JAI: Jurnal Akuntansi Integratif
Vol. 11 No. 1 (2025): Volume 11 Nomor 1 April 2025, 43-55
ISSN: 2715-0658 [Online]; 2502-5376 [Printed]
DOI 10.29080/jai.v11i01.2010

CEO FINANCIAL EDUCATION, FIRM PERFORMANCE, AND ESG PERFORMANCE OF LQ45 COMPANIES

Mario Yohanis Thomas*
Universitas Airlangga, Surabaya, Indonesia
E-mail: ryoth8@gmail.com

Novrys Suhardianto
Universitas Airlangga, Surabaya, Indonesia
E-mail: novrys@feb.unair.ac.id

Abstract

Conventional financial education that emphasizes solely on economic perspectives tends to make CEOs with financial education highly profit-oriented, leading them to moral hazard. This study investigates about whether ESG initiatives of a firm moderates the association between the CEO's financial education and firm performance, which differentiates this study from prior researches. Using moderated regression analysis on 177 LQ45-indexed firm-year observations from 2017 to 2022, the results indicate that the financial education of the CEO positively affects firm performance, and ESG performance weakens this effect. This results suggest that ESG performance is able to serve as a governance mechanism to mitigate extreme profit orientation, allowing for the optimization of non-financial aspects such as the company's ESG performance.

Keywords: *Corporate Governance; ESG Performance; Financial Education; Firm Performance; LQ45*

Introduction

Financial education that focuses solely on profit inhibits students' awareness of the moral obligations associated with the knowledge they acquire (Ghoshal 2005). The conventional view in business education, which prioritizes economic gain, has been criticized by Giacalone and Thompson (2006), who argue that other aspects, such as social responsibility, should not be neglected. This perspective has become deeply embedded in global business practices over time, and according to Ghoshal (2005), It stems from the dominance of agency theory and transaction-cost economics in academic and professional discourse. Business schools, in this context, seem to distance students from their moral obligations by teaching theories grounded in efficiency and self-interest, yet lacking ethical considerations.

Empirical evidence suggests that MBA students tend to engage in academic dishonesty more frequently than non-business students (McCabe, Butterfield, and Treviño 2006), and the greater the emphasis on financial success, the higher the likelihood of unethical behavior (McCabe and Trevino 1995). One of the strongest pieces of evidence supporting this criticism is the finding that a higher proportion of top management team members with MBA degrees correlates with a greater tendency for firms to engage in illegal activities, such as violating safety and health standards (Williams, Douglas Barrett, and Brabston 2000). In summary, these critiques and empirical findings strongly support the view that MBA education often fosters a narrowly profit-oriented mentality without sufficiently prioritizing ethical aspects, long-term public welfare, or broader notions of social and environmental responsibility.

However, CEOs with higher educational qualifications tend to be more proactive in developing environmentally friendly innovations, especially in regions facing significant environmental pressure (E-Vahdati and Binesh 2022; Zhou, Chen, and Chen 2021). Beyond playing a key role in formulating core business strategies, a CEO is also crucial in designing strategies that incorporate social and environmental dimensions, as well as in allocating the necessary resources to support such initiatives (Agle, Mitchell, and Sonnenfeld 1999; Wood 1991). Moreover, ESG performance has been empirically proven to have economic consequences for organizations. Empirical investigations have consistently shown that CEO attributes significantly influence decision-making (Bernile, Bhagwat, and Rau 2017). Among the various demographic characteristics of leaders that affect organizational outcomes as a consequence of decision-making, a CEO's educational background is a critical factor (Hambrick and Mason 1984). The financial education background of a CEO has been empirically shown to have broad organizational consequences (Ahmed and Kumar 2023; Ghardallou 2022; Musa, Abdul Latif, and Abdul Majid 2023; Oradi, Asiaei, and Rezaee 2020; H. Sun et al. 2021).

Previous researches have yielded mixed results regarding the impact of a CEO's financial education on corporate financial performance. On one hand, some studies suggest that a CEO's financial education directly enhances firm ability to generate profit (Adams and Jiang 2017; Gupta and Mahakud 2020), while on the other hand, other studies indicate no significant impact (Pham 2023). A potential explanation for these discrepancies is the role of corporate ESG implementation and the type of company involved. Given the tendency of financially skilled CEOs to engage in profit-driven yet irresponsible business practices, ESG can function as a governance mechanism that prevents the misuse of power (Sun et al., 2024).

The main objective of this study is to fill the empirical gap in the relationship between CEO financial expertise and firm performance by using ESG performance as a moderating variable. Previous research has highlighted the importance of ESG's role in overseeing firm performance (Kyere and Ausloos 2021) through the philosophy of responsible investment (EBA 2025). Company leaders with high educational qualifications tend to be more proactive in contributing to environmental innovation, especially in areas under strong environmental pressure (Zhou dkk., 2021). In addition to playing a role in corporate strategy formulation, CEOs are also responsible for designing strategies and allocating resources in social and environmental aspects (Agle, Mitchell, and Sonnenfeld 1999).

