Celebrity CEO: Effect of CEO Appearance in Mass Media on CEO Compensation

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Abstract

This study raises the topic related to celebrity CEOs which aims to find out whether there is influence between celebrity CEOs on the compensation received by CEOs. The design of this study uses a causality research design with a quantitative approach. The population of this study are all companies listed on the Indonesia Stock Exchange in 2020-2021, and the number of samples used is 48 companies by taking samples using thepurposive sampling. This research model uses a panel data regression model with an approachFixed Effect Model which has previously been selected throughTest Chow, Hausman and LM. The results of this study indicate that the celebrity CEO variable has a significant relationship to the compensation received by the CEO. The results of this study have a significant effect even though the influence of Celebrity CEOs on CEO Compensation has a small impact. This research is expected to contribute to companies that have not implemented compensation for CEOs who are able to attract the attention of the general public/Celebrity CEOs.

Keyword : Celebrity, CEO, Compensation, Mass Media

INTRODUCTION

As the environment changes rapidly and dynamically, the pace of media technology becomes instantaneous and the transfer of information occurs more rapidly. The appearance of the CEO of the company in the media is considered favorable. Some even say that CEOs achieve "celebrity" status through these activities (Hayward et al., 2004) & (J. B. Wade et al., 2006). Moreover, if the CEO often receives intense media attention, the public often refers to him as a star or celebrity (Lovelace et al., 2016). In Krames' book entitledWhat the best CEOs know (2005) stated that celebrities in the business world are CEOs who have high ratings and achievements. Their photos will frequently appear on the covers of books and magazines, and they always have something interesting to report every day.

Fombrun (1996) states that CEOs who have high recognition in society can convince stakeholders that the company's future prospects are bright and of higher quality. CEO appearances in the media have the purpose of reporting activities, product promotion or even enhancing the company's reputation. Company reputation is needed in business to build positive confidence for their stakeholders. The better the CEO's reputation, the company's reputation will also increase (Weng & Chen, 2017). The company's reputation is how it looks, achieves or even to see how far the company's performance can be achieved.

Celebrity CEOs have a connection to their individual values and the environment around them. Research conducted by Wardhani & Supratiwi, (2021), Kim & Lee, (2022) and (M & W, 2017) states that CEOs who often appear in the media have influence in improving company performance. Celebrity CEOs also show significant influence in creating high-quality relationships between the company, the environment andstakeholder (Treadway et al., 2009). With the celebrity status of the CEO, it can give a good signal to the company for investors, employees, and improve the stock market (Wade et al., 2006). And recently, celebrity CEOs are considered to have quite a high influence on the level of CSR carried out by companies (Smith & Stan, 2021), (Lee et al., 2020), and (Jiangyan Li, 2020). CSR is carried out in order to build a social impression and one of the strategic actions to maintain the company's reputation.

Many previous studies related to the topic of CEO celebrity focused only on the output produced, especially company performance. In this study, the authors want to further explore the topic of celebrity CEOs on the value of the individual CEOs themselves through the compensation they receive. Wade et al., (2006), conducted a study that focused on the personal outcomes that celebrity CEOs generated from their status. This study discusses the dark side of CEOs who have high status as celebrities. Fombrun (1996) states that CEOs who have celebrity status, especially those with many awards, will create high expectations about their achievements, so that if they are given low compensation they feel that they are not in accordance with their status. Some of them also enjoy personal benefits such as writing books, sitting back and playing golf but contribute little to the value of the company (Smith & Stan, 2021).

This topic becomes more interesting when CEO compensation reflects the extent

Stakeholders value ability and contribution. Therefore CEOs who have high quality and status will be given more compensation than usual. Several certifications have had a positive impact on compensation for the time they have been received (Wade et al., 2006). Grinblatt et al., (2009) said that explicit incentives become more important as CEO status increases. On the

other hand, Rajan and Wulf (2006) argue that the benefits provided will be able to create value in the organization, because (Grinblatt et al., 2009) the higher the compensation they get indicates the power and status in the organization.

