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CEO CHARACTERISTICS AND FIRM FINANCING DECISION

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Abstract

The study aims find empirical evidence of the effect of education, tenure, age, and gender of CEO on capital structure. The research is a quanitative study using secondary data sources. The population in this study were property and real estate companies listed on the Indonesia Stock Exchange in 2015-2022. The sampling technique is using purposive sampling method which obtained 34 companies, resulting in 272 observation data. The analysis method used is multiple linear regression analysis. The analysis method used is ANCOVA test analysis (covariance test). The results showed that CEO characteristics did not have a significant effect on capital structure.

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INTRODUCTION

The high level of technological development and the impact of globalization have greatly affected the conditions **of** various fields of business and business. According to (Abisapta, 2018) seen from this very complex and competitive development can create competition in the business world to be the best. According to (Pangestika, 2019) there is one way for a company to be the best compared to other companies, namely by looking for alternative capital sources options that can minimise its capital costs.

The selection of capital sources also requires a funding decision-making activity. The best funding decision for each company can be seen from the company's capital structure. One of the objectives of capital structure management is to reduce the cost of capital that can result in wealth to shareholders (Uwuigbe, 2014).

Capital structure is very important for companies because it directly affects the company's finances. Capital structure can describe how an organization can fund its assets through a simple ratio of debt to equity components. Efforts to maximise and achieve company success require the participation of the CEO (Chief Executive Officer) in making effective strategic choices in terms of capital structure (leverage). Various financing decisions are critical to the financial success of the company. Wrong decisions about the capital structure will cause financial difficulties in the company and eventually the company must experience bankrupt.

According to (Yulianto, 2013), the use of capital structure as a source of funds for each company varies. Companies that need the use of funds for company's operational activities must adjust to the size of the company. If the company is in need of a large source of founds and the company cannot fulfil these funds, then the company can be advised to seek external to funds such as bonds or debt. Therefore, it is very necessary for companies to be able to adjust the optimal level of debt (Yulianto et al., 2016).

CEOs as top-level managers have the most influence in decision making on organizational strategy choices in the form of debt and equity (Wang et al., 2016). According to (Daily & Johnson, 1997) powerful top-level managers can directly influence the company's capital structure decisions. CEOs in making capital structure decisions are based on their cognitive capacity after analyzing all related information. Cognitive capacities of CEO is unique to each person which is shaped by individual characteristics (Hambrick & Mason, 1984). Therefore, to identify the visible impact of CEO characteristics on capital structure is a must and important to get a complete picture of the determinants of capital structure (Abeywardana, 2015).

Previous researchers have studied many observable firm-specific factors that impact on capital structure, and they concluded that some observable determinants include firm size, profitability, liquidity, tangibility, and growth opportunities. However, there are significant unobservable component influences on capital structure that have not been thoroughly analyzed by researchers and only a few studies have been proven (Matemilola et al., 2013). These unobservable components include determinants such as organizational structure, of top managers characteristics, and managerial qualities (Wooldridge, 2002).

UET theory (Upper Echelon Theory) developed by (Hambrick & Mason, 1984) explains that organizational strategy and performance levels are predicted by the CEO's personal characteristics. Penggunaaan teori UET sebagai *grand* theory karena teori ini mencatat bahwa banyak karakteristik yang berkaitan dengan Keputusan strategis dan kinerja perusahaan. Menurut (Hambrick & Mason, 1984) karakteristik CEO pada teori *upper echelon* terhadap perusahaan dapat mempengaruhi pengambilan keputusan dan adopsi praktek manajemen.

CEO characteristics greatly influence a company CEO when facing various situations, which will be very clear when a CEO performs his duties such as analysing and understanding the problems that occur in his company. This is due to the characteristics of CEOs in the upper echelon theory related to values and perceptions that influence decision making. CEO's who have been identified as the main decision makers related to capital structure decision making, it is important to be able to understand the personal characteristics of CEO's that have an impact on the capital structure. CEO characteristics are significant and unobservable (Berger et al., 1997).

