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elfarouk105@gmail.com

+2348069393824

FOR MORE INFORMATION, CONTACT

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CEO CHARACTERISTICS AND FINANCIAL REPORTING QUALITY IN LISTED CONSUMER GOODS COMPANIES IN NIGERIA

Okika Nkiru Philomena

Department of Accounting and Finance

Anchor University,

Ayobo Ipaja Lagos

philuxnkiru@gmail.com

Oyeneye Temitope Esther

Department of Accounting and Finance

Anchor University,

Ayobo Ipaja Lagos

toyeneye@aul.edu.ng

Adedeji Daniel Gbadebo

Department of Accounting Science

Walter Sisulu University, Mthatha, South Africa

agbadebo@wsu.ac.za

Abstract

This study investigates the connection between the CEO characteristics and the quality of financial reporting in Nigerian consumer goods companies. Data used was from the annual report of 10 consumer goods firms listed in the Nigeria Stock Exchange from 2013 to 2022. Using Ordinary least square regression, the research revealed that CEO gender and tenure have a positive and substantial effect on financial reporting quality. CEO financial expertise was found to be insignificant. The study concluded that long-tenure CEOs and female CEOs contribute to better financial reporting quality in the consumer goods industry. The study recommends among others that the board of directors of consumer goods firms in Nigeria should encourage gender diversity at the executive level through policies and initiatives that promote equal opportunities for women.

Keywords: Financial Reporting Quality, CEO Characteristics, CEO tenure, CEO Gender

1. Introduction

Globally, emphasis has been placed on the quality of information in financial reports because of its importance to shareholders, creditors, regulators, stakeholders, and other users. The objective of the International Accounting Standards Board's (IASB) financial report is to improve users' ability to make

decisions by preparing and presenting pertinent data (IASB, 2018). Since market participants, including investors, lenders, and regulators, rely on financial reporting information to make decisions, financial reporting quality is therefore essential to preserving the efficiency of the financial markets (Yeh, Chen & Wu, 2014). Economic decisions are made using high-quality information, yet the concept of "quality" is elusive and difficult to define (Barth, Landsman & Lang, 2008). The majority of empirical research has used earnings management metrics to define the quality of financial reporting. One way to interpret earnings management is as the existence of untruthfulness in a financial report. Earnings management is defined as when managers employ their judgment to alter the financial report to appear different from reality.

Accounting scholars and practitioners have been interested in the topics of earnings manipulation and accounting information transparency for a number of years (Amara et al., 2013; Gounopoulos & Pham, 2018). The reputation of the profession has been called into doubt by financial scandals that resulted in the failure of corporations that were deemed too big to fail, such as Enron, WorldCom, and Parmalat, to mention a few, and their numerous external auditors. Included as well is the German Wirecard case from 2020, which is regarded as one of the biggest financial scandals in Europe to date and is linked to a corporate governance problem (Giovannetti, 2020). There are allegations of fraudulent accounting and market manipulation around the Wirecard scandal. A series of studies have discussed as antecedent to financial reporting which includes corporate governance dimensions such as Chief Executive Officer (CEO) characteristics, board of directors, audit committee, and others (Cimini, 2015; Eng et al., 2019). Executives, however, are the only ones in charge of creating accurate and fair financial reports and play a major role in the reporting process. CEOs are a company's senior executives and are in charge of setting the company's strategic direction and guaranteeing its success. There is ongoing criticism of the CEO and other top management team for being responsible for the earnings manipulation which has influenced investor's decisions. Agency theory states that managers are driven to protect their own interests over those of shareholders (Jensen, 1976). As such, the relationship between CEO traits and earnings management is a rich field that merits more research. According to Pham, Chung, Roca & Bao(2017) managers are motivated to alter accounting data to deceive those who rely on them for information regarding the company's financial performance or to further their own interests at the expense of shareholders. According to the upper echelons hypothesis, the experiences and

background of the CEO might have an impact on the decisions the CEO makes and the results the organization gets afterward (Bouaziz, Salhi & Jarboui, 2020).

