

ABSTRACT

The purpose of this research is to examine the effect of managerial overconfidence on leverage and the moderating effect of government ownership on the relationship between managerial overconfidence and leverage. This research uses five measurements based on president director personal characteristic such as profile photo, level of education, experience, gender and network. The sample consists of 176 companies listed in the Indonesia Stock Exchange in 2017. The data that was used in this research was secondary data and selected by using purposive sampling method. The analisis method that was used in this research was multiple linear regression. The result of this study shows that the profile photo affect negative significantly on leverage; experience and network affect positive significantly on leverage; level of education, gender, government ownership have no significant effect on leverage; government ownership does not moderate the relationship between managerial overconfidence and leverage.

Keyword: Managerial overconfidence, government ownership, leverage.