Several previous studies conducted by Smith & Stan, (2021), Wade et al., (2006), Abraham et al., (2014) and Grinblatt et al., (2009), stated that CEO celebrity status would increase CEO compensation. . However, the topic of celebrity CEOs regarding the compensation they get is still very limited in Indonesia. Several decades have stated that the reason for this limitation is the lack of disclosure of exact data on the amount of compensation received by Indonesian CEOs(disclosure). So this research was conducted to follow up on research related to the topic of celebrity CEOs on company CEO compensation in Indonesia.

LITERATURE RESEARCH

Celebrity CEO

Terence A, Shimp (2003) in his book relating to the world of advertising defines the term celebrity as a character (artist, actor, athlete or entertainer) who is known to the public in general because of his achievements in different fields according to the product class supported. Meanwhile Lovelace et al, (2016), defines CEO celebrity as the extent to which a CEO obtains positive emotional responses and responses from a wide public audience. That is, CEO celebrity is determined by two important components of social attention and positive emotional response (Kim & Lee, 2022). In the business world, celebrities can serve as the face of the company for convincingstakeholder. Looking at the roles and activities of the company's press that often feature CEOs, some even say that CEOs achieve "celebrity" status through these activities (Hayward et al., 2004), (Wade et al., 2006). Krames defines a celebrity in the business world as a CEO who has high ratings and achievements. Their photos would often appear on the covers of books and magazines, and they always had something interesting to report every day.

Media such as newspapers, mass media to social media now have a very important role for company leaders in attracting public attention. The media directs public opinion how to view the company with the news presented. Apart from that, the world of social media can also be used to interact or exchange all kinds of information. The public can access social media to find out about CEO activities or portfolios through social media such asFacebook, Instagram, Linked or Twitter.

CEO Compensation

Compensation is the financial rewards and penalties received by a CEO while he is carrying out his duties (Kerin: 2003). There are three main issues related to the determination

of compensation: the form of compensation(compensation mix), compensation amount(compensation level), and openness(disclosure).

Judging from the time of receipt, the compensation given to the CEO is twofold: compensation received only once during his time as CEO(one-off pecuniary benefits) and compensation received more than once during his tenure as CEO(ongoing pecuniary benefits). One-off pecuniary benefits consist ofentry benefits andexit benefits. Entry benefits is a bonus in the form of cash, shares or options offered to a potential CEO so that he is interested in accepting the position offered.Exit benefits is a bonus given to a CEO who has ended his term of office, this bonus can be in the form of cash, shares or options but does not include retirement money.

Ongoing pecuniary benefits consists of: (a)fixed payments, compensation that is fixed and not directly related to performance, in the form of salary, various allowances, car, house, school fees, and others; (b)at risk payments, compensation that is not fixed and is influenced by the CEO's performance in managing the company. There are two forms of atrisk payments, short-term incentives (STIs) andlong-term incentives (LTIs). Short term incentives (STIs) are usually in the form of bonuses related to achieving the company's short-term performance such as net profit, earnings per share, return on equity, production cost reduction, sales growth, and other short-term performance targets.Long-term incentives (LTIs) are bonuses given to CEOs to improve the company's long-term performance that has been determined by shareholders, usually three to five years. Bonuses are usually given in the form of shares or options. Apart from the benefits mentioned above, there are other benefits that CEOs receive which are non-financial benefits, such as job satisfaction, prestige, involvement in social organizations, and others.

Compensation Combination (Compensation Mix) How to determine the right combination of compensation or compensation mix to encourage the CEO to provide optimal performance for the company and shareholders is the main issue in the discussion of forms of compensation. Each form of compensation has a different influence on CEO behavior, so the determination of the form of compensation must be adjusted to the targets to be achieved by the company and shareholders. Table 1 below explains the effect of the combination of compensation on CEO behavior to achieve the goals to be achieved by the company and shareholders

CEO Celebrity and CEO Compensation

CEO compensation reflects the extent to which stakeholders value the capabilities and contributions of CEOs who have high quality and status will be given more compensation than

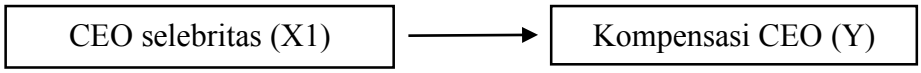
usual. Several certifications have had a positive impact on compensation for the time they have been received (Wade et al., 2006). Grinblatt et al., (2009) said that explicit incentives become more important as CEO status increases. On the other hand, Rajan and Wulf (2006) argue that the benefits provided will be able to create value in the organization, because (Grinblatt et al., 2009) the higher the compensation they get indicates the power and status in the organization.