CEOs are required by the Nigerian Securities and Exchange Commission to conduct themselves with the utmost integrity and to compile financial statements that accurately and fairly depict the reporting firm. Since then, shareholders, regulators, and investors have been holding CEOs responsible for shocking and deceptive earnings statements. The majority of significant financial scandals and corporate governance violations, such as those involving Cadbury in 2006, Lever Brothers in 1997, Skye Bank and Arik airline in 2016, and Oando in 2017, are attributed to Nigerian CEOs (Okaro et al., 2013).

Although numerous studies have been conducted on CEO and financial reporting quality for instance Bouaziz et al., (2020); Liu et al., (2018); and Alqatamin et al., (2017). The researchers have examined a wide range of distinct individual traits connected to different facets of the accuracy of financial reporting, such as financial expertise. (Baatwah et al., 2015 and Gounopoulos & Pham, 2018), CEO tenure; Ali & Zhang, 2015), and CEO gender (Arun et al., 2015; Na & Hong, 2017 and Belot & Serve, 2018). In Nigeria, even though CEOs have been involved in corporate financial scandals, few studies have been undertaken in Nigeria on the impact of CEO qualities and financial reporting quality (e.g, Yahaya, 2022; Ashafoke et al., 2021). There are limited studies in Consumer goods firms with the current not extending to 2019 with focus on 6 firms (e.g, Adebenege., 2022).

The study aims to examine the relationship between CEO characteristics such as CEO Gender, tenure, and CEO financial expertise on financial reporting quality in consumer goods firms in Nigeria. The paper is organized as follows: section 1 introduction, Section 2 provides the theoretical background and the study's hypothesis. This study explicitly examines the literature that is pertinent to Financial Reporting Quality, CEO Characteristics and Earnings Management. The methodology is presented in Section 3. Section 4 of this study discusses the empirical results. The conclusion is presented in the final section, followed by a suggestion for further research and recommendations.

2. Literature Review

Financial Reporting Quality

Quality is considered to be an essential part of accounting expertise (Siegel, 1982). Nonetheless, firms do not commonly recognize or readily quantify accounting

quality. According to Imhoff (1992), bias, quantification errors, or both could contribute to noise in accounting quality. Therefore, it may be claimed that financial reports, the main focus of this work, are the source of accounting signals. Financial reporting is of high quality, according to Gary and Poh-Sun (2013), when the information in the reports is helpful and timely, relevant, and transparent. Divergent opinions have been voiced regarding the most effective way to assess the quality of financial reporting (Dechow et al., 2010). Likewise, there is a lack of agreement on what qualifies as high-quality financial reporting. It is assumed that managers use discretionary accruals in situations where they have some degree of control over how much money is made (Healy & Wahlen, 1999).

Upper Echelons Theory

An important tool for analyzing CEO characteristics and the caliber of financial reporting is the upper echelon theory. As per the upper echelon's theory, managers' decision-making can be influenced by various factors such as their managerial personalities, experiences, gender, age, socioeconomic status, formal education, and functional track (Hambrick & Mason, 1984). These factors can partly shape managers' perception of the situations and issues they encounter, which can ultimately affect their decision-making (Hambrick, 2007; Hambrick & Mason, 1984). A company's top executives, who are its most influential members, are the best persons to ask for advice on how to make it successful. A company's chief executive officer (CEO) oversees making important business decisions, overseeing daily operations, and determining the company's strategic course. Earlier empirical studies have demonstrated the impact of various managerial characteristics on accounting decisions. According to Bouaziz et al. (2020), the upper echelons hypothesis posits that the background traits and experiences of a CEO might impact their decision-making and subsequent organizational outcomes. Hence, financial expertise CEOs and Longer CEO tenures can lead to a deep understanding of the organization's historical financial performance, reporting practices, and the specific challenges it faces. CEOs with longer tenures may be better equipped to make informed decisions about financial reporting practices (Cai & Sevilir, 2012; Kirca et al., 2012). CEO gender can influence the leadership style and values brought to the role. Female CEOs may approach financial reporting with a different perspective, placing emphasis on transparency, communication, and ethical practices (Bouaziz et al., 2020; Barua et al., 2010).

