Analysis of Factors Affecting the Persistence of Earnings in Property and Real Estate Companies Listed on the Indonesia Stock Exchange

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***Abstract** – this research has purpose to know about the influence of cash flow volatility, sales volatility and leverage on earnings persistence. In this research, the writer uses the quantitative data, that is the company annual report which is obtained from BEI official website and all company official website related in this research. The population in this research is property and real estate companies registrated in Indonesian Stock Exchange period 2016-2018. The sampling technique in this research use purposive sampling and obtained there 27 analysis with the criteria. This research use multiple linear regression analysis with the program Eviews version 9.0 device and assumption classic test for data analysis. This result of this research show that cash flow volatility variable and leverage do not have effect to earnings persistence. Meanwhile, sales volatility variable has significant positive effect towards to earnings persistence.*

***Keywords**: earnings persistence, cash flow volatility, sales volatility and leverage.*

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I. PRELIMINARY

Preparation of financial reports in accordance with applicable standards and regulations is one of the things that needs to be considered in increasing the company's credibility. The financial report is one of the financial information used as the basis for making several decisions, such as performance appraisal, determination of compensation and dividends to investors. One of the elements of the financial statements used by investors as a basis for decision making is profit. however, the provision of financial statement information by companies to investors is not only through the current profit condition but also shows the future condition of the company.

Earnings persistence is profit that tends to be stable and shows that profit can survive in future conditions. Dewi and Putri (2015) argue that persistent earnings are profits that tend not to fluctuate and represent predictions of future earnings over a long period of time. In principle, the notion of earnings persistence can be viewed from two points of view. The first view states that earnings persistence is related to the company's overall performance which is reflected in the company's earnings. This view states that high persistence earnings are reflected in sustainable profits for a long period. The second view states that earnings persistence is related to the performance of capital market share prices which is manifested in the form of returns, so that the stronger relationship between company profits and returns for investors in the form of stock returns shows high earnings persistence (Sujana et al., 2017). There are several cases that cause non-persistent profit, one of which happened to PT Alam Sutera Realty Tbk (ASRI) which posted a decrease in net income in 2015 of 93.58% to IDR 62.58 billion or IDR 3.24 per share of net income in in 2014, namely IDR 818.92 billion or IDR 41.68 per share (quoted from britama.com).

In this study, the factors that influence earnings persistence are cash flow volatility, sales volatility, debt levels and firm size. Cash flow volatility is calculated through operating cash flows. In terms of measurement of cash flow volatility is calculated by the standard deviation of operating cash flows compared to the company's total assets. This measurement is carried out to determine the level of cash flow volatility. If the volatility of cash flows is large, the cash flow will fluctuate so that profit is not persistent.

Sales are the most important part of the company's operating cycle in generating profit. Sales volatility is the degree of distribution of sales or the distribution index of the company's sales distribution (Dechow and Dichev, 2002). The low volatility of sales will show the ability of profit to predict future cash flows.

The debt level factor is calculated using the debt to asset ratio. This calculation is carried out to assess how much the company's assets are financed by debt. The level of debt will be greater if the company has more long-term debt. Therefore, how much the desired level of debt depends on the stability of the company (Kasiono and Fachrurrozie, 2016).

Company size is an indicator that can show the condition or characteristics of the company where there are parameters that can be used to determine the size of the company. Large companies will have better predictable stability and operations, so that the resulting estimation errors will be smaller (Dechow and Dichev, 2002).

The object of this research is property and real estate companies listed on the Indonesia Stock Exchange for the period 2016-2018. The reason is because property and real estate companies have very rapid economic development, as evidenced by the increasing number of companies listed on the IDX, besides that the output of property and real estate companies is a primary need for humans which should stimulate investors to invest in these sub-sector companies. Based on the results of the description above, the researcher is interested in taking the title **"ANALYSIS OF THE FACTORS AFFECTING INCOME PERSISTENCY IN PROPERTY AND REAL ESTATE COMPANIES REGISTERED IN INDONESIA STOCK EXCHANGE "**.

Formulation of the problem

From some of the descriptions put forward in the background, the formulation of the problem can be identified as follows:

1. How is the effect of cash flow volatility on earnings persistence in property and real estate companies?
2. How is the effect of sales volatility on earnings persistence in property and real estate companies?
3. How does the level of debt affect the persistence of earnings in property and real estate companies?