Property and real estate companies have several types, because this company is a company engaged in the development of service by facilitating the development of integrated and dynamic areas. Property and real estate companies are used as research objects because these companies have a significant contribution. In the midst of economic slowdown, the contribution of the property, real estate and construction sectors reached 16% of Indonesia's economic GDP. Every year from 2018 to 2022 the contribution of this sector has reached 2,300 to 2,800 trillion, the workforce included in the economic cycle in REI reaches 13-19 million people. The magnitude of the contribution to the company illustrates the importance of property and real estate companies as a driving force supporting the business of the national economy (https://swa.co.id/property 2023). The results of these contributions are the reason researchers make property and real estate companies as research objects because researchers want to find out whether there is a link between CEO characteristics and corporate funding decisions.

According to the theory of upper echlon, the CEO's education background plays an important role in achieving company success. Highly educated CEOs tend to be more risks-taking, more open to innovations and change, and see business opportunities better. CEOs who have knoeledge of finance and business also have a broader knowledge of financial concepts and theories, so they tend to use more debt in the company's capital structure to achieve the desired goals.

Some previous studies have been conducted to see the effect of CEO education on capital structure of the company. Some studies, such as those conducted by (Sudana & Dwiputri, 2018), (Chua et al., 2020), and (Chua et al., 2022), state that CEO education has a positive influence on capital structure. However, research conducted by (Putri, 2021) shows that CEO education actually has a negative influence on capital structure. However, another study conducted by (Hayong & Pandin, 2023) states that CEO education has no influence on the company's capital structure.

The 'upper echlon' theory state that CEO tenure has a positive influence on firm perfomance because the longer the CEO tenure, the more knowledge and understanding of finance and business he has. In addition, CEOs with long tenure tend to avoid taking unwanted risks and prefer to take on less debt.

Some previous studies found that CEO's tenure has a positive effect on capital structure, such as research conducted by (Matemilola et al., 2018), (Sudana & Dwiputri, 2018), and (Chua et al., 2022). However, other studies by (Nurmayanti, 2020), (De Silva & Banda, 2022), (Yuwono et al., 2022), and (Anokhin & Morgan, 2023) found that CEO tenure negatively affects capital structure. However, the last study by (Hayong & Pandin, 2023) concluded that there is no effect of CEO tenure has on capital structure.English translation.

The age difference of CEOs in the company may affect the business strategies taken. Younger CEOs tend to take risks with more confidence, while older CEOs are more cautious in making decisions due to past experience. The 'upper echlon' theory states that young CEOs have the confidende and enthusiasm to achieve good perfomance, while older CEOs tend to be conservative.

Previous research on the effect of CEO age on capital structure also provides different result. Research by (Kadir, 2018) states that CEO age has a positive effect on capital structure, while research by (Putri, 2021) and (De Silva & Banda, 2022) found a negative relationshipbetween CEO age and capital structure. However, research conducted by (Hayong & Pandin, 2023) concluded that CEO age has no effect on capital structure.

Companies led by female CEOs will use less or take fewer funding decisions in the form of debt because of the risks inherent in debt than companies led by male CEOs. This is because the psychological factor inherent in female CEOs tend to avoid risk.

The results of previous studies that state that CEO gender has a positive effect on capital structure are research conducted by (De Silva & Banda, 2022). And research conducted by (Diantini, 2022) states that CEO gender has a negative effect on capital structure. However, the results of the study differ from research conducted by (Hayong & Pandin, 2023) which states that CEO gender has no effect on capital structure.

The study aims as a reference for future researchers in understanding how these factors can affect the capital structure of property and real estate companies.

HYPOTHESES DEVELOPMENT

CEO education is the formal education that by the CEO of the company has undergone (Hambrick & Mason, 1984). According to Upper Echlon Theory (UET), the educational background of a CEO is important and there is an indirect impact on the strategic choices of highly educated CEOs in understanding and processing information more quickly and accurately in making the right business decisions (Hambrick & Mason, 1984). Education makes a person more open to innovation and able to develop their knowledge and skills. CEO education can reduce irrationality in decision making, increase innovation, and develop new strategies for the company.

According to (Andrews & Welbourne, 2000) CEOs who have a financial and business education background will tend to use more debt in the company's capital structure, because CEOs who have a financial and business education background have more knowledge of financial concepts and apply the theory to the capital structure to achieve the desired goals. Leaders with financial and business education backgrounds will work better because they have good managerial skills in leading the company. Thus, the proposed hypothesis is as follows:

H1: CEO education has a significant effect on Capital Structure.