CEO Gender and Financial Reporting Quality

In the wake of the 2008 financial scandals, there has been a heightened focus on gender diversity in key corporate roles during the past ten years, as noted by Lakhali et al. (2015). Research conducted by Barua et al. (2010) indicates that, as a general trend, women tend to display a greater degree of ethical conduct compared to men. Studies observe that female CEOs often steer clear of riskier investment and financing prospects when comparing female CEOs to their male counterparts (Francis et al., 2015; Faccio et al., 2016). Aligning with upper echelon theory they found that female CEOs tend to be more cautious and risk-averse than their male counterparts. Previous research by Peni & Vahamma (2010) and Khan & Vieto (2013) indicates that organizations led by women outperform male CEOs in terms of the quality of reporting returns on assets and earnings. Peni & Vahamma (2010) offered empirical research of the association between the gender of corporate leaders and earnings management in the U.S. and discovered that higher percentage of women on boards is favorably correlated with the standard of financial reporting. Obanya & Mordi (2014); Belot & Serve, (2018), who discovered that female CEOs have unique qualities that can favorably affect the monitoring of financial reporting systems and the strategic direction of businesses, provide evidence for this. Additionally, Al-Shaer & Zaman (2016), Alqatamin, et al. (2017) and Soares et al. (2018), concurred with this outcome and propose that there is a nonlinear connection between gender diversity and earnings management. Nonetheless, Gull et al. (2018), utilizing data from French companies listed on Euronext Paris between 2001 and 2010, determined that there is a negative association between female directors and earnings management. Women-owned businesses appear to outperform their male counterparts in terms of quality of reporting earnings and returns on assets.

Contrarily, in a French context, Hili and Affess (2012) Ashafoke et al. (2021) and discovered that there is no link between the gender of the CEO and earnings management. Similarly, Research by Al-Othman & Al-Zhoubi (2019) on the effects of CEO gender on profits quality in Jordan likewise came to no significant conclusions. In Jordan, Mohammad et al. (2020) investigated the impact of CEO personal traits on real earnings management (REM) practices. From 2013 to 2018, a sample of 58 firms registered on the Amman Stock Exchange was studied for six years. The study discovered that the term of CEOs had no effect on REM in Jordanian businesses. This study focused on real EM which is distinct from accrual EM. Based on empirical studies and Upper Echelon theory the studies hypothesize that:

H₁: CEO Gender has a positive and significant effect on financial reporting quality

CEO Financial Expertise and Financial Reporting Quality

There is mixed finding regarding CEO financial expertise and FRQ. Some studies. Baatwah et al. (2015) demonstrate a positive correlation between CEO competence and earnings management. Gajevszky, (2015). They argued that CEOs with financial expertise help in negotiations with external auditors. Over the course of their careers, CEOs have gained a deeper understanding of financial and accounting issues, which they may use to improve the financial reporting process and make informed accounting decisions. Furthermore, financial specialists CEOs understand the kind of information investors want and value accounting data when evaluating companies due to their vast knowledge and involvement with the financial sector (Custódio & Metzger, 2014). Some argued that *CEOs with a background in finance are less inclined to engage in earnings manipulation compared to those lacking such experience*. For example, Gounopoulos and Pham (2018) use the United States as a sample of 467 IPO firms (2003-2011) to examine the association between financial expert CEOs and earnings management surrounding initial public offerings. According to their findings, CEOs with a background in finance are less likely to oversee accruals and real earnings management. According to the findings, Oussii, and Klibi (2023), CEOs with a background in finance are less likely to manipulate earnings in order to hide losses and declines in value.