Several previous studies conducted by Smith & Stan, (2021), Wade et al., (2006), Abraham et al., (2014) and Grinblatt et al., (2009), stated that CEO celebrity status would increase CEO compensation. . However, the topic of celebrity CEOs regarding the compensation they get is still very limited in Indonesia. Based on these arguments, this study concludes that CEO celebrity status has a positive effect on CEO compensation.

H1: Celebrity CEOs have a positive influence on CEO compensation

METHOD

The design of this study uses a causality research design with a quantitative approach. Sugiono (2013) said that the causal method is a research method aimed at examining a causal relationship between the independent and dependent variables. In this study, researchers wanted to know the effect of CEO Celebrities on the compensation that CEOs get.



Gambar 3.1 Research Design

CEO Compensation

The dependent variable in this study is CEO Compensation. Several studies measure the construct of this variable based on cash compensation from the total salary, benefits, and bonuses of the CEO or the entire company's board of directors based on performance during the appropriate period after the end of the fiscal year (Putri & Fadhlia, 2017) (Azmi, 2021) & (Lee & Hwang , 2019). This component is seen in the notes to financial statements related to Compensation for key executive or management personnel. So the formula used is:

LnTotal = *Kompensasi eksekutif* (Armstrong et al., 2012)

Celebrity CEO

In this study, celebrity CEOs are defined as corporate leaders who are widely known by the public or CEOs who frequently appear in the mass media. Lovelace et al., (2016), defines CEO celebrity as the extent to which a CEO obtains positive emotional responses from a wide public audience. To form a positive response from the public, positive news is also needed. Therefore,

CEO celebrity is measured by adding up the number of reports or articles in the mass media that include the CEO's name and are positive and according to the year in question, namely during 2020-2021.

Data Collection, Population and Study Sample

This study uses secondary quantitative data. Secondary data used to calculate the amount of CEO compensation uses annual financial reports (Annual Report) which can be accessed via www.idx.co.id with a data collection period of 2020-2021. Meanwhile, the CEO celebrity variable is measured using the number of reports/articles in the mass media that include the CEO's name or achievements(award) earned by the CEO. The mass media used as a research reference is https: //www.cnbcindonesia.com/, https: //katadata.co.id/, https: //swa.co.id/ andhttps: //www.liputan6.com/.

This study uses a population of all public companies listed on the Indonesia Stock Exchange consistently from 2020-2021, totaling 788 companies. Populations that do not fit into the predetermined criteria in the study were excluded from the population so that the final sample total for this observation was 48 companies ready for analysis. The following sample criteria have been set:

Table 1

Sample Criteria

No	Sample Criteria	Total
1.	Companies consistently listed on the Indonesia Stock Exchange$_{2020\text{-}2021}$ $_{year}$	788
2.	Companies that have not yet published their 2020-2021 annual reports at the moment$_{sampling}$	(554)
3.	Name of the CEO of the company that is not included in the 2020-year article$_{2021}$	(175)
4.	Companies that do not provide reports regarding CEO compensation	11
	The number used as research samples in 2020-2021	48

Estimation Model Determination

The data analysis technique in this study is descriptive analysis. This analysis is used to provide an overview of data by looking at the average value, highest value, lowest value, standard deviation and number of studies (Ghozali, 2018). Besides, to seethe influence of CEO celebrity variable on the level of CEO compensation is analyzed using panel data

regressionpreviously determined through various tests, namely:

Uji Chow

Test*chow* is a test used to select an intermediate research model *fixed effect model* or*common effect model* which is better to use. The criterion for this test is when the resulting probability value is greater than the sig value (0.05) then it accepts H0, ie*common effect model* accepted.