II. THEORETICAL BASIS

Signalling Theory

Signaling Theory provides an understanding that information provided by management to outsiders will be a signal to the market. A signal or signal according to Brigham and Houston (2010: 185) is an act of company management that provides instructions for investors about how management views the company's prospects. Information regarding the amount of assets that reflects the size of the company, the level of leverage and sales or internal parties for its performance in the company is a signal of management regarding the company's ability to generate persistent profits. Companies can improve persistent earnings quality by reducing information asymmetry, namely by providing signals to outsiders, one of which is in the form of positive and reliable financial information that will reduce uncertainty about future prospects. Signal theory becomes the theoretical basis in this research because signal theory describes the importance of information for investors who will invest.

Earnings Persistence

Earnings persistence is earnings that can be used as an indicator of future earnings. The definition of earnings persistence according to Scot (2015) is the revision of expected future earnings which is implied by current year's earnings innovation. The amount of this revision indicates the level of earnings persistence. Persistence earnings are profits that tend not to fluctuate and reflect the sustainability of future profits for a long and continuous period (Dewi and Putri, 2015). Persistent profit is needed by companies to show good company performance in the eyes of investors and creditors.

Cash Flow Volatility

Cash flow volatility is the degree of spread of cash flows or the index of the distribution of the company's cash flow distribution. uncertainty in the operating environment indicates a high level of cash flow volatility, which in turn reduces earnings persistence. In this case, stable economic conditions contribute to maintaining certainty in the operating environment or in other words preventing the occurrence of high cash flow volatility. Fanani (2010) explains that there is a negative relationship between cash flow volatility and earnings persistence. so that the higher the cash flow volatility, the lower the earnings persistence. To measure earnings persistence, a stable cash flow is needed, that is, it has a small cash flow volatility.

Sales Volatility

The high level of sales reflects the company's high performance in marketing and selling products or services. Investors prefer sales levels that are relatively stable or have low volatility. Sales volatility is the degree of distribution of sales or the distribution index of the company's sales distribution (Dechow and Dichev, 2002). The low volatility of sales will show the ability of profit to predict future cash flows. however, if the level of volatility is high, the quality of the

earnings will be low, because the profits generated will contain a lot of perceived noise (Dechow and Dichev, 2002).

Leverage

The level of debt is one of the information in financial reports that can affect investors' perceptions (Kusuma and Sadjiarto, 2014). The level of debt will be relevant to cash inflows from external resources that contain economic benefits in the future. But on the other hand, the company has an obligation to pay off the debt when it matures. The level of debt will cause the company to increase earnings persistence with the aim of maintaining good company performance in the eyes of investors. With good performance, it is expected that creditors will continue to have confidence in the company, continue to channel funds and the company will find it easier to process payments (Fanani, 2010).

Company Size

Company size is an indicator that can show the condition or characteristics of the company where there are parameters that can be used to determine the size of the company, such as the number of employees used to carry out company operations, total company sales achieved by the company in a period and total assets. owned by the company (Awaliyah and Suwarti, 2017). The size of the company can be seen from the total assets and total sales owned by the company. investors will have higher confidence in large companies because they are considered capable of improving the quality of their earnings through a series of efforts to improve company performance (Dewi and Putri, 2015).

The Effect of Cash Flow Volatility on Earnings Persistence

Volatility is defined as fluctuations in the operating environment characterized by fluctuations in the amount of cash flows owned by the company. The movement of operating cash flows that fluctuates sharply will have an impact on the low level of earnings persistence because it does not reflect the actual operating conditions. To measure earnings persistence, it requires stable cash flow information that has low volatility so that it can reduce the risk of uncertainty on future prospects.

H1: Cash flow volatility has a negative effect on earnings persistence

The Effect of Sales Volatility on Earnings Persistence

Volatility of sales indicates fluctuations in the operating environment and a trend towards greater use of forecasts and estimates. Sales volatility factor is one of the determinants of earnings persistence because if the level of deviation is bigger it will cause low earnings persistence.

