



## **Earning Quality Determinants: Financial Measures versus Corporate Governance Mechanisms**

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### **Abstract**

The current study aimed at identifying the impact of both financial measures and corporate governance mechanisms on the quality of earnings of the industrial companies listed on Amman Stock Exchange.

The study sample consists of all industrial public companies listed at the Amman Stock Exchange for the year 2015 amounted to 62 companies.

The independent variables of the study consist of financial measures (company size, profitability, liquidity, leverage, market-to-book ratio), and corporate governance mechanisms (Board size, independent non-executive directors, ownership concentration, number of shareholders, Chairperson/ CEO Separation), and the dependent variable which is the level of the earning quality. The study data were analyzed using SPSS software.

The study revealed that there is no effect of the financial measures on the quality of earnings of the public shareholding industrial companies listed at the Amman Stock Exchange. The study also found that there is an effect of corporate governance mechanisms on the quality of

earnings of the public shareholding industrial companies listed at the Amman Stock Exchange, with different effects of each mechanism. The study found that there is an effect of both financial measures and corporate governance mechanisms on the quality of earnings of the industrial companies listed at the Amman Stock Exchange.