CEO tenure is the length of the CEO's tenure in office or leading a company (Sudana & Dwiputri, 2018). According to (De Silva & Banda, 2022), based on proxy of the number of years the CEO has served in the company has a negative effect on the relationship between the CEO tenure and capital structure. As the years increase in leadership, the knowledge of a CEO will increase and increase the ability to make decisions for the benefit of the company. The longer the CEO serves in a company is considered more capable of improving company performance.

According to Upper Echlon Theory (UET), CEO tenure is important because the longer a person serves as CEO in a company, the wider his experience and knowledge in decision making in a company (Hambrick & Mason, 1984). According to (Cai & Sevilir, 2012) the longer the years of experience a CEO has, the broader his understanding and knowledge in running a business. The longer the tenure of a CEO, the more knowledge and understanding of finance and business, so that CEOs who have a long tenure tend to avoid taking unwanted risks and prefer to take less debt financing. Thus, the proposed hypothesis is as follows:

H2: The CEO's tenure has a significant effect on the Capital Structure.

CEO age according to (Niederle & Vesterlund, 2007) is an age difference where younger CEOs have more confidence and enthusiasm to achieve performance than older CEOs. According to (Hayong & Pandin, 2023) based on dummy variables which is 1 if the CEO is 35-45 years old and 0 if the CEO is >45 years old negatively affects the relationship between CEO age and capital structure. Companies that have younger CEOs, in the future they will tend to take and perform strategies that will have less risk. While the main director or CEO who is led by an older age, they think more about their decisions cerefully, because they have gone through all kinds of experiences that have intersected with failure.

According to the Upper Echlon Theory (UET), the age of the CEO is important because the strategic choices of the company will be influenced by the age of the individual, basically younger CEO's will have confidence in taking risks, while older CEOs have conservative behavior (Hambrick & Mason, 1984). According to (De Silva & Banda, 2022) CEO age difference where younger CEOs have confidence and have the passion to achieve performance in a competitive business environment compared to older CEOs. Older CEOs have conservative behavior due to their past experiences, while young CEOs are more radical due to their future expectations. Thus, the proposed hypothesis is as follows:

H3: The age of the CEO has a significant effect on the Capital Structure.

CEO gender according to (Maharani, 2020) is the difference between men and women who are seen in terms of behavior, social, and culture in making decisions at the company. According to (De Silva & Banda, 2022) based on a dummy variables that is 1 if the CEO is male and 0 if the CEO is female has a positive effect on the relationship between CEO gender and capital structure. Male CEOs will tend to do debt financing compared to female CEOs. Companies led by female CEOs use less debt in their capital structures because female CEOs have a very conservative behaviors attached to them.

According to Upper Echlon Theory (UET) CEO gender is important and has an indirect impact on CEO strategic choices, female CEOs will be more risk-averse and have conservative behavior while male CEOs have risk tolerance and confident in their strategic choices (Hambrick & Mason, 1984). According to (Hayong & Pandin, 2023), companies led by female CEOs tend to have lower investment levels than companies that are being led by male CEOs. This is because there is a psychological factor inherent in a female CEO, namely the tendency to avoid risk. Female CEOs will use less or take funding decisions in the form of debt because of the risks inherent to debt. Thus, the proposed hypothesis is as follows:

H4: CEO gender has a significant effect on Capital Structure.