H2: Volatility of sales has a negative effect on earnings persistence

Effect of Debt Level on Earnings Persistence

The level of debt encourages companies to increase earnings persistence in order to maintain good performance in the eyes of auditors and users of financial statements. Investors tend to have a better view of companies that have high levels of debt if the company's profits are persistent or in accordance with the actual situation.

H3: The level of debt has a positive effect on earnings persistence

III. RESEARCH METHOD

Research Strategy

This research uses quantitative research. Quantitative research views the relationship of variables to the object under study to be causal or cause and effect so that there are independent variables and dependent variables (Sugiyono, 2016: 11). In this study, the verification approach is used to determine the influence of the independent variables consisting of cash flow volatility, sales volatility, debt level and company size on earnings persistence listed on the Indonesia Stock Exchange.

Population and Sample

The subjects in this study were property and real estate companies listed on the Indonesia Stock Exchange (BEI) for the period 2016-2018. The population in this study was 48 property and real estate companies. The sample selection method in this study is purposive sampling, where the sample is selected based on certain criteria. The criteria for taking the research sample are as follows:

1. Property and real estate companies that present audited financial reports consistently and completely from 2016 to 2018 which are listed on the Indonesia Stock Exchange (IDX).
2. These companies publish and publish complete annual financial reports as of December 31.

Table 3.1 Purposive Sampling

No	Criteria	Total
1	Total population of property and real estate companies listed on the Indonesia Stock Exchange for the period 2016-2018	48
2	Property and real estate companies that do not publish complete and consistently audited financial reports during the 2016-2018 period respectively	(2)
	Total companies that meet the criteria	**46**
	Test year	**3**
	Total data	**138**

Source: processed data, 2020

Data and Data Collection Methods

The data in this study comes from secondary data, namely data obtained indirectly through intermediary media. The data used in this study were obtained from the website of the Indonesia Stock Exchange (BEI), namely www.idx.co.id and the official websites of each company. The

data collection method used in this research is the documentation method. According to Salim and Haidir (2019) the method of documentation is looking for data about things or variables in the form of notes, transcripts, books, newspapers, magazines, meeting minutes, lengger, agendas, and so on. The documentation method is obtained by collecting data and the materials used. The data analysis method used in this research is anel data regression technique. Regression analysis aims to obtain a form regarding the relationship between the independent variable and the dependent variable which is assessed to determine the performance of each company. In this research, the data were processed using the E-Views 9 computer program.

In this study using descriptive data analysis. Descriptive statistics aim to interpret the effect of the independent variable on the dependent variable by presenting the data in a table. The statistics used in this analysis are the average value, minimum value, maximum value and standard deviation. Researchers filtered the data using the classical assumption test consisting of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. In making panel data estimates, the researcher uses the Chow test, the Hausman test and the Lagrange multiplier test. Furthermore, to test the hypothesis using the coefficient of determination, F statistical test (Simultaneous), and statistical t test (partial).

Operationalization of Variables
1. Earnings Persistence (Y)
   According to Penman (2001) in Fanani (2010), persistent earnings are profits that can reflect sustainable earnings in the future. Earnings persistence is measured using Persada research (2010) with the following formula:

$$\text{Earnings Persistence} = \frac{\text{Profit before } tax_t - \text{Profit before tax}_{t-1}}{\text{Total Assets}}$$

2. Cash Flow Volatility (X1)
   Cash flow volatility is the standard deviation of operating cash flows divided by total assets. Measured using the formula (Fanani, 2010):

$$\text{VOK} = \frac{\sigma(\text{CFO for 3 years}_{jt})}{\text{Total Assets}_{jt}}$$

3. Sales Volatility (X2)
   Sales volatility is the degree of distribution of sales or the distribution index of the company's sales distribution (Dechow and Dichev, 2002). Referring to Fanani's (2010) research, the sales volatility formula is as follows:

$$VP = \frac{\sigma(\text{sales for 3 years}_{jt})}{\text{Total Assets}_{jt}}$$

4. Debt Rate (X3)

   Debt to Asset Ratio is a debt ratio used to measure the ratio between total debt and total company assets. The level of debt in this study refers to research (Khasanah and Jasman, 2019). The formula is as follows:

$$\text{Leverage} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

IV. RESEARCH RESULT

Descriptive Statistical Analysis Results

According to Muchson (2017: 6) descriptive statistics discuss methods, collection, summarization, presentation of data so that information is easier to understand. Information that can be obtained with descriptive statistics includes data centering (mean, median, mode), data distribution (range, deviation, average, variance and standard deviation), trend of a data set, size of location (quartiles, deciles, and percentiles). Descriptive statistical test in this study was conducted to determine the mean, standard deviation, maximum and minimum value of the variables.

