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The Impact of Cash Flow and Sales Volatility and Deferred Tax Expense on Earnings Persistence with Financial Leverage as a Moderating Variable in Property and Real Estate Sector Companies on the IDX (2021-2023)

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ABSTRACT

This study aims to analyze the impact of operating cash flow volatility (Cash Flow Volatility), sales volatility (Sales Volatility), and deferred tax expense (Deferred Tax Expense) on earnings persistence in property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2021-2023, with financial leverage as a moderating variable. The method used is multiple linear regression with a moderation test to test the direct and moderating effects of leverage on the relationship between variables. The results of the study indicate that sales volatility (Sales Volatility) has a significant negative effect on earnings persistence, while deferred tax expense (Deferred Tax Expense) has a significant positive effect. On the other hand, operating cash flow volatility (Cash Flow Volatility) does not show a significant effect. Although the moderating variable (leverage) does not directly moderate the relationship between the independent variables and earnings persistence, the presence of leverage strengthens the overall regression model, as evidenced by the increase in the R^2 value from 53.8% to 58.5%. This study provides insights into the importance of managing cash flow and sales volatility and the impact of deferred tax expense on corporate earnings performance, as well as the importance of taking leverage into account in improving the predictive power of financial models.

Keywords
Cash Flow Volatility, Sales Volatility, Deferred Tax Expense, Earnings Persistence, Financial Leverage, Property and Real Estate Companies, Indonesia Stock Exchange (IDX).

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INTRODUCTION

Financial Accounting Standards issued by the Indonesian Accountants Association (IAI) and referring to the International Financial Reporting Standards (IFRS) Regulate how companies must report their profits and finances. Financial reports in accordance with SAK provide a clear picture of the company's financial performance and the persistence of their profits. This helps ensure transparency and accountability for company stakeholders.

In a dynamic business world, companies need to understand the various factors that affect their financial performance. One of the key indicators often used to assess a company's financial performance is earnings persistence. Earnings persistence refers to a company's ability to maintain or increase profits over time. Earnings persistence is important for users of financial statements, especially for companies that want to get high quality earnings and quality profits. Stable earnings are earnings that do not change and can show consistent future predictions over a long period of time and have the ability to be a profit indicator from period to period that is generated by the Company repeatedly. Factors that can affect earnings persistence involve many aspects, including operating cash flow volatility, sales volatility, deferred tax expense, and financial leverage. Cash flow volatility is the extent to which a company's cash flow is spread out, fluctuations or varying movements that occur from one period to another are called volatility. It will be very difficult to predict future cash flows if cash flow fluctuations are sharp or volatility is highNahak et al., (2021). When a company's cash flow has high volatility, it can indicate that reported earnings may also be inconsistent and unsustainable. The volatility of operating cash flow has a positive effect on earnings persistence as revealed in the study. The Last Supper (2020),Nurhayadi et al. (2024)However, according toEmradini et al (2024),Yoana et al. (2024), operating cash flow volatilitydoes not have a significant effect on earnings persistence.

To gain profit, sales are the most important part of the operating cycle. Annual sales fluctuations can show how sales change. The relationship between sales volatility can greatly affect profits. If sales fluctuate, profits will also tend to be unstable because of the fixed and variable costs that the company must bear. Sales volatility has a positive effect on profit persistence according toThe Last Supper (2020),Harahap et al. (2024)However, the research results presented byThe Last Supper (2019)that volatility shows that sales volatility has a significant negative effect on profit persistence, while the sales volatility variable and the difference between accounting profit and fiscal profit do not affect profit persistence. The next factor is Deferred tax burden, which is a tax burden that arises due to differences in the timing of income and expense recognition between commercial financial statements and tax reports. This occurs because of differences in accounting and taxation rules regarding when income and expenses should be recognized. The existence of deferred tax burden can make profit appear less stable from period to period. Deferred tax burden has a positive effect on profit persistence. According toThe Last Supper

(2024)Meanwhile, deferred tax burden has no effect on profit persistence as shown by the research results byAlifah Istipani et al. (2023);Nurhayadi et al. (2024); &Saputri & Husadha (2024).

