a business has the aim of increasing the welfare of shareholders by increasing the value of the company. Markers of company value can be observed through the company's stock price in the market. If the value of sig. the results of the different test showed $<0,05$ in the variable value of the company between the fourth quarter and the first, second and third quarters, indicating the practice of window dressing (Rahmawati et al., 2018). Therefore, the hypothesis can be proposed as follows:

H3: There is a difference between the value of the company in the fourth quarter and the first quarter, second quarter, and third quarter.

III. RESEARCH METHOD

The type of research used by researchers was quantitative research which is research in the form of numerical data and something that can be calculated such as income statements, statements of financial position and cash flow statements in the industry listed on the IDX (Basuki, 2021). The object of this study was the energy sector industry listed in the ISSI IDX which is consistent from 2017 to 2020. The reason for using this time period was to see the consistency of research results for more than one year by using a 4-year sample.

The following research used a sampling method, namely non-probability sampling through the

use of purposive sampling. This was interpreted as a technique for taking samples where not all members of the population can be determined as samples because the sample is determined through specific and systematic considerations (Sugiyono, 2008). The following research used time series data from the 2017 first quarter to 2020 fourth quarter with data taken on each company's official website. The sample in this study includes 22 companies (22 x 4 years = 88) energy sector companies listed on the ISSI IDX with the following criteria as samples:

Table 1.

List of Sample Selection

No.	Description	Amount
1.	The company is listed on the ISSI IDX for the period 2017-2020	331
2.	Companies that are not included in the energy sector on the IDX Indonesia Sharia Stock Index for the period 2017-2020	(307)
3.	Energy sector companies that do not have quarterly financial report data from 2017 first quarter to 2020 fourth quarter continuously on each company's official website	(2)
Number of energy sector companies listed on the ISSI IDX for the period 2017-2020 that became the research sample		22

Source: Indonesia Stock Exchange & Company's Website (Processed Data, 2022)

Table 2.

List of Energy Sector Companies that Meet the Sample Criteria

No.	List of Energy Sector Companies that Meet the Sample Criteria
1	Adaro Energy Indonesia Tbk
2	PT AKR Corporindo Tbk.
3	Atlas Resources Tbk
4	Pelayaran Nasional Bina Buana Raya Tbk
5	Baramulti Suksessarana Tbk
6	Exploitasi Energi Indonesia Tbk
7	Darma Henwa Tbk
8	Dian Swastatika Sentosa Tbk
9	Elnusa Tbk
10	Harum Energy Tbk
11	PT MNC Energy Investments Tbk
12	Indo Tambangraya Megah Tbk
13	Resource Alam Indonesia Tbk
14	PT Mitra Energi Persada Tbk
15	PT Mitrabara Adiperdana Tbk
16	Mitrabahtera Segara Sejati Tbk
17	Bukit Asam Tbk
18	Petrosea Tbk
19	Rig Tenders Tbk
20	Golden Eagle Energy Tbk
21	SMR Utama Tbk
22	Wintermar Offshore Marine Tbk

Source: Indonesia Stock Exchange (processed data, 2022)

This study used independent variables namely Cash Holding, Financial Leverage, and Firm Value while the dependent variable was Window dressing.

Table 3.

Variables and Variables Operational

Variable	Operational Definition	Indicators	Scale
Cash Holding	This study used independent variables namely Cash Holding, Financial Leverage, and Firm Value while the dependent variable was Window dressing (Murtini & Ukru, 2021).	$\text{Cash Holding} = \frac{\text{Cash} + \text{cash equivalent}}{\text{Total Assets} - \text{Cash}}$	Ratio
Financial Leverage	According to Syaifullah (2018), financial leverage is the use of fixed	$\text{Debt to Total Asset} = \frac{\text{Total debt}}{\text{Total Assets}}$	Ratio

	cost funds in the hope that they will provide additional returns on top of fixed costs to increase the returns available to shareholders.		
Company's value	According to Fitri Prasetyorini (2013) company value is the price that prospective buyers (investors) will pay if the business is sold.	$PBV = \frac{\text{Market Price per stock}}{\text{Book price per stock}}$	Ratio
Window Dressing	According to Sari (2019), window dressing is a term commonly used to identify practices that use short-term financial transactions to manipulate book values in quarterly reports where the previous quarter was above the quarterly average.	$WD_{4,it} = \frac{X_{4,it} - X_{avg\ 1-3,it}}{X_{avg\ 1-3,it}} \times 100$	Ratio

Source: process data 2022

Procedure of Data Collection

The procedure for collecting data in this study was using the internet research method. For this stage, the author used technology that is often used, namely the internet to search for financial statement data in energy sector companies registered with ISSI which will be studied from 2017 to 2020. The source of data taken by researchers was to retrieve financial statement data on each company's official website which become the research sample.