Table 4.1 Descriptive Statistical Analysis Results

	EP	CFV	SV	LVR	CS
Mean	-0.000221	0.182427	0.554909	0.441510	29.98819
Median	-0.000889	0.164519	0.449132	0.466982	29.98958
Maximum	0.068410	0.397010	1.668672	0.787278	31.67067
Minimum	-0.077569	0.002968	0.076142	0.041537	28.37379
Std. Dev.	0.026043	0.102344	0.423698	0.184285	0.880518
Skewness	-0.343206	0.062418	0.889927	-0.263176	0.062353
Kurtosis	3.934072	2.207831	2.964165	2.346327	2.123996
Jarque-Bera	4.534823	2.170517	10.69594	2.377132	2.642403
Probability	0.103580	0.000000	0.004758	0.304658	0.266814
Sum	-0.017927	14.77656	44.94762	35.76229	2429.044
Sum Sq. Dev.	0.054261	0.837949	14.36162	2.716866	62.02493
Observations	81	81	81	81	81

Source: the data is processed using Eviews 9

In the results of the descriptive statistical test above, it shows that the amount of data in this study is 81 consisting of 27 property and real estate sub-sector companies listed on the Indonesia Stock Exchange for the 2016-2018 period. The earnings persistence variable (Y) has a maximum value of 0.068410 and a minimum value of -0.077569. In this study the company that has the maximum value is PT Bumi Serpong Damai Tbk in 2017 and the company with the minimum value is PT Puradelta Lestari Tbk in 2016. From the results of this analysis it is known that the average value (mean) is -0.000221, this shows that the sample companies in this study tend not to reflect earnings persistence and show a fluctuating average profit because the number is <0.

The standard deviation is 0.026043, this indicates that the data in this study indicate unfavorable results because the standard deviation value is greater than the average value. -average (mean). The cash flow volatility variable (X1) has a maximum value of 0.397010 and a minimum value of 0.002968. in this study the company that has the maximum value is PT Intiland Development Tbk in 2018 which means that the company has a high cash flow volatility calculation and the company that has a minimum value is PT Summarecon Agung Tbk in 2018 which means that the company has a cash flow volatility calculation The low one. From the analysis, it is known that the average (mean) value of cash flow volatility is 0.182427 and the standard deviation is 0.102344. This means that the average standard deviation of operating cash flow to total assets is 18%. Cash flow volatility is a condition of uncertainty in the company's operating activities. High cash flow volatility indicates an unstable cash flow condition so that current cash flow information cannot be used as a basis for predicting future cash flows thereby indicating low earnings persistence. On the other hand, low cash flow volatility indicates a stable cash flow condition so that current cash flow information can be used as a basis for predicting future cash flows so that it can show high earnings persistence. The standard deviation is 0.102344, this indicates that the data is considered to have good results because the standard deviation value is smaller than the average (mean) and indicates that the data has a low degree of deviation and an even distribution of data.

The sales volatility variable (X2) has a maximum value of 1.668672 and a minimum value of 0.076142. in this study the company that has the maximum value is PT Binakarya Jaya Abadi Tbk in 2018 which means the company has a high sales volatility calculation and the company that has a minimum value is PT Bumi Serpong Damai Tbk in 2018 which means the company has a sales volatility calculation The low one. From the results of the analysis, it is known that the average value (mean) of sales volatility is 0.554909 and the standard deviation is 0.423698. This means that the average standard deviation of sales with total assets is 55%. The standard deviation is 0.423698, this indicates that the data has good results because the standard deviation value is smaller than the average (mean) and indicates that the data has a low degree of deviation and an even distribution of data.