Hausman test

Test*Hausman* is a statistical test to choose whether the model*Fixed Effect* or*Random Effect* which is better to use. The criterion for this test is when the probability value is less than 0.05, it indicates that H0 is rejected. Where H0 is the random model is better than the model*Fixed Effect*.

Uji Lagrange Multiplier (LM)

The last test is Test*Lagrange Multiplier* this is used to find out if*random effect model* better than*common effect model* with approach*Ordinary Least Square (OLS)*. The criterion for this test is when the value*breusch-pagan* > 0.05 then accept H0.

Panel data regression is an analysis technique that uses a combination of data *cross section* and data*time series* of several individuals observed over a period of time certain. The advantages of panel data regression are capableincrease*degree of freedom* (degrees freedom), the data has great variability and is able to reduce collinearity between explanatory variables, which can produce efficient econometric estimates (Dwiningsih, 2020). This analysis usesregression equation formula: Model 1 main variable regression

$$\text{Kinerja Keuangan}_{it} = \beta_0 + \beta_1 \text{Kepemilikan Manajerial}_{it} + \varepsilon_{it}$$

Classic Assumption

a. Multicollinearity Test

The multicollinearity test is one of the classic assumption tests aimed at examining whether the regression model has a correlation between independent (independent) variables or not. There are several ways to detect whether there is an indication of multicollinearity, namely by looking at the value*variance inflation factor* (VIF) Dan*tolerance*. In the panel data regression test the multicollinearity test is used when the independent variables in the test are more than one variable.

b. Heteroscedasticity Test

The heteroscedasticity test is a classic assumption test that must be met. This test

aims to determine whether in the research regression model there is an inequality of variance from one residual observation to another. However, if the variance of the residuals resulting from one observation to another observation remains, then homoscedasticity occurs, and if it is different it is called heteroscedasticity. Because in the research conducted it is hoped that the variables are independent and nothing influences them. So the research must meet the assumption of heteroscedasticity.

c. Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding errors in period t and the confounding errors in the previous period. Research that uses time series data must carry out an autocorrelation test to ensure there is no correlation between variables. Autocorrelation test can be done by using test*Durbin Watson*.

d. Normality test

The normality test aims to test whether the regression model already has normally distributed data. The normality test is often used*kolmogrov smirnov*with an alpha significance level of > 5%, the data is considered normal.

Hypothesis testing

Hypothesis testing is carried out to verify the assumptions (hypotheses) that have been made before whether they can be accepted or rejected. The hypothesis test carried out in this study was to use the F test and the partial test (t). The F test is used to determine whether the independent variables in the study simultaneously or jointly influence the dependent variable. While the t test is used to show how much influence the independent variable (separate) entered on the dependent variable.

ANALYSIS RESULTS AND DISCUSSION

Descriptive Analysis

Estimation Models

Tabel 2
Model Estimasi

Uji	Sig		Kriteria	Deskripsi	Kesimpulan
Chow	0,0000	<	0,05 / 5%	FE lebih baik dari CE	*Fixed effect Model*
Hausman	0,0198	<	0,05 / 5%	FE lebih baik dari RE	*Fixed effect Model*

Chou Test

Test*chow* is a test used to select an intermediate research model *fixed effect model* or*common effect model* which is better to use. In this study the resulting probability value is

smaller than the sig value (0.05) so accept H1, ie*fixed effect model*.

Hausman test

Test *Hausman* is a statistical test to choose whether the model *Fixed Effect* or *Random Effect* which is better to use. In this test, a probability value that is less than 0.05 indicates that H0 is accepted. Where H0 ie*fixed effect model* is the best model used.