Conversely, Jiang et al. (2013) looked at the impact of CEOs with experience in finance and earnings management on Chinese companies listed on the Shenzhen and Shanghai stock market and discovered that CEO financial ability did not significantly correlate, according to the study. They concluded that CEOs with stronger expert power are more likely to generate lower earnings quality. Based on empirical studies and Upper Echelon theory the studies hypothesize that:

H₂: CEO Financial Expertise has positive and significant effect on financial reporting quality.

CEO Tenure and Financial Reporting Quality

According to Salehi, et al., (2018), CEO tenure is the length of time a CEO has held the role. A long-tenured top management was also associated with team familiarity and the cohesiveness of the company's internal business. A CEO who has served

for an extended period may possess greater expertise, enabling them to furnish the board with crucial insights regarding the company and its business environment, as suggested by Cai and Sevilir (2012). Aligning with upper echelon theory, Chen et al., (2015) looked into the effect of CEO tenure on the caliber of financial reporting in consumer products companies, their findings showed that longer CEO tenure is linked to greater financial reporting quality. Ashafoke et al. (2021) used a sample of 15 financial institution from 2008 to 2019 and discovered that long tenure CEOs improve financial reporting quality. CEO tenure and earnings manipulation are negatively correlated, as shown by Deng et al. (2018). According to Francis et al.'s (2008) research, the quality of financial reporting was favorably correlated with the CEO's tenure. Long-term CEOs are less likely than short-term CEOs to be aggressive in their financial reporting, according to Axelson & Bond (2009) & Zhang (2009). CEOs with more experience will strive to uphold their reputation, which will keep them from acting belligerently. Conversely, from 2000 to 2015, Cho et al. (2019) discovered a positive and substantial relationship between the length of CEO tenure and EM among Korean listed companies. Furthermore, CEO tenure and earnings manipulation are found to be linearly correlated by Ali & Zhang (2015), who also note that CEOs typically manipulate earnings more significantly from the beginning of their tenure until the end. Based on empirical studies and Upper Echelon theory the studies hypothesize that:

H₃: CEO tenure has positive and significant effect on financial reporting quality

3. Methods, Models and Data

The study adopts a correlational research design to study the effect of board of director diversity on the financial reporting quality of listed non-financial firms in Nigeria. The ex-post facto allows the researcher to use an existing information. The population for this study consists of all twenty-one (21) listed consumer goods firms in Nigerian as at December, 2022. The research spans a ten-year period, from 2013 to 2023. A single filter criterion was used to alter the population. Firms that were not listed as of December 31, 2013 until December 2022 were removed from the study. This suggest that the firm must fully operate for the ten years and their data is readily available Firms with insufficient information on CEO characteristics were also removed. As a result, the study used a sample of ten (10) listed consumer goods firms existing in the floor of the exchange as at 31st December, 2023 which account for 48% of the population. Secondary data was gathered from the firm's annual report and the Nigeria Exchange Group (NXG) website. As an analytical tool, descriptive statistics and regression analysis were

used in the study. The assumptions of the classical linear regression model (CLMR) were validated by diagnostic tests. The information gathered was summarized using descriptive statistics and evaluated using STATA's multiple regression analysis.

The dependent variable for this study is the financial reporting quality (FRQ) measured by absolute values of discretionary accruals multiplied by -1 (Dis Accr). The discretionary accrual is measured by the absolute residual from the modified Jones Model by Dechow et al. (1995). The paper estimates discretionary accruals, a stand-in for earnings management, using a cross-sectional modified Jones model. The Dechow, et al. (1995) modified Jones model, which was altered to distinguish the non-discretionary from the discretionary element of total accruals, is as follows:
$$TAC_{i,t}/A_{i,t-1} = \alpha_0(1/TA_{i,t-1}) + \alpha_1[(\Delta REV_{i,t} - \Delta REC_{i,t})/A_{i,t-1}] + \alpha_2(PPE_{i,t}/A_{i,t-1}) + \varepsilon_{i,t} \dots \text{eqn (iv)}$$