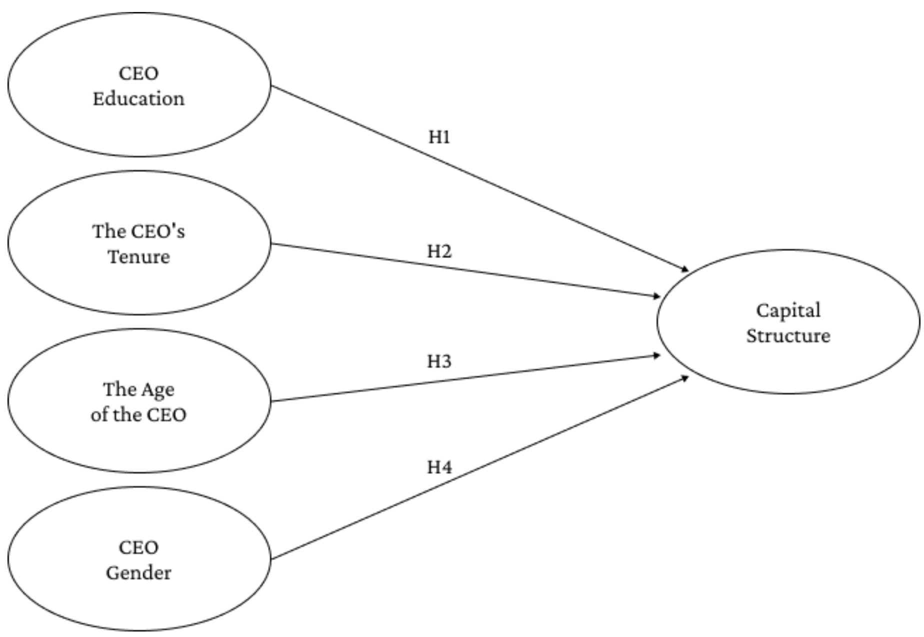

Figure 1. Research Model

METHOD

The type of research in this study uses a quantitative approach. The data used in this study uses secondary data, including historical data from annual financial repports and management profiles obtained from the official website of the Indonesia Etock exchange. The research design used in this study is an explanatory design used to explain, define, and understand between capital structure and CEO characteristics in the form of education, tenure, age, and gender CEO (Nugraha & Suroso, 2023).

The population used in this study were all property and real estate companies listed on the Indonesia Stock Exchange for the 2015-2022, totalling 48 companies. The sampling criteria were carried out with a sampling techniques, namely purposive sampling. Obtained a sample of 34 companies that met or match the criteria in the research sampling.

The data collection method in this study is using the documentation method which is carried out by collecting data from various sources such as journals, news, and company documents in the form of secondary data. The secondary data used in this study are annual financial reports of property and real estate companies listed on the Indonesia Stock Exchange in 2015-2022, obtained through the official IDX website, namely www.idx.co.id.

RESULT AND DISCUSSION

The data analysis techniques used in this research are descriptive statistical analysis, classical assumption test, ANCOVA hypothesis testing, in which there are several test requirements as follows: 1) normality test, 2) homogeneity test. Both test requirements must be met to do the ANCOVA hypothesis test. If one of the test requirements is not met, then testing will be carried out with the Kolomogorov Smirnov non-parametric statistical technique.

Tabel 1. Results of Descriptive Statistical Analysis

Variable	Minimum	Maximum	Mean	Std. Deviation
Education	0	1	0.55	0.498
Tenure	0	46	7.46	9.285
Age	0	1	0.90	0.300
Gender	0	1	0.06	0.243
Capital Structure	0.01252	1.11311	0.3797139	0.18054368

Based on table 4.1, it can be seen that the minimum value of the capital structure of 0.01252 is owned by PT Star Pacific Tbk (LPLI) in 2021. The maximum value of the capital structure of 1.11311 is owned by PT Binakarya Jaya Abadi Tbk (BIKA) in 2022. The average value (mean) of the capital structure for property and real estate companies in 2015-2022 is 0.3797139 with a standard deviation value of 0.18054368.

It can be seen that the minimum value of CEO education of 0 is owned by companies that have CEO with non-business and financial educated. The maximum value of CEO education of 1 is owned by companies that have CEO with business and finance educated. The average value (mean) of CEO education for property and real estate companies in 2015-2022 is 0.55 with a standard deviation value of 0.498.

It can be seen that the minimum value of CEO tenure of 0 is owned by companies that have a CEO with a tenure of 0 years or who have just been appointed. The maximum value of CEO tenure of 46 is owned by PT Megapolitan Development Tbk (EMDE) in 2022. The average value (mean) of CEO tenure for property and real estate companies in 2015-2022 is 7.46 with a standard deviation value of 9.285.

The minimum value of CEO age of 0 is owned by companies that have CEO with young age or aged 35-45 years. The maximum value of the CEO age of 1 is owned by companies that have CEOs with old age or aged >45 years. The average value (mean) of CEO age for property and real estate companies is 0.90 with a standard deviation value of 0.300.