The selection of sample companies included in the LQ45 index is based on the superior characteristics inherent in those companies. According to the methodology document issued by the Indonesia Stock Exchange (IDX 2024), the criteria for inclusion in the LQ45 index include sound fundamental conditions, such as high stock liquidity, large market capitalization, active trading frequency, and strong compliance with regulations. The fulfillment of these criteria not only reflects greater stability and relatively better corporate governance but also enhances the company's capability to allocate financial resources and funds more optimally and strategically, including for sustainability purposes through improved ESG performance. Therefore, companies in the LQ45 index provide an appropriate context for testing the moderating role of ESG performance in mitigating the tendency toward excessive profit orientation by CEOs with a financial education background. The second reason for using LQ45 companies as the sample is due to differing results found in previous studies that used samples of companies from different groups or sectors, such as insurance and banking (Pham 2023; Adams and Jiang 2017).

The demographic characteristics influence the selective perception, interpretation, and decision-making of top management (Hambrick and Mason 1984). Organizational outcomes result from the personality and decision-making style of senior executives, particularly the CEO, who plays a crucial role in corporate success and value creation for shareholders (Fernández-Méndez, Arrondo-García, and Pathan 2017; Harymawan et al. 2019). Each CEO has a unique behavioral and decision-making approach despite having similar functional roles, as different management styles influence how they operate.

Agency conflicts arise between investors and corporate management due to information asymmetry and self-serving behavior (Jensen and Meckling 1976). To minimize these conflicts, companies establish effective corporate governance mechanisms. Corporate governance is a crucial aspect of monitoring corporate performance (Kyere and Ausloos 2021) and can boost investor confidence by ensuring transparency, accountability, and fairness in management (Shleifer and Vishny 1997). However, CEOs are responsible for business development and the effective and efficient management of operations and resources (P. Lin, Lin, and Lei 2020; Wei 2021). Declining financial performance can subject CEOs to criticism, potentially leading to their dismissal.

A CEO's accounting and financial education is a crucial attribute that impacts various key aspects of the company (Ali et al. 2022). To achieve profit targets, an effective top management team is needed to ensure the productive use of resources in pursuit of the desired financial outcomes. Within the top management team, the CEO holds dominant influence over other board members. Harymawan et al. (2019) emphasize that organizations select CEOs based on their skills, experience, and capability to add value. CEOs play a strategic role in corporate control, making key decisions such as market expansion or withdrawal, innovation development, and resource distribution (You et al. 2020). Previous studies, such as those by Amedu and Dulewicz (2018) and (Naseem et al. 2020), have consistently highlighted the CEO's role in shaping corporate performance.

Regarding the relationship between a CEO's financial education and corporate performance, empirical literature has yet to reach a consensus. While some studies suggest that a CEO's financial education enhances financial performance (Adams and Jiang 2017; Gupta and Mahakud 2020), others indicate no significant impact (Pham 2023). Agency theory (Jensen and Meckling 1976) suggests that CEOs with financial education may engage in moral hazard. This aligns with Ghoshal (2005), who argues that financial education methods that excessively focus on profit generation negatively impact students' awareness of their moral responsibilities regarding financial knowledge. Consequently, the first hypothesis is developed as follows:

H_1: A CEO's financial education enhances the performance of LQ45 companies.

In the perspective of agency theory, ESG performance has the essential elements to be employed as a governance mechanism in mitigating moral hazard. As a framework encompassing environmental, social, and governance aspects, ESG is centered on the concept of responsible investment (EBA 2025). This concept includes strategies and practices that integrate ESG elements into investment decision-making and active ownership (PRI 2025). ESG is widely used as a standard for evaluating corporate behavior and predicting performance. It encompasses factors such as the natural environment, social and civil aspects, and corporate governance, all of which impact the performance or solvency of an entity, country, or individual (EBA 2025). Thus, ESG serves as both a long-term value growth philosophy and a comprehensive governance mechanism.