The debt level variable (X3) has a maximum value of 0.787278 and a minimum value of 0.041537. in this study the company that has the maximum value is PT Plaza Indonesia Realty Tbk in 2017 and the company that has the minimum value is PT Puradelta Lestari Tbk in 2018. From the results of this analysis it is known that the average (mean) level of debt is 0.441510 which means The sample companies have an average debt of 44.1510% of their total assets. This means that the average sample company in this study has a safe level of debt because the average is below 0.5. The standard deviation is 0.184285, this indicates that the data has good results because the average value (mean) is greater than the standard deviation and shows that the data is evenly distributed and means that the standard deviation does not deviate much from the average value (mean).
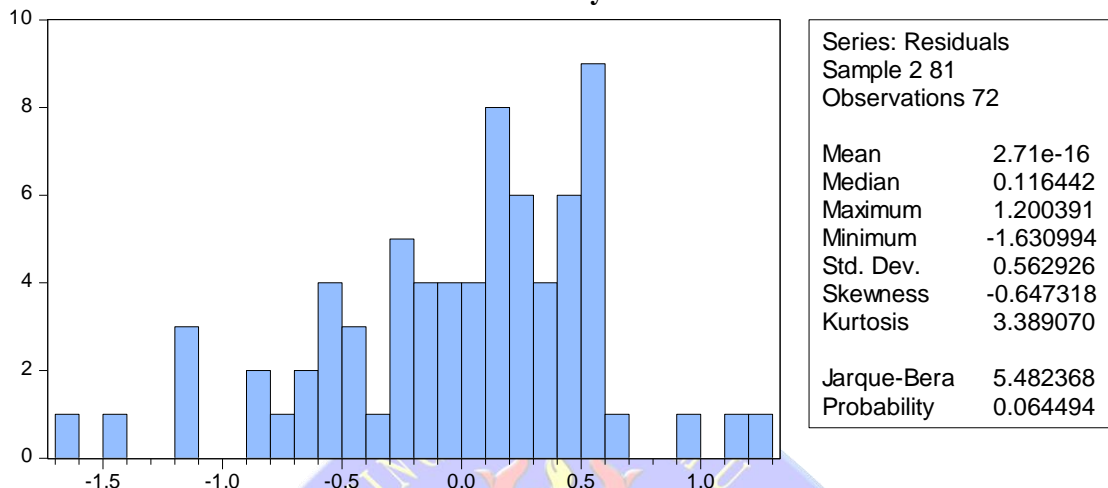
The firm size variable (control variable) has a maximum value of 31.67067 and a minimum value of 28.37379. In this study the company that has the maximum value is PT Lippo Karawaci Tbk in 2017 and the company with the minimum value is PT Roda Vivatex Tbk in 2016. From the results of this analysis it is known that the average (mean) company size is 29.98819 which means average -the average size of the company in this study on a large size scale. The standard deviation is 0.880518, this indicates that the data has a good result because the average (mean) is greater than the standard deviation and shows that the data is evenly distributed and means that the standard deviation does not deviate much from the average value (mean).

Classic assumption test
a) Normality Test

The normality test in this study used the Jarque-Bera test. The Jarque-Bera test on the eviews program has a chi square value at α = 5%, so the null hypothesis is accepted, which means the data is normally distributed. Meanwhile, if the Jarque-Bera test result is smaller than the chi square value at α = 5%, the null hypothesis is rejected, which means it is not normally distributed.

Table 4.2 Normality Test Results

Series: Residuals	
Sample 2 81	
Observations 72	
Mean	2.71e-16
Median	0.116442
Maximum	1.200391
Minimum	-1.630994
Std. Dev.	0.562926
Skewness	-0.647318
Kurtosis	3.389070
Jarque-Bera	5.482368
Probability	0.064494

Source: data processed using Eviews 9, 2020

Based on the normality test above, it is known that the Jarque-Bera (JB) value is 5.482368 and a probability of 0.064494. The data presented in the table can be concluded that they are normally distributed because the probability exceeds 0.05.

b) Multicollinearity Test

To detect multicollinearity, it can be seen from the VIF value, the cut off value that is commonly used to detect multicollinearity is if the tolerance value is> 0.10 or equal to the VIF value <10 then multicollinearity does not occur, so there is no multicollinearity in the regression model. Conversely, if the tolerance value is <0.10 or equal to the VIF value> 10, multicollinearity occurs.