*Leverage*is the amount of debt owned by the Company to fund the Company compared to the company's capital. The higher the level of debt owned by the Company can cause the Company to try to increase its profit persistence in order to show good performance in the eyes of investors and creditors. A large level of debt will have an impact on the Company to plan profits in order to produce profits that are persistent in the eyes of creditors that the Company is able to pay off its debts. Leverage affects profit persistence. According to, Rizka et al. (2024) Istipani & Hasanuh (2023) , Indriani & Napitupulu (2020) , Nahak et al. (2021)Meanwhile, the research results. According toThe Last Supper (2024)has no effect on earnings persistence

In the property sector, many companies reported increasing profits, but with high fluctuations in cash flow and sales. Economic uncertainty due to changes in government policies and global market conditions. In 2021 to 2023, there was a significant increase in profits in many property companies, such as. PT Andaro Energy Indonesia Tbk. (ADRO) which recorded a profit of 548.93% in 2021, 175.24% in 2022, and -34.48% in 2023. Followed by PT Bayan Resources Tbk (BYAN) which recorded a profit of 267.5% in 2021, 81.8% in 2022 and -44.4% in 2023. However, this increase in profit is often accompanied by high volatility, which can affect investor perceptions of the quality of the profits generated. Some companies experienced extraordinary spikes in profits, but uncertainty in cash flow and sales led to concerns about future profit consistency https://www.idx.co.id/id/.

This research is important to conduct because it provides comprehensive insight into the factors that influence the quality of corporate profits, relevant to various stakeholders such as investors, creditors, and contributes to the development of corporate accounting and financial science.

The novelty in this study lies in the research object and research variables. Where to examine property and real estate companies listed on the Indonesia Stock Exchange for the 2021-2023 period and add the Deferred Tax Burden variable. The reason the researcher added this variable is because the deferred tax burden can reveal how differences in accounting and taxation recognition can change profit stability, and the researcher added Financial Leverage as a moderating variable, where this variable can strengthen or weaken the influence of the independent variable on the dependent variable. If the company has high financial leverage, then the strategy used to increase returns is by utilizing debt, but it can pose a higher risk due to the obligation to pay interest.

Based on the description above, the purpose of this study is to test the effect of operating cash flow volatility, sales volatility, and deferred tax burden on profit persistence moderated by financial leverage in Property and Real Estate Sub-Sector Companies listed on the IDX for the 2021-2023 period.

RESEARCH METHOD

The type of research used in this study is quantitative research using secondary data. The sample of this study is the property and real estate sub-sector listed on the IDX for the 2021-2023 period. The selection of the property and real estate sub-sector as the object of research is due to frequent fluctuations, both due to external and internal factors of the company, making the property and real estate sector very important to study in the context of profit persistence. This study provides deeper insight into how factors interact and influence the financial stability of property companies, ultimately helping stakeholders in making better decisions in this sector. The target population for sampling in this study used the purposive sampling method with the criteria (1) property and real estate sub-sector companies that publish financial reports using the rupiah currency (2) property and real estate sub-sector companies that have complete data related to the required variables (3) Property and Real Estate Sub-Sector Companies that publish their financial reports for 2021-2023. Secondary data in this study were obtained from the Indonesia Stock Exchange (IDX) and the Company's website in 2021-2023.

Table 1.
Measurement of Variables

Variables	Measurement	Scale	Researcher
Earnings Persistence	$PL = \frac{laba\ Sebelum\ Pajak\ t - laba\ sebelum\ pajak\ t\text{-}1}{Total\ Aset\ i}$ Where PL: Profit Persistence t is Profit before tax this year Profit before tax; t – 1 is Profit before tax previous year Total asset it is Total assets in year i in year	Ratio	Saptiani & Fakhroni, (2020)
Cash Flow Volatility	$VAKO = \frac{\sigma(CFO)t}{Total\ Aset\ I}$ Description VAKO is Volatility of operating	Ratio	Saptiani & Fakhroni, (2020)