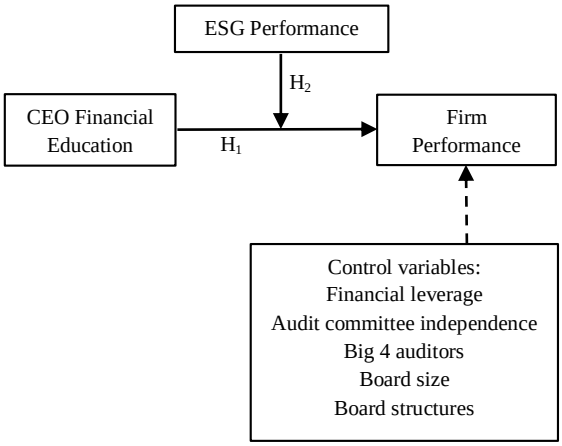
Since its official introduction in 2004, ESG principles have been actively implemented in developed countries such as the United States and Europe. Several milestones have strengthened the progress and maturity of ESG's environmental, social, and governance aspects, ultimately supporting overall ESG advancement. These achievements include the development of ESG evaluation systems, ESG reporting standards, and ESG-related index systems. These factors have consistently shaped new patterns of sustainable development. As ESG gains traction as a key concept, its adoption has expanded across various sectors, attracting academic interest worldwide.

Previous research has identified ESG as a moderating variable in various business research topics, such as the global financial crisis's impact on corporate performance (Ahmad, Mobarek, and Raid 2023), corporate governance's influence on firm value (Bukari, Agyemang, and Bawuah 2024), and long-term institutional investors' effect on CSR readability (Lin et al., 2023).

H2: ESG performance weakens the positive influence of a CEO's financial education on the financial performance of LQ45 companies.

Additionally, prior studies have identified several significant predictors of financial performance, including financial leverage (Das, Chowdhury, and Islam 2022; Ghardallou 2023; Hasti, Maryani, and Makshun 2022), partnerships with Big 4 external auditors (Al-Ahdal and Hashim 2022; Nguyen and Nguyen 2024), audit committee independence (Al-Jalahma 2022; Fariha, Hossain, and Ghosh 2022), size of the board of commissioners (Setiawan, Handiliastawan, and Jafar 2020), size of the board of directors (Pucheta-Martínez and Gallego-Álvarez 2020), and ownership structures(Boshnak 2024). Based on this empirical evidence, these variables will be used as control variables in the analysis.

Figure 1: Conceptual Framework



Research Method

This study employs a quantitative method, utilizing data documented from the CSRHub, ESGI, and OSIRIS databases. The sample is drawn from the entire population of LQ45 companies from 2017 to 2022, comprising 270 firm-year observations. After applying purposive sampling, as detailed in Table 1, the final number of observations is 177 firm-years.

All variables examined in this study include financial performance (ROA) as the predictor, CEO financial education (FEDU) as the independent variable, and ESG performance (ESG) as the moderating variable. The research model also includes several control variables such as financial leverage (DER), audit committee independence (ACI), partnerships with Big 4 auditors (BIG4), board of commissioners size (COM), board of directors size (DIR), managerial ownership (MOWN), institutional ownership (IOWN), and foreign ownership (FOWN).

Table 1. Purposive Sampling

Description	Observation
Total observation	270
(-) financial companies	(36)
Non-financial companies	234
(-) incomplete data	(57)
Final sample	177

Source: Research Data Analysis

Financial performance refers to a company's ability to generate profits over a specific period (Munawir, 2011), with the Return on Assets (ROA) ratio used as its proxy. ROA is calculated by dividing net income by total assets (Palepu, Healy, and Peek 2019). The FEDU variable is obtained from the ESGI dataset, where a value of 1 is assigned if a company's CEO in year t has an educational background in accounting or finance, and 0 otherwise. ESG data comes from the CSRHub database, which aggregates social responsibility metrics from over 800 sources, including MSCI, Bloomberg, and Sustainalytics. DER is measured as total liabilities divided by total equity, sourced from OSIRIS. ACI is measured as the proportion of independent to total audit committee members. BIG4 is assigned a value of 1 if a company partners with an auditor affiliated with one of the Big 4 firms. COM is measured by the number of board of commissioners members, while DIR refers to the number of board of directors members. MOWN represents the percentage of shares owned by the company's board of commissioners and directors. IOWN denotes the percentage of shares held by institutional investors, whereas FOWN indicates the percentage of shares owned by foreign individuals or institutions.

All observations are analyzed descriptively to understand the general characteristics of the sample. Subsequently, inferential statistical techniques, specifically Moderated Regression Analysis and t-tests, are used to examine the impact of financial education on the performance of LQ45 companies, as well as the moderating role of ESG performance. All statistical tests are conducted using SPSS 27 software.