The minimum value of CEO gender of 0 is owned by companies that have CEOs with male gender. The maximum value of the CEO gender of 1 is owned by companies that have CEOs with a female gender. The average value (mean) of the CEO gender for property and real estate companies is 0.06 with a standard deviation value of 0.243.

Table 2. Normality Test (One-Sample Kolmogorov-Smirnov Test)

		Unstandardized Residual
N		272
Normal Parameters	Mean	0.0000000
	Std. Deviation	0.17925712
Most Extreme Differences	Absolute	0.051
	Positive	0.051
	Negative	-0.024
Test Statistic		0.051
Asymp. Sig. (2-tailed)		0.088

Based on the normality test above, the results obtained at the Asymp.Sig. (2-tailed) of 0.088 or this value is greater than 0.05, so the residual data is normally distributed.The a constant value (α) of 0.536 in the regression equation shows that if the variable values of education, tenure, age, and gender of CEO are considered fixed or constant, there is a tendency that the capital structure increases by 0.536.

Table 3. Homogeneity Variance Output of the CEO Education

		Levene Statistic	df1	df2	Sig.
Capital Structure	Based on Mean	10.280	1	270	0.002
	Based on Median	10.094	1	270	0.002
	Based on Median and with adjusted df	10.094	1	237.474	0.002
	Based on trimmed mean	10.105	1	270	0.002

The results of the test of Homogeneity Variance output of the CEO education variable show a significance value for based on mean = 0.002, for based on median = 0.002, for based on medin and with adjusted df = 0.002, and for based on trimmed mean = 0.002. The conclusion from the data obtained is not homogeneous because the p value <0.05.

Table 4. Homogeneity Variance Output of the CEO Tenure

		Levene Statistic	df1	df2	Sig.
Capital Structure	Based on Mean	0.810	32	223	0.758
	Based on Median	0.722	32	223	0.864
	Based on Median and with adjusted df	0.722	32	172.227	0.861
	Based on trimmed mean	0.806	32	223	0.763

The results of the test of Homogeneity Variance output of the CEO tenure variable show the significance value for based on mean = 0.758, for based on median = 0.864, for based on medin and with adjusted df = 0.861, and for based on trimmed mean = 0.763. The conclusion from the data obtained is homogeneous because the p value > 0.05.

Table 5. Homogeneity Variance Output of the CEO Age

		Levene Statistic	df1	df2	Sig.
Capital Structure	Based on Mean	0.779	1	270	0.378
	Based on Median	0.886	1	270	0.348
	Based on Median and with adjusted df	0.886	1	266.500	0.348
	Based on trimmed mean	0.759	1	270	0.384

The results of the test of Homogeneity Variance output of the CEO age variable show the significance value for based on mean = 0.378, for based on median = 0.348, for based on medin and with adjusted df = 0.348, and for based on trimmed mean = 0.384. The conclusion from the data obtained is homogeneous because the p value > 0.05.

Table 6. Homogeneity Variance Output of the CEO Gender

		Levene Statistic	df1	df2	Sig.
Capital Structure	Based on Mean	0.917	1	270	0.339
	Based on Median	0.900	1	270	0.344
	Based on Median and with adjusted df	0.900	1	269.881	0.344
	Based on trimmed mean	0.942	1	270	0.333

The results of the test of Homogeneity Variance output of the CEO gender variable show the significance value for based on mean = 0.339, for based on median = 0.344, for based on medin and with adjusted df = 0.344, and for based on trimmed mean = 0.333. The conclusion from the data obtained is homogeneous because the p value > 0.05.