International Journal of Education, Social Studies, And Management (IJESSM)
Volume 5, Issue 1, February 2025
Page 449-465

	cash flow Ơ is Standard deviation (CFO)t is Total operating cash flow in 2022-2023 Total Ase is Total assets of company i in year		
Sales Volatility	$$VP = \sigma \frac{(\,Penjualan\ Selama\ Tahun\ Pengamatan)t}{Total\ Aset\ i}$$ Description: VP is Sales Volatility σ is Standard Deviation Total Assets is Total assets of company i in year	Ratio	Saptiani & Fakhroni, (2020)
Deferred Tax Expense	$$Beban\ Pajak\ Tangguhan = \frac{Aset\ Pajak\ Tangguhan}{Total\ Aset}$$ Deferred tax expense deferred tax assets divided by total assets	Ratio	Septianing rum et al. (2022)
Financial Leverage (Moderatio nVariable)	$$Leverage = \frac{Total\ Debt}{Total\ Equity}$$ *Leverage*total debt divided by total equity	Ratio	Elnathan & Susanto,(2 020)

The test was conducted using descriptive statistics, classical assumption tests, hypothesis tests, and multiple linear regression analysis. The classical assumption tests used in this study were (1) normality test, (2) multicollinearity test, (3) autocorrelation test, (4) heteroscedasticity test. The hypothesis tests used in this study were (1) t-test, (2) t-test, (3) determination coefficient test. The multiple linear regressions are:

Y=a+b1VAK+ b2VP+ b3DT+ b4VAKDER+ b5VPDER+ b6DTDER

Information :
Y = Earnings Persistence
a = constant
b = regression coefficient indicating the elasticity of each variable
x1= Cash Flow Volatility
x2= Sales Volatility
x3 = Deferred Tax Expense
Z = Financial Leverage as a Moderating Variable
ε = Influence of other fixed variables or error term

International Journal of Education, Social Studies, And Management (IJESSM)
Volume 5, Issue 1, February 2025
Page 449-465

RESULT AND DISCUSSION

Descriptive Statistics

Table 2.
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Earnings Persistence	35	-.09	.04	.0008	.02240
Cash Flow Volatility	35	-.49	3.82	.0000	.78408
Sales Volatility	35	-2.44	45.73	.0000	8.12252
Deferred Tax Expense	35	.00	.01	.0000	.00192
*Cash Flow Volatility * Leverage*	35	-.56	.25	-.0557	.20420
*Sales Volatility * Leverage*	35	-3.49	2.98	-.1398	1.24889
*Deferred Tax Expense * Leverage*	35	.00	.00	-.0001	.00074
Valid N (listwise)	35				

Based on the results of the descriptive statistical table test in table 1 with a sample size of 35 for 3 years. The lowest value for the cash flow volatility variable, the smallest value of -0.494 is also owned by the company PT Ciputra Development Tbk in 2021, which shows that this company experienced a very stable cash flow or negative cash flow during that period. The highest value for this variable of 3.816 is found in the company PT Metro Realty Tbk in 2022, experiencing very large fluctuations in the company's cash flow, which may be caused by dependence on external factors or major changes in the company's operations. The average cash flow volatility value of 0.0000 generally indicates that the company can manage cash flow well and is not too affected by significant external fluctuations which are smaller than the standard deviation of 0.78408 which means it is heterogeneous or variable.

The lowest value of the sales volatility variable of -2.445 was found in the company Ciputra Development Tbk in 2022 experiencing very large sales fluctuations, this very high figure reflects a major change in sales volume. The highest value of sales volatility of 45.734 was in the company PT Metro Realty Tbk in 2022 experiencing very large sales changes, this very high figure reflects a major change in sales volume. The average value of the sales volatility variable of 0.0000 indicates that many companies did not experience significant changes in their sales volume during the analyzed period which is smaller than the standard deviation of 8.12252 which is heterogeneous or variable.

