ABSTRACT

This research try to investigate the determinants of earnings response coefficients (ERC) with 10 year data from published and unpublished journals in Indonesia. The purpose of this research is to investigate the relationship between earnings growth, earnings predictability, earnings persistence, industry type, capital structure, auditor quality, income smoothing, timeliness, firm size, gain/loss of foreign currency transaction, beta risk, voluntary disclosure, CSR disclosure, and audit committee to the ERC. This research applies the meta-analysis technique developed by Hunter et al. (1982) to a sample of 20 articles published from 2002 until 2011 for the purpose of cumulating and integrating across studies. The articles used are selected studies from five publicly accredited journal in Indonesia and Simposium Nasional Akuntansi (SNA) as the representative of unpublished journal. This research showsthat earning persistence, earnings growth, earnings predictability, beta risk, industry type, audit quality, CSR disclosure, timeliness, audit committee, and transaction gains (losses) are the factors which significantly influence the ERC. Meanwhile, capital structure, firm size, income smoothing, and voluntary disclosure are found to be not significantly influence the ERC. Thus, there are 10 factors that found to be the robustest determinants of ERC. This research is an integrated studies that never done before in the ERC research.

Keywords: earnings response coefficients, meta-analysis, earnings growth, earnings predictability, earnings persistence, industry type, capital structure, auditor quality, income smoothing, timeliness, firm size, transaction gains (losses), beta risk, voluntary disclosure, CSR disclosure, audit committee.