Table 4.3 Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.017664	3300.112	NA
X1	0.000636	5.181450	1.228721
X2	8.51E-05	8.089134	2.380444
X3	0.000407	24.13040	1.209966
X4	1.91E-05	3241.336	2.294151

Source: data processed using eviews9, 2020

Based on the results of the multicolonierity test with Variance Inflation Factors, it shows that the value of ¬ Centered VIF (Variance Inflation Factors) in the cash flow volatility variable is 1.228721, the sales volatility variable is 2.380444, the debt level variable is 1.209966 and the firm size control variable is 2.294151. Of all the variables, the results of the centered VIF value on each variable in the table indicate that none exceeds the value of 10, it can be concluded that there is no multicollinearity in the independent variables in this test.

c) **Heteroscedasticity Test**

   Riyanto and Hatmawan (2020: 209) the heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. To prove the residual pattern heteroscedasticity test from the regression estimation results, the White Heteroscedasticity test is available in the eviews program. In this test, the observed results are the F and Obs * R-Squared values. If the value of Obs * R-Squared <α is 0.05, it can be concluded that heteroscedasticity occurs. Meanwhile, if the value of Obs * R-Squared> 0.05, it can be concluded that heteroscedasticity does not occur.

Table 4.4 Heteroscedasticity Test Results

Heteroskedasticity Test: White			
Obs*R-squared	7.605503	Prob. Chi-Square(4)	0.1071

Source: data processed using eviews9, 2020

   Based on the results of the heteroscedasticity test with the white heterocedasticity test above, it can be seen that the Obs * R-Squared value in the table is 7.605503, it can be concluded that in this test heteroscedasticity does not occur because the Obs * R-Squared value is greater than 0.05.

d) **Autocorrelation Test**

   Autocorrelation arises because consecutive observations over time are related to one another (Rukajat, 2018). To detect autocorrelation, it can be done by performing the LM test (Godfrey's Breusch method). This method is based on the value of F and Obs * R-Squared where if the value of Obs * R-Squared exceeds 0.05 then there is no autocorrelation problem.

Table 4.5 Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:			
Obs*R-squared	4.236573	Prob. Chi-Square(2)	0.1202

Source: data processed using eviews9, 2020

   Based on the results of the autocorrelation test using the Breusch Godfrey Serial Correlation LM test method. From the table shows Prob. Chi-Square from Obs * R-Squared is 4.236573 exceeding 0.05, it can be concluded that there is no autocorrelation.

Panel Data Regression Techniques
1) Chow Test

   The chow test is a test that aims to determine whether the common effect or fixed effect model is most appropriate to use in research (Winarno, 2015). If the probability value is greater than 0.05 then H0 is accepted and the model used is the common effect model, but if H0 is rejected, it means accepting Ha which is used in the Fixed Effect model and then it will be carried out with the Hausman test to determine whether to use a fixed effect or random effect.

Table 4.6 Chow Test Results

Redundant Fixed Effects Tests Equation: Untitled Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section Chi-square	71.131398	26	0.0000

Source: data processed using eviews9, 2020

   Based on the results of the chow above, it shows that the Chi-Square probability value obtained is 0.0000, where the Chi-Square probability value is smaller than 0.05 or 0.0000 <0.05. The results of the tests that have been carried out indicate that the Chi-Square

probability is smaller than 0.05 so that Ha is accepted and it can be concluded that the Fixed Effect Model is more appropriate to use.

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2) Hausman Test

The Hausman test is a test that aims to determine whether a random effect or fixed effect model is most appropriate to use in this study. If the probability value is greater than 0.05 then H0 is accepted and the model used is the random effect, but if H0 is rejected, the correct model to use is the fixed effect.

Table 4.7 Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.138766	4	0.7103

Source: data processed using eviews9, 2020

Based on the results of the Hausman test above, it can be seen that the random cross-section probability value obtained is 0.7103 which is greater than 0.05. The test results show that the random cross-section probability value is greater than 0.05 so that H0 is accepted and it can be concluded that the appropriate model to use is the random effect.

3) Lagrange Multiplier test

The Lagrange Multiplier test aims to determine whether the common effect or random effect model is the most appropriate to be used in research. If the probability value is greater than 0.05 then H0 is accepted and the model used is a common effect, but if H0 is rejected, the random effect model used is the random effect.