Where;

- $TA_{i,t}$ = Total accruals of firm i in year t
(Total Net Income-Cash flow from operations)
- $A_{i,t-1}$ = Total assets at the beginning of the period of firm i
- $\Delta REV_{i,t}$ = Change in sales between year t and year t-1 of firm i
- $\Delta REC_{i,t}$ = Change in receivable between year t and year t-1 of firm i
- $PPE_{i,t}$ = Gross value of fixed assets in year t of firm i
- $\alpha_0, \alpha_1, \alpha_2$ = are estimated parameters
- $\varepsilon_{i,t}$ = the residual of firm i in year t

The financial reporting quality is discretionary accruals multiplied by -1 (DisAccr). On the other hand the independent and control variables are measured as follows:

CEO gender (CEOGN): calculates the CEO's gender as a dummy variable, taking 1 for a female CEO and 0 for a male CEO.

CEO Financial expertise (CEOFX): this is a dummy variable that takes 1 in the event that the CEO has a professional degree or other qualification in accounting or finance, and 0 in the other case.

CEO tenure (CEOTE): calculates the length of time the CEO has held the post.

Firm size (SIZE): measured by the natural logarithm of total assets.

Profitability (ROA): measured by the percentage of earnings after tax to total assets in year Firm age (FAG): number of years they are listed in the Nigeria exchange group.

The research hypotheses model is presented and specified above as follows:

$$FRQ_{it} = a +$$

$$\beta_1 CEOGN_{it} + \beta_2 CEOFX_{it} + \beta_3 CEOTE_{it} + \beta_4 FSZ_{it} + \beta_5 FAG_{it} + \beta_6 PRF_{it} + \epsilon_{it}$$

4. Results and Discussion

Table 1: Descriptive Statistics of the Variables

Variables	No of observation	MEAN	STD DEV	MIN	MAX
FRQ	100	0.086	.073	0.001	.362
CEOG	100	0.04	0.197	0	1
CEOFX	100	0.18	.386	0	1
CEOTE	100	3.77	2.82	1	17
FSZ	100	19.02	2.31	16.11	25.60
FAG	100	41.1	2.31	5	58
PRF	100	6.2	7.0	-9.2	26.4

Source: Stata Output, 2023

Table 1 shows an average value of FRQ measured by the absolute value of discretionary accrual (DACC) to be 0.086 with standard deviation of 0.073. The standard deviation suggested that there is a low dispersion—among the sampled consumer goods firms. Table 4.1 also revealed that the mean value of CEO financial expertise (CEOFE) measured with a dichotomous variable is .188 with a standard deviation is .39. The mean value indicated on average 18.8% of the sampled firm CEO are financial expertise. The mean value regarding CEOG indicated that on average 4% of the sampled firms CEO are female. By implication, it suggests that most consumer goods firm rarely point Female CEOs. This clearly shows that male gender dominates the position of CEO in consumer goods industries in Nigeria. Table 1 also showed that CEO tenure (CEOTE) has average value of approximately 4years with the standard deviation showing that the number of years they spend in CEO position are similar in nature across the listed consumer goods firms in Nigeria during the period of the study. On the control variable, the table reveals that the firm size (FSIZ) has an average value of approximately 7.277. Also, shows firm age (FAG) has an average value of 41 year and finally that profitability (PRF) has a mean value of 6.2%, which implies that the sampled firms on average are efficient in making profit from a given asset during the period of the study.

