

ABSTRACT

Earnings are critical information that must be disclosed in a company's financial statements, as they are a primary focus for external parties when making investment decisions. Investor confidence in a company's performance is reflected in their response to published earnings information. High-quality earnings reflect the relevance and credibility of financial information and can enhance market responses. This is particularly important for non-financial state-owned enterprises (SOEs), which play a strategic role in the national economy and are often subject to public scrutiny. In this study, earnings quality is measured using the Earnings Response Coefficient (ERC).

This research aims to examine the simultaneous and partial effects of CEO characteristics, specifically CEO gender, CEO compensation, CEO tenure, CEO education, and CEO share ownership, on earnings quality in non-financial SOEs listed on the Indonesia Stock Exchange (IDX) during the 2019 to 2024 period.

The research objects are non-financial SOEs listed on the IDX between 2019 and 2024. The sample was selected using a purposive sampling technique, resulting in 144 observational data points from 24 companies over six years. The study employs secondary data from annual reports and historical stock price data. Analysis was conducted using descriptive statistics and panel data regression with EViews version 12.

The findings indicate that, simultaneously, CEO gender, CEO compensation, CEO tenure, CEO education, and CEO share ownership have a significant effect on earnings quality. Partially, CEO compensation has a positive effect on earnings quality, while CEO education has a negative effect. Meanwhile, CEO gender, CEO tenure, and CEO share ownership do not significantly affect earnings quality.

This study contributes to the literature on earnings quality and CEO characteristics in the context of non-financial SOEs. The results are expected to serve as a reference for academics, companies, and stakeholders in understanding the CEO's role in earnings information quality. The limitation of this study lies in the scope of CEO characteristics, which has not been fully explored. Future research is recommended to include additional CEO characteristics that may have a greater impact on earnings quality.

Keywords: CEO Education, CEO Tenure, CEO Gender, CEO Characteristics, CEO Share Ownership, CEO Compensation, Earnings Quality