Linear Regression Analysis

To test H_1, the following linear regression model is used:

$$ROA_{i,t} = \alpha + \beta_1 FEDU_{i,t} + \beta_2 DER_{i,t} + \beta_3 ACI_{i,t} + \beta_4 BIG4_{i,t} + \beta_5 COM_{i,t} + \beta_6 DIR_{i,t} + \beta_7 MOWN_{i,t} + \beta_8 IOWN_{i,t} + \beta_9 FOWN_{i,t} + \varepsilon \quad (1)$$

Moderated Regression Analysis

To examine the role of ESG performance in moderating the influence of financial education on firm performance, the following regression models are applied:

$$ROA_{i,t} = \alpha + \beta_{10} FEDU_{i,t} + \beta_{11} ESG_{i,t} + \beta_{12} DER_{i,t} + \beta_{13} ACI_{i,t} + \beta_{14} BIG4_{i,t} + \beta_{15} COM_{i,t} + \beta_{16} DIR_{i,t} + \beta_{17} MOWN_{i,t} + \beta_{18} IOWN_{i,t} + \beta_{19} FOWN_{i,t} + \varepsilon \quad (2)$$

The moderated regression model to test H_2 is as follows:

$$ROA_{i,t} = \alpha + \beta_{20} FEDU_{i,t} + \beta_{21} ESG_{i,t} + \beta_{22} FEDU \times ESG_{i,t} + \beta_{23} DER_{i,t} + \beta_{24} ACI_{i,t} + \beta_{25} BIG4_{i,t} + \beta_{26} COM_{i,t} + \beta_{27} DIR_{i,t} + \beta_{28} MOWN_{i,t} + \beta_{29} IOWN_{i,t} + \beta_{30} FOWN_{i,t} + \varepsilon \quad (3)$$

t-test

The second hypothesis (H_2) states that ESG performance weakens the influence of CEO financial education on financial performance. H_2 is accepted if the coefficient β_{22} in Model 3 is smaller than the coefficient of β_1 in Model 1 ($\beta_{22} < \beta_1$) and is statistically significant at 10% level.

Results and Discussion

Panel A of Table 2 shows that there are observations with negative ROA. The average ROA is 0.08, with the maximum value being significantly further from the mean than the minimum value. The average ESG performance score of 52.5 reflects a moderate level of commitment to ESG practices, with a small standard deviation of 6.64. Similar to ROA, the descriptive statistics for DER indicate extreme observations, with a maximum value of 11.91, a small average of 1.28, and a minimum value of 0.03, which is close to the mean. Regarding board structure, the average number of commissioners (COM) is 6 members (5.91), while the average number of directors (DIR) is 7 members (6.87), suggesting a relatively balanced composition between the board of commissioners and the board of directors among the sampled firms. In terms of

Table 2. Descriptive Statistics

Panel A

N = 177	Minimum	Maximum	Mean	Std. Dev.
FEDU	0,00	1,00	0,25	0,43
ESG	37,00	77,00	52,50	6,64
ROA	-0,17	0,45	0,08	0,09
DER	0,03	11,91	1,28	1,51
ACI	0,25	1,00	0,62	0,16
BIG4	0,00	1,00	0,84	0,37
COM	3,00	15,00	5,91	2,05
DIR	3,00	15,00	6,87	2,09
MOWN	0,00	71,15	1,78	8,24
IOWN	1,54	92,50	60.62	14,61
FOWN	0,00	85,00	13,77	24,94

Panel B

Variable	N	Value	Frequency	Percentage
FEDU	177	1	44	24,86
		0	133	75,14
BIG4	177	1	148	83,61
		0	29	16,38

Panel C

Outliers	N	Frequency	Percentage
ROA > 0,2	177	19	10,73
Negative ROA	177	13	7,34

Source: Research data analysis

ownership structure, managerial ownership (MOWN) and foreign ownership (FOWN) appear to be relatively low, with average proportions of 1.78% and 13.77%, respectively. Nevertheless, institutional ownership is notably dominant, with an average of 60.62%.

Panel B shows that the majority of the sample consists of observations where the CEO does not have a financial background, accounting for 133 observations (75.14%). Additionally, there is a significant difference between companies that partner with Big 4 auditors and those that do not. A total of 148 observations (83%) involve companies that have partnerships with Big 4 auditors.

Panel C presents information on outliers within the study sample. Observations with ROA exceeding 20% represent a small proportion of the sample, with a frequency of 19 (10.73%). Similarly, observations with negative ROA occur in only 13 cases (7.34%). These small proportions suggest no significant statistical issues in the regression analysis.

Table 3 (Model 1) indicates that FEDU has a positive association with ROA, supporting H_1. In Model 3, the interaction variable (FEDU×ESG) has a coefficient (β_{22}) smaller than β_1 (0.008 < 0.042), confirming H_2. The regression results from model 2 shows that ESG has no significant association with ROA (p = 0,418). Conversely, ESG shows statistical significance towards ROA when it interacts with FEDU at model 3 (p = 0,001). This suggests that ESG performance acts as a pure moderator. Despite having no significant association with the dependent variable, a pure moderator gains its significance when it interacts with another independent variable (Sharma, Durand, and Gur-Arie 1981). Table 3 also presents the results for control variables. The findings indicate that partnerships with big 4 audit

