

ABSTRACT

This study examines the effects of CEO characteristics (experience, tenure, age, and education) on earnings quality. In addition, this study also includes political connections as a moderating variable in the relationship between characteristics and earnings quality. The differing empirical evidence from previous research regarding the relationship between characteristics and earnings quality is the reason for conducting this study. The population in this study consists of public mining sector companies listed on the Indonesia Stock Exchange over the 10 years from 2013 to 2022. Using a purposive sampling method, this study obtains 455 firm-year observations. Hypotheses are tested using panel-data multiple linear regression with a random-effects model. Data analysis is conducted using STATA version 17.0.

The results indicate that tenure does not have a significant effect on earnings quality. Experience and education have a substantial adverse impact on earnings quality. However, the direction of these effects is contrary to the proposed hypotheses; therefore, the hypotheses are rejected. Age has a significant positive impact on earnings quality. Meanwhile, the whole model hypothesis test for the political connections variable indicates that political connections do not moderate the relationship between tenure and education on earnings quality. Conversely, political connections moderate the relationship between experience and age on earnings quality. The control variable SIZE does not affect earnings quality, whereas leverage has a significant adverse effect.

Sensitivity test results for the pre-pandemic period indicate that experience and education have a significant adverse effect on earnings quality. Age has a significant positive impact on earnings quality, whereas tenure does not. Sensitivity test results during the pandemic show that age continues to have a considerable positive impact on earnings quality, consistent with the pre-pandemic period. Education also shows consistent results with the pre-pandemic period, having a significant adverse effect on earnings quality. Tenure remains insignificant, consistent with the pre-pandemic period. However, experience does not have a substantial impact on earnings quality during the pandemic, which is inconsistent with the pre-pandemic results.

The complete model test before the pandemic shows that political connections moderate the relationships between experience and earnings quality, and between tenure and earnings quality. However, political connections do not moderate the relationship between age and earnings quality. Political connections also do not moderate the relationship between education and earnings quality. The complete model test during the pandemic indicates that political connections do not moderate the relationship between age and earnings quality, consistent with the pre-pandemic results. Political connections also do not moderate the relationship between education and earnings quality, consistent with the pre-pandemic results. Political connections do not moderate the relationship between experience and

earnings quality, suggesting results inconsistent with those observed in the pre-pandemic period. Political connections also do not moderate the relationship between tenure and earnings quality, which is likewise inconsistent with the pre-pandemic findings.

Keywords: *Earnings quality, CEO characteristics, Political connections*