Table 4.8 Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	9.743716	0.411031	10.15475
	(0.0018)	(0.5214)	(0.0014)

Source: data processed using eviews9, 2020

Based on the results of the lagrange multiplier test using, the Breusch-Pagan Probability value obtained is 0.0018 which is less than 0.05. The results of this test indicate that the Breusch-Pagan Probability value is smaller than 0.05 so that H0 is rejected and it can be concluded that the Random Effect Model is more appropriate to use in this study.

Panel Data Regression Equations

This regression analysis is used to obtain a form regarding the relationship between the independent variable and the dependent variable. The panel data regression equation model in this study is:

$$EP = -0.270005 + 0.047594\ CFV + 0.022220\ SV + 0.000668\ LVR + 0.009014\ CS + \epsilon$$

From the regression equation model above, it can be interpreted as follows:
1) A constant value of -0.270005 indicates that if VAK, VP, TH and UP are 0, then the persistence of property and real estate companies is -0.270005.
2) Cash Flow Volatility has a regression coefficient of 0.047594, which states that every 1 unit increment of cash flow volatility, assuming other variables are 0 and constant, then the earnings persistence value will increase by 0.047594.
3) Sales Volatility has a regression coefficient of 0.022220, which states that every 1 unit increase in sales volatility, assuming other variables are 0 and constant, then the earnings persistence value will increase by 0.022220 units.
4) The level of debt has a regression coefficient of 0.00068, which states that every 1 unit addition to the level of debt with the other variable asumsu being 0 and constant, the value of earnings persistence will increase by 0.000068 units.
5) The size of the company has a regression coefficient of 0.009014 which states that every 1 unit addition to the size of the company with the assumption that the other variables are 0 and constant, then the earnings persistence value will increase by 0.009014 units.

Determinant Coefficient (R^2)

The test results of the determinant coefficient (R2) show that the adjusted R-Square is 0.079074 or 7%, where the R2 value is close to 0 (zero), so it can be concluded that the ability of the independent variables to explain the dependent variable is very limited. This means that cash flow volatility, sales volatility, debt levels and company size have an effect of 7% on earnings persistence, while the remaining 93% is influenced by other variables outside of this study.

Statistical Test F

The F test is used to determine whether the independent variables simultaneously have a significant effect on the dependent variable (Mulyono, 2018: 113). The results of the F test show that the probability value (F-statistic) is 0.035813 <0.05, it can be concluded that Ho is rejected and Ha is accepted. This means that there is a significant simultaneous relationship between cash flow volatility, sales volatility, debt levels and company size on earnings persistence.

Statistical test t

The results of the t test show the following results:
1. Cash Flow Volatility Variable
   The cash flow volatility probability value is 0.0665. This value indicates that 0.0665> 0.05 with a positive regression coefficient, it can be concluded that Ha is rejected or Ho is accepted because cash flow volatility has no effect on earnings persistence.
2. Sales Volatility Variable
   The sales volatility probability value is 0.0356. This value indicates that 0.0356 <0.05 with a negative regression coefficient, it can be concluded that Ha is accepted or Ho is rejected because sales volatility has a positive effect on earnings persistence.
3. Debt Level Variable
   The probability value of the Payable level is 0.9759. This value indicates that 0.9759> 0.05 with a positive coefficient, it can be concluded that Ha is rejected or Ho is accepted because the level of debt has no significant effect on earnings persistence.

Analysis and Discussion of Research Results
1. The Effect of Cash Flow Volatility on Earnings Persistence

Based on the results of the tests that have been carried out, it can be seen from the t-value that exceeds the level of significance. It can be concluded that Ho accepted and rejected

the H1 hypothesis, which means that cash flow volatility has no effect on earnings persistence in property and real estate sub-sector companies listed on the IDX for the 2016-2018 period.