Classic assumption test

a. Multicollinearity TestTabel 3
Tabel VIF

Variance Inflation Factors
Date: 12/13/22 Time: 13:16
Sample: 1 96
Included observations: 96

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.029522	1.267196	NA
X1	2.15E-05	1.267196	1.000000

Sumber: data diolah

The multicollinearity test is carried out by looking at the variance inflation factor (VIF) and tolerance values. With the provision that if the VIF value is < 10 and the tolerance value is > 0.05 then there is no multicollinearity. A good regression model should not have a correlation between the independent variables. In the panel data regression test the multicollinearity test is used when the independent variables in the test are more than one variable. The model table shows that in this study there was no correlation and the multicollinearity assumption was fulfilled.

a. Heteroskedastisity Test

Tabel 4
Uji Glejser

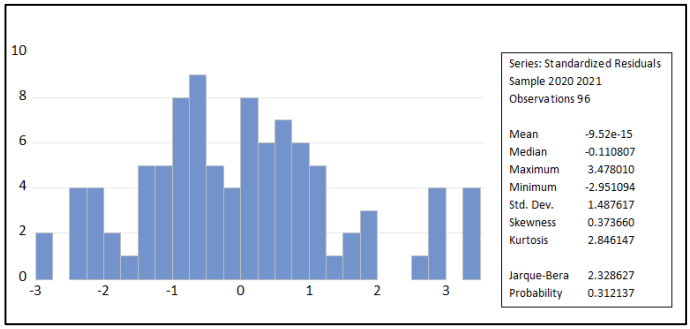
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.177086	0.104729	11.23932	0.0000
X1	-0.000232	0.002829	-0.081896	0.9349

Sumber: data diolah

Heteroscedasticity test with the white test. The criteria used in this test are if the probability value is > 0.05, then the research data does not have heteroscedasticity. In this study, the significance probability value generated in the research model is > 0.05. So the assumption of heteroscedasticity in this study has been fulfilled.

b. Normality test

Tabel 1
Tabel VIF



The normality test aims to test whether the regression model already has normally distributed data. The normality test often uses Jarque Bera with an alpha significance level of > 5%, so the data is considered normal. In the picture above it can be seen that the normality test in this study has been fulfilled.

Model Analysis and Hypothesis Testing

Tabel 2
Model penelitian

Dependent Variable: LN
Method: Panel Least Squares
Date: 12/13/22 Time: 13:05
Sample: 2020 2021
Periods included: 2
Cross-sections included: 48
Total panel (balanced) observations: 96

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.47165	0.037088	659.8197	0.0000
X1	-0.000224	0.001881	-0.119213	0.9056

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.993177	Mean dependent var	24.46784
Adjusted R-squared	0.986210	S.D. dependent var	1.567066
S.E. of regression	0.184025	Akaike info criterion	-0.240858
Sum squared resid	1.591664	Schwarz criterion	1.068028
Log likelihood	60.56118	Hannan-Quinn criter.	0.288215
F-statistic	142.5379	Durbin-Watson stat	3.918367
Prob(F-statistic)	0.000000		

Sumber : data diolah

Kompensasi CEO = 24.47165 – 0.000224 Selebritas CEO - e

Coefficient of Determination

The coefficient of determination generated in the CEO celebrity variable research model only has an influence on company performance during a pandemic showing an R2 value of 0.99%. This shows that celebrity CEOs contribute the majority to the level of CEO compensation.

Hypothesis test F

Testing the F hypothesis can be seen in table 7. The results show simultaneously or together that the resulting calculated F value is 142.5379. Based on the rules of the F test, if F count > F table with probability <0.05 then accept H1 is accepted and vice versa. In this study, it produced F count > F table, so it can be concluded that CEO Celebrities have an influence on the level of CEO compensation.

Partial hypothesis test T

Hypothesis testing is done to find out whether the previously defined hypothesis is statistically proven or not. The test criteria stated that if t count ≥ t table or p value < level of significance (✔), then there is a significant effect. The following is a description of hypothesis testing based on the table above. It can be seen that in the research on the CEO celebrity variable, the T value was -0.119213 while the T table was 1.98525 with p > 0.05. This shows that there is no significant influence of CEO celebrity on the CEO compensation variable. So that H1 this study was rejected.

