

CEO Compensation and Firm Performance in Emerging Market: Evidence from Indonesian Selected Listed Banking Firms

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ABSTRACT

The aim of this study is to investigate the effect of CEO Compensation on firm performance of banking companies listed in the Indonesia Stock Exchange (Bursa Efek Indonesia). Some 23 banks are selected employing the purposive sampling method for the period 2009-2018. To keep the sufficiency of observation, pool data data is employed with the total number observation accounting for 176 firm-years data. Univariate and Multivariate Models are then utilized to analyze the financial data. Estimation of regression coefficients utilizes Ordinary Least Square (OLS). Results of study show that CEO Compensation affect significantly negative on bank performance using Tobin's Q, but not significant on ROA..

Keywords: CEO Compensation, firm performance, growth opportunity of investment, banking