Table 3. Regression Analysis Results

Variable	Model 1	Model 2	Model 3
FEDU	***0,042	***0,042	***-0,377
	(0,008)	(0,008)	(0,004)
ESG		0,001	-0,001
		(0,418)	(0,565)
FEDU × ESG			***0,008
			(0,001)
DER	*-0,008	*-0,008	**-0,009
	(0,076)	(0,063)	(0,032)
ACI	-0,026	-0,032	-0,024
	(0,549)	(0,478)	(0,577)
BIG4	**0,048	**0,048	*0,032
	(0,011)	(0,013)	(0,089)
COM	**-0,009	**-0,009	**-0,010
	(0,027)	(0,020)	(0,014)
DIR	***0,010	***0,011	***0,010
	(0,004)	(0,003)	(0,008)
MOWN	-0,001	-0,001	-0,001
	(0,428)	(0,389)	(0,358)
IOWN	0,001	0,001	0,000
	(0,245)	(0,371)	(0,460)
FOWN	0,000	0,000	0,000
	(0,523)	(0,597)	(0,922)
Adj. R^2	0,131	0,129	0,177
F	3,950	3,614	4,442
	(<0,001)	(<0,001)	(<0,001)
N	177	177	177

Note: ***, **, *, means significant at 1%, 5%, and 10% level respectively.

Source: Research Data Analysis

firm and board of directors size elevate financial performance across all models, while financial leverage and board of commissioners size decreases financial performance. The independence of audit committee and all ownership structures in the analysis exhibit no significant statistical association to financial performance.

CEO Financial Education and Firm Performance

The results indicate that CEO financial education enhances firm performance. This aligns with agency theory, suggesting that a CEO's deep financial knowledge maximizes utility, potentially leading to agency conflicts. Ghoshal (2005) also argues that business education focused solely on profit may reduce students' moral awareness in financial decision-making. Similarly, Giacalone and Thompson (2006) state that an excessive emphasis on profit in business education can lead to the neglect of social responsibility. These findings are consistent with prior research (Adams and Jiang 2017; Gupta and Mahakud 2020).

Moderating Role of ESG Performance

This study shows that ESG performance significantly weakens the influence of CEO financial education on overall corporate financial performance. This finding aligns with the framework underlying ESG initiatives, which emphasize responsible and sustainable investment in key environmental, social, and governance

aspects (EBA 2025). ESG can also influence the CEO's strategic environmental orientation and broader decision-making approach. Velte (2016) argues that corporate initiatives to accommodate ESG principles can shape a company's long-term environmental orientation and awareness. Additionally, ESG can serve as an internal governance mechanism to prevent unethical earnings manipulation practices, such as accrual-based earnings management (Sun et al., 2024; Velte, 2019). Furthermore, Fatemi, Glaum, and Kaiser (2018) argue that corporate initiatives to improve ESG performance can enhance a company's growth prospects and positively impact long-term business value creation and sustainability.

Conclusion

This study investigates the association between CEO financial education background and firm performance, along with the role of ESG performance in moderating this relationship. Agency theory is used to explain the connection between these two associations. Consistent with empirical literature, the analysis results indicate that CEO financial education enhances a company's financial performance. This aligns with prior findings that conventional financial education plays a role in creating profit-oriented academics. The analysis also identifies ESG as a moderating variable that weakens the influence of financial education on financial performance. This result implies that companies can allocate resources as an

Table 4. Robustness Test Results

Variable	Model 1	Model 2	Model 3
FEDU	***0,042	***0,042	***-1,527
	(0,008)	(0,008)	(0,003)
LNESG		0,042	-0,042
		(0,488)	(0,520)
FEDU × LNESG			***0,396
			(0,003)
DER	*-0,008	*-0,008	**-0,009
	(0,076)	(0,065)	(0,034)
ACI	-0,026	-0,031	-0,023
	(0,549)	(0,493)	(0,599)
BIG4	**0,048	**0,047	*0,033
	(0,011)	(0,014)	(0,088)
COM	**-0,009	**-0,009	**-0,010
	(0,027)	(0,021)	(0,014)
DIR	***0,010	***0,011	***0,010
	(0,004)	(0,003)	(0,007)
MOWN	-0,001	-0,001	-0,001
	(0,428)	(0,394)	(0,359)
IOWN	0,001	0,001	0,000
	(0,245)	(0,352)	(0,436)
FOWN	0,000	0,000	0,000
	(0,523)	(0,588)	(0,977)
Adj. R^2	0,131	0,128	0,170
F	3,950	3,592	4,288
	(<0,001)	(<0,001)	(<0,001)
N	177	177	177

Note: ***, **, *, means significant at 1%, 5%, and 10% level respectively.
Source: Research Data Analysis

agency cost toward ESG initiatives because ESG performance acts as a governance mechanism that could help mitigate opportunistic behaviors of financially-educated managers.