Chou Test

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	131.085271	(47,47)	0.0000
Cross-section Chi-square	468.810980	47	0.0000

Cross-section fixed effects test equation:
Dependent Variable: LN
Method: Panel Least Squares
Date: 12/13/22 Time: 13:05
Sample: 2020 2021
Periods included: 2
Cross-sections included: 48
Total panel (balanced) observations: 96

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.21452	0.171821	140.9291	0.0000
X1	0.014901	0.004641	3.210707	0.0018

R-squared	0.098828	Mean dependent var	24.46784
Adjusted R-squared	0.089241	S.D. dependent var	1.567066
S.E. of regression	1.495509	Akaike info criterion	3.663423
Sum squared resid	210.2353	Schwarz criterion	3.716847
Log likelihood	-173.8443	Hannan-Quinn criter.	3.685018
F-statistic	10.30864	Durbin-Watson stat	0.070467

Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	5.432180	1	0.0198

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
X1	-0.000224	0.000930	0.000000	0.0198

Cross-section random effects test equation:
Dependent Variable: LN
Method: Panel Least Squares
Date: 12/13/22 Time: 13:06
Sample: 2020 2021
Periods included: 2
Cross-sections included: 48
Total panel (balanced) observations: 96

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.47165	0.037088	659.8197	0.0000
X1	-0.000224	0.001881	-0.119213	0.9056

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.993177	Mean dependent var	24.46784
Adjusted R-squared	0.986210	S.D. dependent var	1.567066
S.E. of regression	0.184025	Akaike info criterion	-0.240858
Sum squared resid	1.591664	Schwarz criterion	1.068028
Log likelihood	60.56118	Hannan-Quinn criter.	0.288215
F-statistic	142.5379	Durbin-Watson stat	3.918367
Prob(F-statistic)	0.000000		

Based on the effect model image above, it states that the t-statistic is 3.210707. This t value indicates the partial effect of the predictor variable on the response variable in the panel data regression model. In the Chou Test, the R-squared value of 0.098828 states that the CEO celebrity variable is 9% of CEO Compensation. The sample companies in this study indicate that the availability of compensation for CEOs. This compensation is given because a CEO can attract public attention and is able to control and provide positive emotions in public. A CEO who gets public attention will reflect his company's image, so as to be able to attract the attention of stakeholders according to research from Hayward, et.al (2014) and Wade, et.al. (2016). While based on the Hausman test states that the CEO Celebrity variable has an effect of 99% on CEO Compensation for several randomly selected companies. The Hausman test is identical to the random effects model, while the LM test or Langrange multiplier test is identical to the common effects model. So it is necessary to look at the test results regarding Common Effects, Fixed Effects, and Random Effects to determine which model is used in this study.

Common effect model

Dependent Variable: LN
Method: Panel Least Squares
Date: 12/13/22 Time: 13:03
Sample: 2020 2021
Periods included: 2
Cross-sections included: 48
Total panel (balanced) observations: 96

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.21452	0.171821	140.9291	0.0000
X1	0.014901	0.004641	3.210707	0.0018

R-squared	0.098828	Mean dependent var	24.46784
Adjusted R-squared	0.089241	S.D. dependent var	1.567066
S.E. of regression	1.495509	Akaike info criterion	3.663423
Sum squared resid	210.2353	Schwarz criterion	3.716847
Log likelihood	-173.8443	Hannan-Quinn criter.	3.685018
F-statistic	10.30864	Durbin-Watson stat	0.070467
Prob(F-statistic)	0.001813		

Fixed effect model

Dependent Variable: LN
Method: Panel Least Squares
Date: 12/13/22 Time: 13:05
Sample: 2020 2021
Periods included: 2
Cross-sections included: 48
Total panel (balanced) observations: 96

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.47165	0.037088	659.8197	0.0000
X1	-0.000224	0.001881	-0.119213	0.9056

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.993177	Mean dependent var	24.46784
Adjusted R-squared	0.986210	S.D. dependent var	1.567066
S.E. of regression	0.184025	Akaike info criterion	-0.240858
Sum squared resid	1.591664	Schwarz criterion	1.068028
Log likelihood	60.56118	Hannan-Quinn criter.	0.288215
F-statistic	142.5379	Durbin-Watson stat	3.918367
Prob(F-statistic)	0.000000		

Random effect model

Dependent Variable: LN
Method: Panel EGLS (Cross-section random effects)
Date: 12/13/22 Time: 13:06
Sample: 2020 2021
Periods included: 2
Cross-sections included: 48
Total panel (balanced) observations: 96
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.45203	0.218296	112.0132	0.0000
X1	0.000930	0.001815	0.512210	0.6097