The lowest value of the deferred tax burden variable of 0.00 is owned by the company Bumi Citra Permai Tbk, in 2021-2023 and PT Duta Anggada Realty Tbk in 2021 and Pakuan jati Tbk in 2023 and PT Cahayasakti Investindo Sukses Tbk 2021. Indicates that the company does not use a tax management strategy that involves recognizing deferred tax burdens, for example because there are no changes in tax policy or significant profit recognition. The highest value of the deferred tax burden variable of 0.01 is found in PT Metro Realty Tbk in 2022, indicating that there are more significant delayed tax liabilities than companies in the sample because income recognition is greater than tax liabilities paid because accounting policies introduce differences in the timing of income and expense recognition. The average value of the deferred tax burden variable of 0.0000 indicates that most companies in the sample have very small or even no deferred tax burdens during the period analyzed. which is smaller than the standard deviation of 0.00192 which is heterogeneous or variable.

Furthermore, in the interaction between cash flow volatility and financial leverage (X1 * Z), the smallest value of -0.560 is owned by the Moderland company in 2023 that the Moderland company in 2023 experienced a fairly large negative influence between cash flow fluctuations and the use of debt (financial leverage). The largest value of 0.248 is in the company PT Metro Realty Tbk in 2022 that the company PT Metro Realty Tbk in 2022 experienced a positive influence between cash flow volatility and financial leverage. meaning relatively large cash flow fluctuations with more effective use of debt in supporting the company's operations and expansion. The average value of the cash flow volatility and financial leverage variables of -0.0557 shows that overall, the interaction between cash flow volatility and financial leverage has a negative effect, although not too large. which is smaller than the standard deviation of 0.20420. which is heterogeneous or variable.

For the interaction between sales volatility and financial leverage (X2 * Z), the smallest value of -3.490 is owned by the Moderland company. In 2023, it shows that in the Moderland company in 2023, there is a very large negative influence between fluctuations between sales and the use of debt. While the highest value of 2.976 shows that the company PT Metro Realty Tbk in 2022 experienced a significant positive influence between sales volatility and financial leverage. Found in the company PT Metro Realty Tbk in 2022. The average value of the sales volatility and financial leverage variables is -0.1398 that overall, the interaction between sales volatility and financial leverage tends to have a negative effect for most companies in the sample, meaning that large fluctuations in sales tend to worsen the company's financial performance when the leverage used is very high which is smaller than the standard deviation of 1.24889 there is significant diversity in the influence of the interaction between sales volatility and financial leverage. This large variation shows that there is a striking difference between companies in managing sales volatility and the use of leverage. which is heterogeneous or varied

Finally, in the interaction between deferred tax burden and financial leverage (X3 * Z), the smallest value of 0.00 by PT Bumi Citra Permai Tbk in 2021 and 2023, PT Duta Anggada Realty Tbk 2021, PT Perdana Gapura Prima Tbk 2021 and 2023, PT Metro Realty Tbk 2022, PT Roda Vivatex 2021 and 2023, PT Pakuwan jati 2021 and 2022, PT Metropolitan Land Tbk 2021-2023, PT Cahayasakti Investindo Sukses Tbk 2022, PT Jababeka Tbk 2023, PT Sentul City Tbk 2022 and 2023, PT Mega Manunggal Tbk 2022 shows that in the analyzed period, there is no significant influence between these two variables. Because the Company did not record a significant difference between deferred tax burden and financial leverage while the value of 0.00 is owned by the company PT Mega Manunggal Tbk 2023. shows that the company PT Mega Manunggal Tbk in 2023 did not experience a significant influence between deferred tax burden and financial leverage because the company may not have a large difference between the recognition of fiscal profit and accounting profit. The average value of the deferred tax burden and financial leverage variables of -0.0001 indicates that the interaction between deferred tax burden and financial leverage tends to be very small so that overall its impact on the company's financial management or deferred tax liabilities is not too large. which is smaller than the standard deviation of 0.00074 which is heterogeneous or varied

Classical Assumptions

Since the distribution of points in the p-plot image follows the direction of the diagonal line, this study shows that it is normally distributed. There are no symptoms of multicollinearity in this study because the tolerance value of the study is > 0.10 and the VIF value is <10. The scatterplot image shows that this study did not find symptoms of heteroscedasticity because the points are spread irregularly and are above and below zero on the Y axis. There is no autocorrelation in this study because the durbin waston value before moderation is 1.926 Thus, this shows that DU <DW <4-DU Free from autocorrelation after moderation is obtained at 2.073 indicating thatDU<DW< 4-DU.