Table 7. ANCOVA Test

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	6.789	93	0.073	6.500	0.000
Intercept	0.090	1	0.090	8.010	0.005
LAG_Y	4.155	1	4.155	370.026	0.000
X1	0.014	1	0.014	1.249	0.265
X2	0.451	47	0.010	0.855	0.731
X3	0.011	1	0.011	0.935	0.335
X4	0.004	1	0.004	0.353	0.553
Error	1.988	177	0.011		
Total	48.031	271			
Corrected Total	8.776	270			

In this capital structure study, researchers tested the effectiveness of the treatment given. The treatment is said to be effective if there is a change in value between education, tenure, age, and gender of the CEO. The reference of covariance analysis is if the significance value is <0.05. Based on the ANCOVA test results using SPSS 25 software above, it can be seen that the corrected model shows a significance number of 0.000 <0.05, meaning that CEO characteristics simultaneously affect the capital structure. Meanwhile, the significance value of X1 (CEO education) shows 0.265 > 0.05, meaning that CEO education has no effect on capital structure.

The significance value of X2 (CEO tenure) shows 0.731 > 0.05, meaning that CEO tenure has no effect on capital structure. Then, the significance value of X3 (CEO age) shows 0.335 > 0.05, meaning that CEO age has no effect on capital structure. The significance value of X4 (CEO gender) shows 0.553 > 0.05, meaning that CEO gender has no effect on capital structure.

DISCUSSION

Effect of CEO education on capital structure

The result of testing the first hypothesis (Ha-1) which states that "CEO education has a significant effect on capital structure" is rejected. The covariance test result for CEO education variable obtained significance value 0.265 > 0.05 which means that CEO education variable has no significant effect on capital structure.

The results of this study are in line with the results of research conducted by (Oktaviani, 2017), which states that CEO education has no influence on capital structure. The results of this study contradict research conducted by (A. S.

Putri, 2021), which states that CEO education has a negative and significant effect on capital structure. The results of this study also contradict research conducted by (Sudana & Dwiputri, 2018) which states that CEO education has a positive influence on capital structure. The results of research conducted by (Chua et al., 2020) and (Chua et al., 2022) also found a positive relationship between CEO education and capital structure.

The result of the covariance test interpretation of the effect of CEO education is that it has no significant effect on capital structure. CEO financial and business education is quite a lot with an average of 55% and other fields of education around 45% in property and real estate companies listed on the IDX. Companies with CEOs who have knowledge in the field of finance and business education will have sufficient funds for the company. So that with the knowledge possessed, it will be able to maintain the balance of the company's internal funds and also the company no longer needs additional external funds from debt.

This is not in line with the upper echlon theory, which should be in companies that have CEOs with higher education backgrounds are not afraid to take risks, their insights are more open to new innovations, changes, and business opportunities. CEOs who have financial and business education have more knowledge about financial concepts and theories so they tend to use more debt in the capital structure.

Effect of CEO tenure on capital structure

The result of the second hypothesis testing (Ha-2) which states that "CEO tenure significantly affects capital structure" is rejected. The covariance test result for CEO tenure variable obtained significance value 0.731 > 0.05 which means that CEO tenure variable has no significant effect on capital structure.

The results of this study are in line with research conducted by (Hayong & Pandin, 2023), which states that CEO tenure has no effect on capital structure. The results of this study contradict research conducted by (Chua et al., 2022), which states that CEO tenure has a positive and significant effect on capital structure. The results of research conducted by (Sudana & Dwiputri, 2018) which explains that the longer the tenure of a CEO, the more he will know the level of the company's ability to face risks and prefer to use debt capital. Contrary to the results of research conducted by (Nurmayanti, 2020) which states that CEO tenure has a negative effect on capital structure. Research conducted (De Silva & Banda, 2022) also found a negative relationship between CEO tenure and capital structure.

The interpretation of the results of this study is that a CEO (Chief Executive Officer) who has a longer tenure is lower than a newly appointed CEO. This can be interpreted that the longer a CEO serves, the more experience he will have, so that it will be easier to make decisions. The longer the tenure of a CEO, the more he will know the ins and outs of the company, including the company's capabilities and weaknesses. So that a CEO will be more flexible in seeking debt capital because he has estimated the company's performance capabilities. Companies with CEOs who have a long tenure choose to use external funds, namely debt in their use to achieve the desired goals.

This is not in line with the upper echlon theory, which states that the longer the tenure of a CEO, the more knowledge and understanding of finance and business, so that CEOs who have a long tenure tend to avoid taking risks and prefer to reduce debt, resulting in a low capital structure.

