

## ABSTRAK

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### ***DO MANAGERIAL ABILITY MATTER TO THE MARKET? EVIDENCE FROM PRE AND DURING PANDEMIC COVID ERA***

(viii + 76 halaman: 1 gambar; 7 tabel; 14 lampiran)

Penelitian ini menguji apakah pasar dapat mendeteksi atau bereaksi terhadap *managerial ability* dan apakah pandemi Covid-19 melemahkan pengaruh tersebut. Reaksi pasar diukur menggunakan *earnings response coefficient* (ERC), dan *managerial ability* diukur menggunakan MA-score oleh Demerjian et al. (2013). Sampel penelitian dikumpulkan menggunakan *purposive sampling* yang bersumber pada laporan keuangan perusahaan dalam Bursa Efek Indonesia (BEI) pada tahun 2018-2021. Penelitian memiliki observasi sebanyak 1308 *firm-years* dan menggunakan model regresi OLS dengan program statistic STATA ver.17. Berdasarkan hasil penelitian, belum ditemukan bukti bahwa pasar dapat mendeteksi atau bereaksi terhadap *managerial ability*. Pandemi Covid-19 juga belum terbukti memperlemah pengaruh *managerial ability* terhadap reaksi pasar. Hal ini menunjukkan bahwa terjadi asimetri informasi sehingga pasar tidak dapat mengukur *managerial ability*, sehingga pasar tidak dapat menggunakan *managerial ability* sebagai pertimbangan dalam pengambilan keputusan. Tampaknya, pasar Indonesia lebih berfokus untuk berinvestasi pada saham yang dapat memberikan untung dalam *short-term* dibanding melakukan penelitian mendalam mengenai perusahaan dan manajemennya.

Referensi: 71 (1968-2022)

**Kata kunci:** *managerial ability*, reaksi pasar, MA-score, *earnings response coefficient*, Covid-19

## **ABSTRACT**

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### **DO MANAGERIAL ABILITY MATTER TO THE MARKET? EVIDENCE FROM PRE AND DURING PANDEMIC COVID ERA**

*(viii + 76 pages: 1 figures; 7 tables; 14 appendix)*

*This study examines whether the market can detect or react to managerial ability and whether the Covid-19 pandemic weakens this influence. Market reaction is measured using the earnings response coefficient (ERC), and managerial ability is measured using the MA-score by Demerjian et al. (2013). The research sample was collected using purposive sampling sourced from the Indonesia Stock Exchange (IDX) company's financial statements and in 2018-2021. The study had 1308 firm-years of observation and used the OLS regression model with the statistical program STATA ver.17. Based on the research results, there is no evidence that the market can detect or react to managerial ability. The Covid-19 pandemic has also not been proven to weaken the influence of managerial ability on market reactions. This shows that there is information asymmetry so that the market cannot measure managerial ability, so that the market cannot use managerial ability as a consideration in decision making. It seems that the Indonesian market is more focused on investing in stocks that can provide profits in the short term rather than conducting in-depth research on companies and their management.*

*Reference: 61 (1968-2022)*

**Keywords:** *managerial ability, market reaction, MA-score, earnings response coefficient, Covid-19*