Technique of Data Analysis

Descriptive Statistics Test

The purpose of analyzing descriptive statistics in the following research was to observe the nature, distribution, and characteristics of the various data used in this study.

Normality Test (Kolmogorov-Smirnov)

The implementation in the Kolmogorov-Smirnov test was that if the significance does not exceed 0,05, it means that the data to be tested has a significant difference from normal data, it also means that the data is not normal. If the data is not normally distributed, it must be transformed to become normal. Transformation of data by changing the measurement scale of the original data into another form. In order to understand the transformation of the data that you want to use, it is necessary to understand the histogram form of the data. If the transformation carried out cannot normalize the distribution of the data, then an invalid t-test is used, it is recommended to carry out non-parametric tests such as performing the Mann Whitney test.

Homogeneity Test

The homogeneity test was carried out to test the similarity of the variants of the category that you want to test for differences. This test is carried out through the Levene test f test with sig. > 0,05 indicates there is no difference in the variance of the test group, then the test group has a homogeneous variance.

Mann Whitney Test

If the analyzed data is not normally distributed, it means that the Mann Whitney test is used or it can be said as the U Test. The Mann Whitney test functions as an alternative to the use of the t test if the parametric prerequisites are not met (Harinaldi, 2005). In testing Mann Whitney, the goal is to understand whether there is or is not an average of two samples that do not have a partner. Policies to reject or accept hypotheses:

1. Level of sig. $< \alpha = 0,05$ means H_0 rejected, means there is a difference.
2. Level of sig. $> \alpha = 0,05$ means H_0 accepted, means there is no difference.

IV. RESULTS AND DISCUSSIONS

Descriptive Analysis

After collecting and calculating the available data, the next data processing was carried out and then analyzed using descriptive statistics. In testing this statistic, IBM SPSS version 25 software or application was used to make it easier for the author to collect data on the interpretation of the variables used. Below are the results of the tests in SPSS:

Cash Holding Variable Descriptive Analysis

Table 4.

	N	Minimum	Maximum	Average	Std. Deviation
Ist Quarter	88	0,001787	0,572044	0,129603	0,137594
2nd Quarter	88	0,001863	0,571089	0,120208	0,133452
3rd Quarter	88	0,001399	0,562009	0,118966	0,132127
4th Quarter	88	0,001403	0,581235	0,115778	0,119297

Source: result of processed data

The data in table 4 indicates the average number in the first quarter of 0,129603 in the cash holding variable is higher than the second quarter of 0,120208, the third quarter of 0,118966 and the fourth quarter of 0,115778. The standard deviation during the first quarter also indicated a higher value, namely 0,137594 compared to the second quarter, third quarter and fourth quarter. Then the minimum number in the second quarter with a minimum value of 0,001863 is higher than the first quarter, third quarter and fourth quarter. Meanwhile, the maximum figure in the fourth quarter indicates a higher figure than the first quarter, second quarter and third quarter.

Financial Leverage Descriptive Analysis

Table 5.

	N	Minimum	Maximum	Rata-rata	Std. Deviasi
Ist Quarter	88	0,000302	1,530271	0,432845	0,259754
2nd Quarter	88	0,000270	1,551720	0,431824	0,258215
3rd Quarter	88	0,000268	1,544742	0,434276	0,263929
4th Quarter	88	0,000268	2,035793	0,450866	0,307286

Source: processed data result

Observing the data in table 5, it can be understood that the average number of financial leverage variables in the fourth quarter is 0,450866 which is higher than the average figure for the financial leverage variable data in the first quarter which is 0,432845, the second quarter is 0,431824 and the third quarter is 0,434276. The standard deviation in the fourth quarter also indicates a higher value than the standard deviation in the first quarter, second quarter and third quarter, which is 0,307286. Then the minimum number of 0,000302 in the first quarter indicates the result is higher than the data in the second, third and fourth quarters. Meanwhile, the maximum value of the data in the fourth quarter is much higher than the figure in the first quarter, second quarter and third quarter, which is 2,035793.