Effect of CEO age on capital structure

The result of testing the third hypothesis (Ha-3) which states that "CEO's age has a significant effect on capital structure" is rejected. The covariance test result of CEO age variable obtained significance value 0.335 > 0.05 which means that CEO age variable has no significant effect on capital structure.

The results of this study are in line with research conducted by (Hayong & Pandin, 2023), which states that CEO age has no effect on capital structure. The results of this study contradict research conducted by (De Silva & Banda, 2022), which states that CEO age has a negative and significant effect on capital structure. Research conducted by (A. S. Putri, 2021) also states that there is a negative relationship between CEO age and capital structure. This contradicts research conducted by (Kadir, 2018) which found a positive influence between the age of the CEO on capital structure.

The interpretation result of this research is that it has no significant effect on capital structure. The existence of an old CEO in a company is quite high with an average of 90% and a younger CEO is quite low at only 10% in property and real estate companies listed on the IDX. Corporate funding decision making does not escape the age difference of a CEO. Due to age differences where CEOs are younger, in the future they will tend to take and carry out strategies that will take little risk and use a lot of debt rather than internal company funds. However, CEOs who have an older age, they have more experience so they will know better what steps they need to take. Therefore, there is no reason for older CEOs to use more external funds in terms of funding decisions to achieve their desired goals.

This is not in line with the upper echlon theory, which states that CEO age is important because the company's strategic choices will be influenced by individual age, basically younger CEOs will have confidence in taking risks, while older CEOs have conservative behaviour.

Effect of CEO gender on capital structure

The result of testing the fourth hypothesis (Ha-4) which states that "gender of CEO has significant effect on capital structure" is rejected. The covariance test result for CEO gender variable obtained significance value 0.553 > 0.05 which means that CEO gender variable has no significant effect on capital structure.

The results of this study are in line with the results of research conducted by (KYENZE, 2017), which states that CEO gender has no effect on capital structure. The results of this study contradict research conducted by (Diantini, 2022), which states that CEO gender has a negative and significant effect on capital structure. In line with the findings of research conducted by (Kadir, 2018) which states that there is a negative relationship between CEO gender and capital structure. These findings contradict research conducted by (De Silva & Banda, 2022) which states a positive influence between CEO gender on capital structure.

The interpretation result of this research is that it has no significant effect on capital structure. The existence of female CEOs in the company is still small with an average of 6% and male CEOs dominate around 94% in property and real estate companies listed on the IDX. A CEO (Chief Executive Officer) who is male is higher than a CEO who is female. This can be interpreted that in making decisions a company has nothing to do with gender differences, because with the times both women and men have a lot in common in terms of education, attitudes, and responsibilities. There is no gender difference between men and women in seeking additional debt funding for the continuity of company performance. Because there may be other factors a female CEO is determined to lead the company, namely because of the majority of the trust of shareholders who are still related to the family or in order to appear gender equality.

This is not in line with the upper echlon theory, which states that companies led by female CEOs will use less or take funding decisions in the form of debt due to the risks inherent in debt compared to companies led by male CEOs. This is due to the psychological factors inherent in female CEOs, which tend to be risk-averse.

CONCLUSION AND RECOMMENDATION

The study aims as a reference for future researchers in understanding how these factors can affect the capital structure of property and real estate companies. The results showed that CEO education has no significant effect on the capital structure of property and real estate companies listed on the Indonesia Stock Exchange in 2015-2022. In addition, CEO tenure also has no significant effect on the capital structure of property and real estate companies listed on the Indonesia Stock Exchange in 2015-2022. CEO age is also known to have no significant effect on the capital structure of property and real estate companies listed on the Indonesia Stock Exchange in 2015-2022. Lastly, CEO gender also has no significant effect on the capital structure of property and real estate companies listed on the Indonesia Stock Exchange in 2015-2022.

The limitations of this study is that this data has problems with the autocorellation test because there are three independent variables measured using dummy variables, according to (Gujarati, 2006) in research using too many dummy variables will always appear several problems that make it difficult to make accurate estimates of one or more parameters. The object of research only focuses on companies engaged in the property and real estate sector. Therefore, future researchers are expected to reduce the use of dummy variables in research. San examine different research objects to detirmine the capital structure in other sector or by adding research objects. Future researchers are also expected to add other CEO characteristics.

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