Theoretically, this study contributes to empirical literature by demonstrating that agency theory remains relevant in explaining relationships in the business world, such as CEO characteristics, company performance, and ESG performance as a corporate governance mechanism. Practically, this research provides valuable insights for companies, suggesting that they should not only focus on CEOs with financial education backgrounds but also allocate resources to improve ESG performance. This approach is interpreted as an effort to prevent negative outcomes driven solely by financial motives. By doing so, companies can ensure revenue quality through effective corporate governance mechanisms.

The limitations of this study lie in the limited data. The analyzed sample consists of 177 observations over a six-year period, from 2017 to 2022. This is due to the research scope being restricted to companies listed in the LQ45 index. Therefore, future research is expected to use a larger sample to improve the accuracy of statistical analysis results. Additionally, future studies may also explore the role of ESG score in moderating the economic consequences of CEO education beyond firm performance, such as financial reporting quality, audit quality, bankruptcy risk, and credit rating.

References

Adams, Mike, and Wei Jiang. 2017. "Do Chief Executives' Traits Affect the Financial Performance of Risk-Trading Firms? Evidence from the UK Insurance Industry." *British Journal of Management* 28 (3): 481–501. https://doi.org/10.1111/1467-8551.12222.

Agle, Bradley R, Ronald K Mitchell, and Jeffrey A Sonnenfeld. 1999. "Who Matters to CEOs? An Investigation of Stakeholder Attributes and Salience, Corporate Performance, and CEO Values." *Source: The Academy of Management Journal*. Vol. 42. https://www.jstor.org/stable/256973.

Ahmad, Nisar, Asma Mobarek, and Moodhi Raid. 2023. "Impact of Global Financial Crisis on Firm Performance in UK: Moderating Role of ESG, Corporate Governance and Firm Size." *Cogent Business and Management* 10 (1). https://doi.org/10.1080/23311975.2023.2167548.

Ahmed, Mohamed Shaker, and Satish Kumar. 2023. "Are MBA CEOs Really More Risk-Averse?" *International Review of Financial Analysis* 89 (October). https://doi.org/10.1016/j.irfa.2023.102804.

Al-Ahdal, Waleed M., and Hafiza Aishah Hashim. 2022. "Impact of Audit Committee Characteristics and External Audit Quality on Firm Performance: Evidence from India." *Corporate Governance (Bingley)* 22 (2): 424–45. https://doi.org/10.1108/CG-09-2020-0420.

Ali, Rizwan, Ramiz Ur Rehman, Sana Suleman, and Collins Gyakari Ntim. 2022. "CEO Attributes, Investment Decisions, and Firm Performance: New Insights from Upper Echelons Theory." *Managerial and Decision Economics* 43 (2): 398–417. https://doi.org/10.1002/mde.3389.

Al-Jalahma, Abdulla. 2022. "Impact of Audit Committee Characteristics on Firm Performance: Evidence from Bahrain." *Problems and Perspectives in Management* 20 (1): 247–61. https://doi.org/10.21511/ppm.20(1).2022.21.

Amedu, Samson, and Victor Dulewicz. 2018. "The Relationship between CEO

Personal Power, CEO Competencies, and Company Performance." *Journal of General Management* 43 (4): 188–98. https://doi.org/10.1177/030630701876 2699.

Bernile, Gennaro, Vineet Bhagwat, and P Raghavendra Rau. 2017. "American Finance Association What Doesn't Kill You Will Only Make You More Risk-Loving: Early-Life Disasters and CEO." *Source: The Journal of Finance*. Vol. 72.

Boshnak, Helmi A. 2024. "Ownership Concentration, Managerial Ownership, and Firm Performance in Saudi Listed Firms." *International Journal of Disclosure and Governance* 21 (3): 462–75. https://doi.org/10.1057/s41310-023-00209-0.

Bukari, Ayishetu, Andrew Osei Agyemang, and Bernard Bawuah. 2024. "Assessing the Moderating Role of ESG Performance on Corporate Governance and Firm Value in Developing Countries." *Cogent Business and Management* 11 (1). https://doi.org/10.1080/23311975.202 4.2333941.

Das, Nirmol Chandra, Mohammad Ashraful Ferdous Chowdhury, and Md Nazrul Islam. 2022. "The Heterogeneous Impact of Leverage on Firm Performance: Empirical Evidence from Bangladesh." *South Asian Journal of Business Studies* 11 (2): 235–52. https://doi.org/10.1108/SAJBS-04-2020-0100.

EBA. 2025. "Https://Www.Eba.Europa.Eu/Sites/Default/Files/Document_library/Publications/Consultations/2021/Consultation%20on%20draft%20ITS%20on%20Pillar%20disclosures%20on%20ESG%20risk/963626/Factsheet%20-%20ESG%20disclosures.Pdf." Environmental Social and Governance Disclosures. 2025. https://doi.org/10.2853/835092.