The movement of a company's operating cash flow cannot be a benchmark for predicting persistent profit. In this study, any increase or decrease in cash flow volatility does not affect earnings persistence. The reason is because in a business activity, cash flow will certainly show different numbers for each period. However, these figures are unlikely to be far apart in such a short period. The cash flow statement is one of the many information in the financial statements that investors use in determining investment decisions. Financial information related to operating cash flows is sometimes made to appear stable from year to year to attract investors to invest. Management of financial statements is a step to determine accounting policies in order to prevent the fluctuation of operating cash flows according to what management wants. Actions taken in manipulating operating cash flow information will affect the decline in firm value. This statement underlies investors not to consider the movement of operating cash flows in seeing the level of earnings persistence.

2. **The Effect of Sales Volatility on Earnings Persistence**

Based on the results of the tests that have been done, it can be seen from the t-value which is less than the level of significance. It can be concluded that Ha accepted and rejected the H2 hypothesis, which means that sales volatility has a positive effect on earnings persistence in property and real estate sub-sector companies listed on the IDX for the 2016-2018 period.

Sales volatility is the degree of distribution of sales or the distribution index of the company's sales distribution. Information on sales volatility can have a negative effect on investors because high sales volatility is caused by companies trying to report high sales value reports in order to attract investors. In this study, if the volatility of sales has increased, the persistence of earnings has also increased. The reason is that the volatility of sales follows sales patterns. If sales are high, profit persistence is high and vice versa if sales are low, profit persistence is low. The positive effect of sales volatility on earnings persistence is because a high level of sales can increase the profit earned by the company but the quality of earnings will be low if it occurs. manipulation to generate high returns. Based on the calculation of sales volatility, it shows that sales fluctuations are quite stable, which may result in earnings manipulation or management.

3. **Effect of Level of Debt on Earnings Persistence**

Based on the results of the tests that have been carried out, it can be seen from the t-value that exceeds the level of significance. It can be concluded that Ho is accepted and rejects the H3 hypothesis, which means that the level of debt has no effect on earnings persistence in the property and real estate sub-sector companies listed on the IDX for the 2016-2018 period.

Property and real estate companies are service companies that focus on the sale of houses, shophouses, land and the like. The level of debt has no effect on earnings persistence in the property and real estate sub-sector companies because the debt is used by the company to finance expansion (expansion of the company) because the funds needed by the company for these needs are quite large and require quite a long time until the capital is used for expansion. make a profit. The size of the debt does not guarantee that the company's profit will be persistent, because high debt will make the company's management do everything it can to make the profits earned by the company persistent, but the way it is done indicates fraud so that the profits obtained are of low quality. So management still chooses to use a reasonable method even though the resulting profit is low.

V. CONCLUSIONS AND SUGGESTIONS
CONCLUSION

This study examines the effect of cash flow volatility, sales volatility, debt level and company size on earnings persistence in property and real estate sub-sector companies listed on the Indonesia Stock Exchange for the 2016-2018 period. Based on the results of the analysis, testing and discussion that have been carried out in the previous chapter, it can be concluded as follows:

1. Cash flow volatility variable has no effect on earnings persistence. From these results, it can be explained that the high and low volatility of cash flows does not affect earnings persistence because cash flows fluctuate sharply, it is difficult to predict earnings in the coming year.
2. Sales volatility variable has a positive effect on earnings persistence. From these results it can be explained that if the volatility of sales has increased, then the persistence of earnings will also increase. The reason is that the volatility of sales follows sales patterns. So if sales are high, profit persistence is high and vice versa if sales are low, profit persistence is low.
3. The debt level variable has no effect on earnings persistence. From these results it can be explained that debt by the company is used to finance expansion because the funds needed by the company for these needs are quite large and require a long time until the capital used for expansion generates profits.

SUGGESTION

Based on the conclusions from the research results above, the researchers provide suggestions for the topic of earnings persistence as follows:

1. This study only focuses on the property and real estate sub-sector companies. Therefore, for further research it is recommended to use samples from other sectors in order to compare the application of earnings persistence in different sectors.
2. Judging from the coefficient of determination shows that the ability of the independent variables in this study is very small, so it is recommended for further research to add other variables that can affect earnings persistence.

Limitations and Further Research Development

This research was conducted with several limitations that may affect the results of the study. The research limitations are as follows:

1. This study only has an effect of 7% on the dependent variable.
2. The study is only limited to the 3 year study period.
3. In this study the financial statements use the results of financial statements that are profit and loss.

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