International Journal of Education, Social Studies, And Management (IJESSM)
Volume 5, Issue 1, February 2025
Page 449-465

Multiple Linear Regression And T-test

Table 3.
Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.001	.003		.311	.758
Cash Flow Volatility	-.001	.010	-.027	-.074	.941
Sales Volatility	-.003	.001	-.920	- 2,690	.011
Deferred Tax Expense	4,556	2,084	.390	2.186	.036
(Constant)	-.001	.003		-.315	.755
Cash Flow Volatility	-.005	.011	-.161	-.422	.676
Sales Volatility	-.003	.001	-.968	- 2,702	.012
Deferred Tax Expense	5.186	2.124	.444	2,442	.021
*Cash Flow Volatility** Leverage	-.058	.035	-.531	- 1,661	.108
*Sales Volatility * Leverage*	.011	.006	.607	1,736	.094
*Deferred Tax Expense * Leverage*	-.489	4,543	-.016	-.108	.915

Regression Equation Model Without Moderation

In the regression equation without moderation, the researcher found the following equation:

Y = a + b.X1 + bX2 + bX3

With the equation seen in the output as follows:

Y = 0.001 (a) -0.001 (X1) – 0.003 (X2) + 4.556 (X3)

Regression Equation Model With Moderation

In this regression equation, the researcher uses a perfect moderation model, where the Z variable is not included in the equation, but only interacts with the Independent variable. Here is the equation:

Y = a + b.X1 + bX2 + bX3 + bX1Z + bX2Z + bX3Z

With the equation seen in the output as follows:

Y = -0.001 (a) -0.005(X1) -0.003 (X2) + 5.186 (X3) – 0.058 (X1Z) + 0.011 (X2Z) – 0.489 (X3Z)

Partial Hypothesis Test

The following is an analytical interpretation of the analysis results in the form of points:

The Influence of Independent Variables on Y:
X1 (*Cash Flow Volatility*): No significant effect on the dependent variable Y ($p = 0.941 > 0.05$).
X2 (Sales Volatility): Has a significant negative effect on Y ($p = 0.011 < 0.05$). Every increase in X2 causes a decrease in Y.
X3 (*Deferred Tax Expense*): Has a significant positive effect on Y ($p = 0.036 < 0.05$). Every increase in X3 causes an increase in Y.
The Influence of Interaction Variables on Y:
X1z (interaction*Cash Flow Volatility*and Z): Not significant ($p = 0.108 > 0.05$).
X2z (interaction between Sales Volatility and Z): Not significant ($p = 0.094 > 0.05$).
X3z (interaction*Deferred Tax Expense*and Z): Not significant ($p = 0.915 > 0.05$). The insignificance of all interaction variables (X1z, X2z, and X3z) indicates that the moderating variable Z weakens the relationship between X1, X2, X3 and Y. The effect of each independent variable on the dependent variable does not depend on the value of Z.
f test

Table 4. f test

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.009	3	.003	12,031	.000b
	Residual	.008	31	.000		
	Total	.017	34			
2	Regression	.010	6	.002	6,580	.000c
	Residual	.007	28	.000		
	Total	.017	34			

Based on the results of the ANOVA test, the p-value before moderation of 0.000 ($p < 0.05$) indicates that the regression model before moderation as a whole is suitable for explaining the relationship between the independent variable and the dependent variable. After entering the moderation variable, the p-value remains at 0.000, which is also smaller than 0.05. This indicates that the regression model after moderation remains significant and the moderation variable contributes to strengthening the equation model. Thus, although the moderation variable does not directly moderate the individual relationship between variables (based on the previous interaction test), its presence can improve the overall quality of the model.