Descriptive Analysis of Firm Value Variables

Table 6.

	N	Minimum	Maximum	Average	Std. Deviation
Ist Quarter	88	-0,68	17,64	2,31	3,27
2nd Quarter	88	-1,44	17,97	2,08	3,04
3rd Quarter	88	-11,31	19,44	1,93	3,28
4th Quarter	88	-0,81	16,83	2,17	2,93

Source: result of processed data

The data in table 6 indicates that the average number of firm value variables in the first quarter is 2,31 which is higher than the average data for the variable firm value in the second quarter of 2,1108, the third quarter of 1,93 and the fourth quarter of 2,17. The standard deviation in the third quarter of 3,28 was much higher than the first quarter, second quarter and fourth quarter. Then the minimum figure in the first quarter was much higher than the second quarter, third quarter and fourth quarter which was -0,68. Meanwhile, the maximum value in the third quarter is much greater than the value in

the first quarter, second quarter and fourth quarter, which is 19,44.

Data Normality Test

Table 7.
Result of data normality Test stage I

Variable	Asymp. Sig. (2-tailed)				Description
	Q1	Q2	Q3	Q4	
Cash Holding	0,000	0,000	0,000	0,000	Not Normal
Financial Leverage	0,001	0,001	0,000	0,000	Not Normal
Nilai Perusahaan	0,000	0,000	0,000	0,000	Not Normal

Source: Result of data processed

Observing the data in table 7 can be understood, namely the number sig. Kolmogorov-Smirnov Test for all data on each variable, which are the variable cash holding, financial leverage, and firm value, each lower than the sig level. research (α) which is 5% or 0,05. Thus, it can be revealed that the data on cash holding variables, financial leverage, and firm value in the following research is proven not to be normally distributed, so the three data variables must be transformed.

Table 8.
Result of data normality Test stage II

Variable	Asymp. Sig. (2-tailed)				Description
	Q1	Q2	Q3	Q4	
Cash Holding	0,200	0,070	0,200	0,014	Normal
Financial Leverage	0,008	0,004	0,019	0,094	Not Normal
Nilai Perusahaan	0,000	0,000	0,000	0,000	Not Normal

Source: result of processed data

The data in table 8 for the cash holding variable data in the first, second, and third quarters in stage II shows the significance value of the Kolmogorov Smirnov Test is greater than (0,05) while for the fourth quarter it is lower than (0,05) indicating that the first quarter, second, and third on the cash holding variable is normally distributed while the fourth quarter is not normally distributed. But if the residual value is tested (together) the cash holding variable is normally distributed. For financial leverage variable data in the first, second and third quarters sig. Kolmogorov Smirnov Test shows that the value is lower than (0,05) while in the fourth quarter the value of sig. higher than (0,05). If the residual value is tested (together) the financial leverage variable is not normally distributed. For variable data, firm value in the first, second, third and fourth quarters is lower than (0,05). So, the firm value variable is not normally distributed so the alternative way in the following research uses non-parametric testing, namely the Mann Whitney test.

Homogeneity Test

Table 9.
Result of Data Homogeneity Test

Variable	Sig.			Description
	Q1 & Q4	Q2 & Q4	Q3 & Q4	
Cash Holding	0,345	0,597	0,602	Homogenous
Financial Leverage	0,413	0,435	0,537	Homogenous
Nilai Perusahaan	0,578	0,922	0,913	Homogenous

Source: result of processed data

In table 9 the numbers sig. Levene Statistics for the value of cash holding, financial leverage and firm value show that each sig. research exceeds 5% or 0,05. Therefore, it can be said that the variable data in the following research is proven to have homogeneous variances.