E-Vahdati, Sahar, and Fatemeh Binesh. 2022. "The Impact of CEO's Attributes on R&D Intensity and ESG Practices." *Spanish Journal of Finance and Accounting* 51 (3): 326–49. https://doi.org/10.1080/02102412.202 1.1944459.

Fariha, Rifat, Md Mukarrom Hossain, and Ratan Ghosh. 2022. "Board Characteristics, Audit Committee Attributes and Firm Performance: Empirical Evidence from Emerging Economy." *Asian Journal of Accounting Research* 7 (1): 84–96. https://doi.org/10.1108/AJAR-11-2020-0115.

Fernández-Méndez, Carlos, Rubén Arrondo-García, and Shams Pathan. 2017. "Monitoring by Busy and Overlap Directors: An Examination of Executive Remuneration and Financial Reporting Quality." *Spanish Journal of Finance and Accounting* 46 (1): 28–62. https://doi.org/10.1080/02102412.201 6.1250345.

Ghardallou, Wafa. 2022. "Corporate Sustainability and Firm Performance: The Moderating Role of CEO Education and Tenure." *Sustainability (Switzerland)* 14 (6). https://doi.org/10.3390/su14063513.

———. 2023. "The Heterogeneous Effect of Leverage on Firm Performance: A Quantile Regression Analysis." *International Journal of Islamic and Middle Eastern Finance and Management* 16 (1): 210–25. https://doi.org/10.1108/IMEFM-12-2021-0490.

Ghoshal, Sumantra. 2005. "Bad Management Theories Are Destroying Good Management Practices." *Source: Academy of Management Learning & Education*. Vol. 4. https://about.jstor.org/terms.

Giacalone, Robert A, and Kenneth R Thompson. 2006. "Business Ethics and Social Responsibility Education:

Shifting the Worldview." *Management Learning & Education*. Vol. 5. https://www.jstor.org/stable/40214381.

Gupta, Neeraj, and Jitendra Mahakud. 2020. "CEO Characteristics and Bank Performance: Evidence from India." *Managerial Auditing Journal* 35 (8): 1057–93. https://doi.org/10.1108/MAJ-03-2019-2224.

Hambrick, Donald C, and Phyllis A Mason. 1984. "Upper Echelons: The Organization as a Reflection of Its Top Managers." *Source: The Academy of Management Review*. Vol. 9.

Harymawan, Iman, Mohammad Nasih, Melinda Cahyaning Ratri, and John Nowland. 2019. "CEO Busyness and Firm Performance: Evidence from Indonesia." *Heliyon* 5 (5). https://doi.org/10.1016/j.heliyon.2019.e01601.

Hasti, Wiwi Widyas, Maryani Maryani, and Arif Makshun. 2022. "Pengaruh Leverage, Struktur Modal, Dan Ukuran Perusahaan Terhadap Kinerja Keuangan Pada Perusahaan Sektor Pertambangan." *Reviu Akuntansi, Manajemen, Dan Bisnis* 2 (2): 139–50. https://doi.org/10.35912/rambis.v2i2.1544.

IDX. 2024. "IDX80, LQ45 and IDX30 Indexes Guide & Methodology." 2024. https://idx.co.id/media/i2sd4vsk/appendix-index-guide-methodology-idx80-lq45-and-idx30.pdf?utm_source=chatgpt.com.

Jensen, Michael C, and William H Meckling. 1976. "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure." *Journal of Financial Economics* 3:305–60.

Kyere, Martin, and Marcel Ausloos. 2021. "Corporate Governance and Firms Financial Performance in the United Kingdom." *International Journal of Finance and Economics* 26 (2): 1871–85. https://doi.org/10.1002/ijfe.1883.

Lin, Philip Teng, Yanhui Jin, Fei Gao, Ruifeng Yang, and Qian Lin. 2023. "Institutional Investors, CSR Report Readability and the Moderating Role of ESG Performance." *SAGE Open* 13 (4). https://doi.org/10.1177/21582440231208514.

Lin, Ping, Boqiang Lin, and Fu Lei. 2020. "Influence of CEO Characteristics on Accounting Information Disclosure Quality—Based on the Mediating Effect of Capital Structure." *Emerging Markets Finance and Trade* 56 (8): 1781–1803. https://doi.org/10.1080/1540496X.2019.1698419.

McCabe, Donald L, Kenneth D Butterfield, and Linda Klebe Treviño. 2006. "Academic Dishonesty in Graduate Business Programs: Prevalence, Causes, and Proposed Action." *Management Learning & Education*. Vol. 5. https://about.jstor.org/terms.

McCabe, Donald L, and Linda Klebe Trevino. 1995. "Cheating among Business Students: A Challenge for Business Leaders and Educators." *Journal of Management Education* 19 (2): 205–18.

