

THE ROLE OF MANAGERIAL CAPACITY AS A MECHANISM FOR INCREASING PROFIT QUALITY, COMPANY VALUE AND COMPANY PERFORMANCE

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ABSTRACT

This study aims to empirically prove the effect of managerial ability on earnings quality, firm value, and firm performance. In this study, there are 3 independent variables tested, namely earnings quality, firm value, and company performance. The data used in this study are financial reports in company reports published on the Indonesian Stock Exchange website. The population used in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018. The sampling technique in this study used purposive sampling with a total sample of 147 companies. The data analysis technique uses multiple linear analysis with SPSS 20 software. The results of this study indicate that the variable managerial ability significantly affects earnings quality and firm value. In contrast, managerial ability has no significant effect on company performance.

Keywords: Managerial Ability, Profit Quality, Firm Value, and Company Performance.