Effects Specification

	S.D.	Rho
Cross-section random	1.491550	0.9850
Idiosyncratic random	0.184025	0.0150

Weighted Statistics

R-squared	0.002658	Mean dependent var	2.126537
Adjusted R-squared	-0.007952	S.D. dependent var	0.187569
S.E. of regression	0.188313	Sum squared resid	3.333424
F-statistic	0.250546	Durbin-Watson stat	1.885943
Prob(F-statistic)	0.617861		

Unweighted Statistics

R-squared	0.011946	Mean dependent var	24.46784
Sum squared resid	230.5041	Durbin-Watson stat	0.027273

Based on the test results above, it can be compared between the Random Effect Model, Common Effect Model and Fixed effect model. The results of the redundant fixed effect or likelihood ratio for this model have a probability value of F of 0.0000 which is less than alpha 0.05, so that H0 is rejected and H1 is accepted, the appropriate model for this result is fixed effects. So it can be concluded that the hypothesis in this study was declared accepted based on the use of the Fixed Effect Model.

UJI GLEJSER

Heteroskedasticity Test: Glejser
Null hypothesis: Homoskedasticity

F-statistic	0.006707	Prob. F(1,94)	0.9349
Obs*R-squared	0.006849	Prob. Chi-Square(1)	0.9340
Scaled explained SS	0.006857	Prob. Chi-Square(1)	0.9340

Test Equation:
Dependent Variable: ARESID
Method: Least Squares
Date: 12/13/22 Time: 13:14
Sample: 1 96
Included observations: 96

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.177086	0.104729	11.23932	0.0000
X1	-0.000232	0.002829	-0.081896	0.9349

R-squared	0.000071	Mean dependent var	1.173148
Adjusted R-squared	-0.010566	S.D. dependent var	0.906775
S.E. of regression	0.911553	Akaike info criterion	2.673279
Sum squared resid	78.10728	Schwarz criterion	2.726703
Log likelihood	-126.3174	Hannan-Quinn criter.	2.694874
F-statistic	0.006707	Durbin-Watson stat	0.904877
Prob(F-statistic)	0.934904		

Pengujian Menggunakan SPSS

Regression

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Selebritas[b]	.	Enter

a. Dependent Variable: Kompensasi

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.314[a]	.099	.089	1.49551

a. Predictors: (Constant), Selebritas

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.056	1	23.056	10.309	.002[b]
	Residual	210.235	94	2.237		
	Total	233.291	95			

a. Dependent Variable: Kompensasi

b. Predictors: (Constant), Selebritas

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	24.215	.172		140.929	.000
	Selebritas	.015	.005	.314	3.211	.002

a. Dependent Variable: Kompensasi

Testing using SPSS is useful for strengthening research results or explaining robustness in research. The purpose of Robustness is to determine the ability to reproduce something under different conditions without causing unwanted differences in the final results obtained. Based on the results of the SPSS test, the significance value is below 0.05, which is a significance value of 0.002. The influence of the CEO Celebrity variable can be used as the basis for giving CEO Compensation in 9.9% of the companies which are the criteria in this study.

CONCLUSION

Based on the results of the research above, it can be concluded that celebrity CEOs have a positive influence in providing compensation for CEOs who are able to get public attention and positive responses from the public. Compensation can be in the form of incentives, cash compensation from the total salary, allowances and bonuses.

LIMITATIONS

1. Limited information regarding CEO compensation *(disclosure)*.

   - Companies in Indonesia submit information on compensation for the board of directors, and do not separate individual compensation (while the CEO celebrity variable is measured by only 1 CEO)

   - Some companies report key management compensation and do not report split amounts between the board of commissioners and the board of directors and other boards.- Even some companies do not convey this. So in my opinion research related to Indonesian CEO compensation is very vulnerable bias occurs when associated with individual characteristics.

2. My analysis uses the eviews application, but there are errors such as the sig F and t values that are not in line. However, in the SPSS application, research supports the hypothesis that CEO celebrity has an influence on CEO compensation

3. The results of the study show that CEO celebrity has a positive effect on CEO compensation

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