International Journal of Education, Social Studies, And Management (IJESSM)
Volume 5, Issue 1, February 2025
Page 449-465

Coefficient of Determinant

Model Summaryc					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.733a	.538	.493	.01594	1,926
2	.765b	.585	.496	.01590	2,073

Based on the results of the Determinant Coefficient in the Model Summary table, in model 1 (before moderation), the R^2 value is 0.538 or 53.8%. This shows that the independent variables in the model are able to explain the influence on the dependent variable by 53.8%, while the rest, which is 46.2%, is explained by other variables outside the model. In model 2 (after moderation), the R^2 value increases to 0.585 or 58.5%, which means that the model after moderation can explain the relationship between variables by 58.5%, while the remaining 41.5% is influenced by other variables outside the model. The increase in the R^2 value of 4.7% (from 53.8% to 58.5%) indicates that the presence of the moderating variable Z provides additional contribution to the equation model, although the effect is relatively small. This shows that Z moderation strengthens the overall regression model, but its role remains limited in increasing the model's ability to explain the relationship between variables.

Discussion

First Model

The Effect of Operating Cash Flow Volatility on Earnings Persistence

The results of the analysis show that the volatility of operating cash flow (Cash Flow Volatility) shows a significant value of ($p = 0.941 > 0.05$) and a coefficient value of-.001. This shows that cash flow volatility has a negative but insignificant effect on earnings persistence. This shows that H_1 is rejected, which means that cash flow volatility has a negative but insignificant effect on earnings persistence.

The results of this study are not in line with research from(Gunawan & Gurusinga, (2022)which shows that cash flow volatility actually has a positive and significant effect on earnings persistence. Inconsistent results were also found from the studyIndriani & Napitupulu, (2020)which shows that cash flow volatility has a positive and significant effect on earnings persistence.

These different findings indicate that there are differences in industry context and company conditions that may affect the relationship between operating cash flow volatility and earnings persistence. In the property and real estate companies that are the objects of this study, operating cash flow fluctuations may not be as large or as regular as those found in other industries, so they are not significant enough to have an impact on earnings stability. In addition, the characteristics of each company, such as management policies in managing cash flow or the level of dependence on long-term income, may also be factors that influence different results. This study also shows the importance of considering other external factors that can affect cash flow volatility and earnings persistence, such as property market conditions that often experience changes and uncertainty.

The Effect of Sales Volatility on Earnings Persistence

The sales volatility variable (Sales Volatility) has a significant negative effect on profit persistence (p = 0.011 < 0.05). and a coefficient value of-.003 this shows that sales volatility has a negative and significant effect on earnings persistence. This means that the higher the sales fluctuation, the lower the company's earnings stability. This shows that H2 is accepted because it is proven that sales volatility has a negative effect.

The results of this study are in line with research(Renaldo et al., 2023)which shows that sales volatility has a negative and significant impact on the company's profit persistence. The same results are also shown byNahak et al., (2021) which shows that there is a significant negative influence on earnings persistence.The similarity of the results shows that sales volatility does have a consistent negative impact on earnings persistence across contexts and sectors. Sales volatility causes earnings uncertainty that has the potential to disrupt a company's ability to maintain stable earnings in the long term. This finding emphasizes the importance of companies to manage sales fluctuations well through more effective marketing strategies, product diversification, or risk management that can minimize the impact of sales uncertainty on financial performance.

The Impact of Deferred Tax Expenses (*Deferred Tax Expense*) on Earnings Persistence

Deferred tax expense (*Deferred Tax Expense*) has a significant positive effect on earnings persistence (p = 0.036 < 0.05) with a regression coefficient value of 4.556. These results indicate that H3 is accepted, which means that Deferred Tax Expenses are proven to have a significant positive effect on earnings persistence. This finding indicates that the use of certain tax strategies through deferred taxes can increase the stability of corporate earnings. This study is in line with the results of research from(Tri et al., 2010)which shows that Deferred Tax Expense has a positive and significant effect on profit persistence.

Second Model

The Effect of Operating Cash Flow Volatility Moderated by Leverage on Earnings Persistence

The interaction between Cash Flow Volatility and leverage (X1z) is not significant (p = 0.108 > 0.05). This indicates that leverage weakens the relationship between operating cash flow volatility and earnings persistence. In other words, the effect of Cash Flow Volatility on earnings persistence remains consistent, regardless of the company's leverage level. This indicates that the company's leverage level does not have enough impact to strengthen the relationship between cash flow volatility and the company's ability to maintain stable earnings. Therefore, the results of the study indicate that

Companies with high leverage will face more financial risks, good management of cash flow fluctuations remains a key factor in ensuring stable and sustainable profits.