Mann-Whitney U Test

Table 10.
Result of Mann-Whitney U Test of Cash Holding Variables

Output	Data Comparison		
	Q1 & Q4	Q2 & Q4	Q3 & Q4
N	88	88	88
Mann-Whitney U	3743,000	3826,000	3793,000
Z	-0,382	-0,136	-0,234
Sig. (2-tailed)	0,703	0,892	0,815

Source: Result of Processed Data

Viewed from table 10, it can be seen that the results of the Mann-Whitney test in the first quarter and the fourth quarter resulted in a probability value of sig. $>0,05$, which is 0,703, it can be stated that there is no difference between the cash holding figures in the first quarter and the fourth quarter. Likewise, cash holding between the second and fourth quarters shows that the results of the Mann-Whitney test for the probability value of sig. $>0,05$, which is 0,892 which can be said that there is no difference between the cash holding figures in the second quarter and the fourth quarter. Then the results of the Mann-Whitney test in the third quarter to the fourth quarter produce a probability value of sig. $>0,05$, which is 0,815 as a result, it can be stated that there is no difference between the cash holding value in the third quarter and the fourth quarter. For that reason, H_0 is accepted and it can be said that there is no difference between the cash holding variable data in first quarter, second quarter or in the cash holding variable data in the third quarter to the cash holding variable data in the fourth quarter.

Table 11.
Mann-Whitney U Test Results Financial Leverage Variables

Output	Data Comparison		
	Q1 & Q4	Q2 & Q4	Q3 & Q4
N	88	88	88
Mann-Whitney U	3814,000	3817,500	3819,500
Z	-0,172	-0,161	-0,155
Sig. (2-tailed)	0,864	0,872	0,877

Source: result of processed data

Observing the data from table 11, it can be seen that the results of the Mann-Whitney test in the first quarter with the fourth quarter produce a probability value of sig. $>0,05$, which is 0,864, it can be said that there is no difference between financial leverage in the first quarter and the fourth quarter. Likewise, financial leverage between the second and fourth quarters shows the results of the Mann-Whitney test for the probability value of sig. $>0,05$, which is 0,872, which means that there is no difference between the value of financial leverage in the second quarter and the fourth quarter. Then for the results of the Mann-Whitney test in the third quarter with the fourth quarter, it produces a probability value of sig. $>0,05$, which is 0,877, it can be said that there is no difference between the value of financial leverage in the third quarter and the fourth quarter. Therefore, H_0 is accepted, it can be said that there is no difference between the financial leverage variable data in the first, second quarter and also in the third quarter financial leverage variable data on the financial leverage variable data in the fourth quarter.

Table 12.
Mann-Whitney U Test Results Firm Value Variable

Output	Data Comparison		
	Q1 & Q4	Q2 & Q4	Q3 & Q4
N	88	88	88
Mann-Whitney U	3840,000	3678,000	3686,500
Z	-0,095	-0,574	-0,549
Sig. (2-tailed)	0,925	0,566	0,583

Source: result of processed data

Observing the data from table 12, it can be seen that the results of the Mann-Whitney test in the first quarter with the fourth quarter yielded a probability value of sig. $>0,05$, which is 0,925, it can be said that there is no difference between the firm value in the first quarter and the fourth quarter. Likewise, the firm value between the second and fourth quarters shows that the results of the Mann-Whitney test for the probability value of sig. $>0,05$, which is 0,566 which can be said that there is no difference between the company value in the second quarter and the fourth quarter. Then for the results of the Mann-Whitney test in the third quarter with the fourth quarter it produces a probability value of sig. $>0,05$, which is 0,583, so it can be said that there is no difference between the company value in the third quarter and the fourth quarter. Therefore, H_0 is accepted as a result, it can be said that there is no difference between the data on the company value variable in the first quarter, second quarter or in the variable data of the firm value in the third quarter with the variable data on the firm value in the fourth quarter.

Result Interpretation

Relationship of Cash Holding with Window Dressing

The results of the research stated that there is no difference between the average value of cash holding in the fourth quarter of the data in the first, second and third quarters and the results of the mann whitney test which proves that there is no indication of the formation of window dressing in cash holding companies. The results of this research prove the fact that cash holding companies in the energy sector listed on the ISSI IDX throughout the 2017-2020 period tend to be relatively stable. This is because earnings management is carried out as an action by company management to ensure that the company's operations consistently achieve maximum financial results with minimum financial results targets for the previous year. It can be concluded that during the research period the company was responsible for the capital of several investors by always giving good signals to investors.

Previous research confirmed Sari's (2019) findings which revealed that cash holding has an effect on window dressing practices. While the findings of Primasari & Tri Wahyuningtyas (2021) confirmed that the financial performance of earnings management and cash holding has no effect on the practice of window dressing. Moreover, the results of this study were similar to the results of Primasari & Tri Wahyuningtyas's research (2021) but different from Sari's (2019) research. The results of this study confirmed that cash holding has no effect on the practice of window dressing. The difference between the results of this study and that of Sari (2019) can occur due to several indicators such as differences in data such as objects, research methods and data analysis techniques used. Therefore, the conclusion is H_0 is accepted.