Munawir. 2011. Analisis Laporan Keuangan. Liberty.

Musa, Auwalu, Rohaida Abdul Latif, and Jamaliah Abdul Majid. 2023. "CEO Attributes, Board Independence, and Real Earnings Management: Evidence from Nigeria." *Cogent Business and Management* 10 (1). https://doi.org/10.1080/23311975.2023.2194464.

Naseem, Muhammad Akram, Jun Lin, Ramiz ur Rehman, Muhammad Ishfaq Ahmad, and Rizwan Ali. 2020. "Does Capital Structure Mediate the Link between CEO Characteristics and Firm Performance?" *Management Decision* 58 (1): 164–81. https://doi.org/10.1108/MD-05-2018-0594.

Nguyen, Quang Minh, and Chien V. Nguyen. 2024. "Corporate Governance, Audit Quality and Firm Performance–an Empirical Evidence." *Cogent Economics and Finance* 12 (1). https://doi.org/10.1080/23322039.2024.2334128.

Oradi, Javad, Kaveh Asiaei, and Zabihollah Rezaee. 2020. "CEO Financial Background and Internal Control Weaknesses." *Corporate Governance: An International Review* 28 (2): 119–40. https://doi.org/10.1111/corg.12305.

Palepu, Krishna G., Paul M. Healy, and E. Peek. 2019. *Business Analysis and Valuation: IFRS Standard Edition, 5th Edition*. 5th ed. Cheriton House, North Way, Andover, Hampshire, SP10 5BE United Kingdom: CENGAGE Learning EMEA. www.cengage.com/highered.

Pham, Nam Hai. 2023. "CEO Characteristics and Bank Performance: Case of Vietnamese Commercial Banks." *Cogent Economics and Finance* 11 (1). https://doi.org/10.1080/23322039.2022.2162687.

PRI. 2025. "Https://Www.Unpri.Org/an-Introduction-to-Responsible-Investment/What-Is-Responsible-Investment/4780.Article." What Is Responsible Investment? 2025. https://www.unpri.org/an-introduction-to-responsible-investment/what-is-responsible-investment/4780.article.

Pucheta-Martínez, María Consuelo, and Isabel Gallego-Álvarez. 2020. "Do Board Characteristics Drive Firm Performance? An International Perspective." *Review of Managerial Science* 14 (6): 1251–97. https://doi.org/10.1007/s11846-019-00330-x.

Setiawan, Rahmat, Irfan Handiliastawan, and Rosmiati Jafar. 2020. "Commissioner Board Characteristics, Ownership Concentration, and Corporate Performance." *Jurnal Keuangan Dan Perbankan* 24 (2). https://doi.org/10.26905/jkdp.v24i2.3827.

Sharma, Subhash, Richard M Durand, and Oded Gur-Arie. 1981. "Identification and Analysis of Moderator Variables." *Journal of Marketing Research* 18 (3): 291–300.

Shleifer, Andrei, and Robert W Vishny. 1997. "A Survey of Corporate Governance." *Source: The Journal of Finance*. Vol. 52.

Sun, Helin, Jia Zhu, Tao Wang, and Yue Wang. 2021. "MBA CEOs and Corporate Social Responsibility: Empirical Evidence from China." *Journal of Cleaner Production* 290 (March). https://doi.org/10.1016/j.jclepro.2021.125801.

Sun, Weizheng, Shuning Chen, Yuqing Jiao, and Xu Feng. 2024. "How Does ESG Constrain Corporate Earnings Management? Evidence from China." *Finance Research Letters* 61 (March). https://doi.org/10.1016/j.frl.2024.104983.

Wei, Qian. 2021. "CEO Power and Nonprofit Financial Performance: Evidence from Chinese Philanthropic Foundations." *Voluntas* 32 (2): 460–76. https://doi.org/10.1007/s11266-019-00187-4.

Williams, Robert J, J Douglas Barrett, and Mary Brabston. 2000. "Managers' Business School Education and Military Service: Possible Links to Corporate Criminal Activity."

Wood, Donna J. 1991. "Corporate Social Performance Revisited." *Source: The Academy of Management Review*. Vol. 16. https://www.jstor.org/stable/258977.

You, Ya, Shuba Srinivasan, Koen Pauwels, and Amit Joshi. 2020. "How CEO/CMO Characteristics Affect Innovation and Stock Returns: Findings and Future Directions." *Journal of the Academy of Marketing*

Science. Springer. https://doi.org/10.1007/s11747-020-00732-4.

Zhou, Mengling, Fanglin Chen, and Zhongfei Chen. 2021. "Can CEO Education Promote Environmental Innovation: Evidence from Chinese Enterprises." *Journal of Cleaner Production* 297 (May). https://doi.org/10.1016/j.jclepro.2021.126725.