The Effect of Sales Volatility Moderated by Leverage on Earnings Persistence

The interaction between Sales Volatility and leverage (X2z) is also not significant (p = 0.094 > 0.05) this value indicates that leverage tends to weaken the relationship between sales volatility and earnings persistence. This means that when a company has a higher level of debt, the impact of sales fluctuations on the company's ability to generate consistent profits will be smaller.Therefore, managing sales volatility becomes a bigger priority for companies in ensuring stable and consistent profits.

The Impact of Deferred Tax Expenses (*Deferred Tax Expense*) Moderated by Leverage on Earnings Persistence

Interaction between*Deferred Tax Expense*and leverage (X3z) is not significant (p = 0.915 > 0.05). This shows that leverage weakens the influence*Deferred Tax Expense*on earnings persistence.Leverage moderation is not able to strengthen the relationship between independent variables (*Cash Flow Volatility,*Sales Volatility,*Deferred Tax Expense*) and earnings persistence. This shows that Deferred tax expenses can indicate the ratio of a company's debt to its equity, its impact on sustainable earnings is smaller when leverage acts as a moderator. Therefore, careful and stable capital structure management remains a major factor in maintaining the resilience of a company's earnings. According to research by Yuliyanti et al., (2022). shows that company size can moderate the relationship between leverage and firm value, but leverage itself does not always have a consistent effect on earnings performance(Yuliyanti et al., (2022).Thus, this suggests that leverage does not have the necessary moderating power to strengthen the relationship between the independent variables and earnings persistence.

International Journal of Education, Social Studies, And Management (IJESSM)
Volume 5, Issue 1, February 2025
Page 449-465

Overall Model Analysis Based on ANOVA Test

Based on the results of the ANOVA test, the p-value before moderation of 0.000 ($p < 0.05$) indicates that the regression model before moderation as a whole is suitable for explaining the relationship between the independent variables and the dependent variable. This indicates that the combination of the variables Cash Flow Volatility (X1), Sales Volatility (X2), and*Deferred Tax Expense*(X3) provides a significant contribution in influencing earnings persistence. After entering the moderation variable (Leverage), the p-value remains at 0.000 ($p <0.05$), which also indicates that the regression model after moderation is significant overall. Although the results of the interaction test indicate that the moderation variable does not directly moderate the individual relationship between the independent and dependent variables, the presence of leverage as a moderating variable contributes to improving the overall quality of the model. This is reflected in the increase in the R^2 value from 53.8% before moderation to 58.5% after moderation, which means that the moderating variable helps explain an additional 4.7% of the variability in the regression model. Thus, although leverage is not significant as a moderating variable at the level of individual relationships between variables, its presence still strengthens the overall regression model. This shows the importance of considering leverage in regression analysis to improve the predictive ability of the model.

CONCLUSION

Based on the results of the analysis, it can be concluded that the variables Sales Volatility and Deferred Tax Expense have a significant effect on earnings persistence, with Sales Volatility having a negative effect and Deferred Tax Expense having a positive effect. However, Cash Flow Volatility does not show a significant effect. Meanwhile, the Leverage moderation variable does not directly moderate the relationship between the independent variables and earnings persistence, because the results of the interaction test show insignificance. Nevertheless, the presence of leverage in the overall regression model improves the quality of the model, as reflected in the increase in the R^2 value from 53.8% to 58.5%, indicating that the moderation variable makes a positive contribution to the strength of the model even though it does not directly affect the relationship between variables. Suggestions This study can provide very useful insights for companies in the property and real estate sector to manage the volatility of cash flow, sales, and deferred taxes. Through the right financial management strategy and good tax planning, companies can increase their earnings persistence. Financial leverage should be used with caution, considering its impact on financial risk and profit stability. Given that the influence of some variables is not always significant or different based on other industrial sectors. So the researcher provides suggestions for further research to obtain more comprehensive results in understanding the factors that influence profit persistence.

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