Relationship of Financial Leverage with Window Dressing

The results of the research stated that there is no difference between the average value of financial leverage in the company in the fourth quarter of the data with the first, second, and third quarters and the results of the mann whitney test which proves that there is no indication of the formation of window dressing in the company's financial leverage. The results of this research prove the fact that the financial leverage of companies in the energy sector listed in the ISSI IDX throughout the 2017-2020 period tends to be stable. This is because the company's financial leverage does not affect the return of financing funds from high equity owned by investors. A high leverage ratio can increase the risk of bankruptcy. It can be concluded that in the research period the company used fixed cost funds in the hope that the use of these funds would increase earnings per share.

The previous study confirmed the findings of Chandra (2022) which revealed that financial leverage had an effect on window dressing practices. Meanwhile, the findings of Suparlinah & Rahmawati (2018) confirmed that financial leverage has no effect on the practice of window dressing. The results of this study were the same as the results of Suparlinah & Rahmawati's research (2018) but different from Chandra's (2022). This study confirms that financial leverage has no effect on the practice of window dressing. The difference between the results of this study and Chandra's (2022) may occur due to several indicators, such as differences in data such as objects, research methods, and data analysis techniques used. Therefore, the conclusion is H_0 is accepted.

Relationship of Corporate Values with Window Dressing

The results of the research stated that there were no significant difference between the average firm value in the fourth quarter of the data in the first, second and third quarters and the results of the mann whitney test which proved that there were no indications of the formation of window dressing in the firm value. The research results prove the fact that the industrial value of the energy sector listed on the ISSI IDX throughout the 2017-2020 period tends to be stable. This is because the company is responsible for reporting operations and management as well as the level of liquidity. It can be concluded that in the research period the company uses company standards in optimizing shareholder wealth, which can be achieved by optimizing company value.

The previous study confirmed the findings of Riswandi (2020) which revealed that there was an influence between firm value and earnings management by showing that earnings management had a positive effect on firm value. Likewise, the findings made by Nersiyanti (2020) show that earnings management has an effect on firm value. In contrast to the results of this study, which confirms that firm value does not affect the practice of window dressing. Differences in the results of this study with those of Riswandi (2020) and Nersiyanti (2020) may occur due to several indicators such as differences

in data such as objects, research methods and data analysis techniques used. Therefore, the conclusion H_0 is accepted.

Analysis of the Effect of Application of Window Dressing

In calculating whether the increase in the cash holding variable, financial leverage and company value towards the end of the year will reflect an indication of the presence of window dressing indications, it can be calculated using the percentage level of window dressing each year. A positive number on window dressing during the sample year will be evidence in confirming the temporary nature of window dressing, so it is important if window dressing during the fourth quarter is reversed in the next quarter, namely the first quarter of the following year. with the use of the "reversibility" formula which can be measured by looking along the scale on the negative research in each sample period. If $Rev_{(it+1)}$ occurs in all or almost all periods, it can be said that "reversibility" has occurred. Various industries in the energy sector listed in ISSI on the IDX in 2017 to 2020 are not indicated to carry out window dressing in the variables of cash holding, financial leverage and company value.

V. CONCLUSION

Based on the results of the analysis in this research, it proves that there is no difference between the value of cash holding, financial leverage and the value of the company in the fourth quarter of the value in the first quarter, second quarter and third quarter. This identifies that the company does not indicate any window dressing symptoms. Therefore, it can be concluded that several companies in the energy sector listed on the ISSI IDX from 2017 to 2020 are not indicated to carry out window dressing practices. It can be used as an evaluation document for companies in the energy sector to further improve their operations. In order to avoid any indication of window dressing, energy companies listed on ISSI IDX must prioritize strategic efforts in improving the company's financial performance so that cash holding, financial leverage, and company value can reflect the company's situation and can be held accountable for the capital of several investors by always giving positive signals for investors. There are various research that get different results each year. Therefore, research related to window dressing still needs to be tried. For the next research, it is desirable to be able to extend the observation period, expand the object of research and develop different research models.

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