

ABSTRACT

Earnings quality describes revenue that is accurately expressed as an evaluation of the company's future performance and an important source of information when making decisions for users. Users such as investors and creditors will invest in companies that have good and trustworthy earnings quality. The company's earnings quality can be said to be good if it reports or publishes profits in accordance with the actual situation. Information about earnings quality can be done by reading the company's financial statements, especially in the income statement.

This study aims to determine how the effect of CEO tenure, prior position of CEO, and investment opportunity set on earnings quality in manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period, either simultaneously or partially. The factors tested in this study are the tenure of the CEO, the prior position of the CEO, and the investment opportunity set as independent variable, while earnings quality as the dependent variable.

The population in this study are manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period. The sample selection technique used in this study was purposive sampling and obtained 103 samples companies with an observation period of 3 years, in order to obtain 309 samples data. The method of analysis in this research is panel data regression analysis using Eviews software in order to obtain a comprehensive picture of the relationship between one variable and another.

Based on the test results obtained from this study simultaneously the CEO tenure, CEO prior position, and investment opportunity set significantly influence earnings quality, Partially, CEO tenure has a significant negative effect on earnings quality, CEO prior position has a significant negative effect on earnings quality, and the investment opportunity set has a significant positive effect on earnings quality.

Future research is expected to use other variables or use other proxies. Companies must know the track record of positions of held by the CEO before taking office and need to take advantage of opportunities that can develop the company in the future and improve the quality of company profits.

Keywords: *CEO Prior Position, CEO Tenure, Earnings Quality, Investment Opportunity Set.*