

ABSTRACT

Every company is required to make and report their performance into the financial statements, especially for companies that go public. However, sometimes there are still many companies that carry out practical reporting actions so that the company's performance can look good. Fraudulent financial reporting is an act of misstatement in the form of the creation or use of data intentionally by committing fraud against users of financial statements.

Executive compensation is the amount of compensation received by the company's executives. Gender diversity is gender equality in the company's board of directors, and narcissism is an act of excessive self-love. This study was conducted to identify whether executive compensation, gender diversity, and narcissism have an effect on financial statement fraud.

The population in this study are financial sector companies listed on the Indonesia Stock Exchange in 2016-2020. This study uses secondary data in the form of annual financial reports from financial sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020 with a sample of 53 companies. This research is quantitative. The data collection technique used purposive sampling with logistic regression research method which was processed using SPSS 26 software.

The results of this study indicate that executive compensation, gender diversity, and narcissism have no simultaneous effect on financial statement fraud. Partially, executive compensation has no effect on fraudulent financial statements, gender diversity has a significantly positive effect on fraudulent financial statements, and narcissism has no effect on fraudulent financial statements..

The limitation of this study lies in the data on the fraudulent report variable which is proxied by restatement where there are too few companies in the financial sector so that there is less variation in the data. Likewise, restatement treatment occurs not because of fraud but because of the obligation to apply Financial Accounting Standards. It is recommended to add samples and other types of company sectors.

Keywords: *Executive Compensation, Fraudulent Financial Reporting, Gender Diversity, Narcissism.*