Correlation Matrix

Table 2: Correlation Analysis

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)	(7)
FRQ	1.000						
CEOG	0.084	1.000					
CEOFX	-0.086	-0.434	1.000				
CEOTE	-0.186	0.097	0.100	1.000			
FSZ	0.186	0.051	-0.072	0.086	1.000		
FAG	0.061	0.056	-0.005	0.087	0.081	1.000	
PRF	0.005	0.072	-0.399	-0.064	0.141	0.002	1.000

Source: Stata Output, 2023

The correlation matrices, as shown in Table 2, demonstrated the correlation coefficients that were consistently present between the independent and dependent variables. In order to demonstrate that there is no issue with multicollinearity among the variables, Gujarati (2004) states that the correlation between independent variables should not be greater than ± 0.8 . With a correlation of -0.434 between the CEO gender variable and financial knowledge, as indicated in Table 2, there is no issue with multicollinearity between the independent variables included in this research model because it stays below 0.8 .

Table 3: Multicollinearity test

Variable	VIF	1/VIF
CEOG	1.36	0.733
CEOFX	1.65	0.606
CEOTE	1.04	0.964
FSZ	1.05	0.948
FAG	1.02	0.979
PRF	1.36	0.733
MEAN VIF	1.25	

Source: Stata Output, 2023

The Variance Inflation Factor (VIF) provide an additional layer of detail to this. Table 3 showed that, in relation to our whole collection of independent variables, the VIF is significantly smaller than Greene’s (2008) 10 -cutoff point. According to the results, 1.65 is the highest VIF value. The analysis is unlikely to encounter any problems due to the multicollinearity.

Table 4: Other diagnostic Tests

Test	Chi2	P-value
Normality test (Jacque bera)	1.06	0.589
Breusch- Pagan or cook – Weisberg to test	0.01	0.906
Wooldridge test for autocorrelation in panel data	0.126	0.731

Source: Stata output, 2023

The error terms in the OLS regression model are traditionally assumed to be normally distributed. The Jacque Bera test was used to determine the residual's normality at the 5% significance level. A substantial p-value of 0.589, or greater than 5% level of significance, is revealed by the residual. This implies a normal distribution of the residual.

To check for homoscedasticity assumption, a heteroscedasticity test was performed using the Breusch-Pagan or Cook-Weisberg methods. Table 5's result indicates that the prob>chi2 is 0.906 and the chi2 is 0.01 which is greater than the 5% level of significance. This demonstrates that heteroskedasticity is absent. The Wooldridge test was also used in the study to check for autocorrelation in panel data. With a chi square of 0.126 and a P-value of 0.731—beyond the 5% level of significance—Table 5 indicates that auto correlation is not present in the residual.

Table 5: Panel Analysis

Test	Chi2	P-Value
Hausman Specification Test	7.65	0.265
Langragier Muilplier test	0.000	1.000

Source: Stata Output, 2023

To determine whether an effect is random or fixed, the fixed and random effect models were run before the Hausman specification test was performed. The outcome demonstrates that the chi2 is 7.65 at the 5% level of significance and that the prob>chi2 is 0.265, both of which are greater than the significance threshold. An insignificant p-value indicates that the Random effect model is preferred by the Hausman test.

In order to determine whether there is a panel effect—that is, to select between the random effect result and pooled OLS regression—the study also conducted the

Breusch and Pagan Lagrangian multiplier test for random effects. The outcome showed a chi square of 0.00 and Prob > chibar2 is 1.000, which suggests that the panel effect is not present. Therefore, the OLS Regression Model was interpreted in the study.

Regression Analysis

Table 6: OLS Regression Model

Variables	Coef(p-value)
Constant	0.267 (0.000)***
Independent variables	
CEOG	0.128 (0.029)**
CEOFX	-0.070 (0.120)
CEOTE	0.039 (0.037)**
Control variables	
FSZ	0.001 (0.000)***
FAG	0.019 (0.245)
PRF	0.204 (0.380)
R-square	0.124
F-stat	5.97 (0.000)

Source: Stata Output, 2023

Note:

DA*-1	Discretionary accruals
1% level of significance	***
5% level of significance	**
10% level of significance	*

The outcome of the OLS model chosen for the research based on the Hausman specification test is shown in table 6 above. According to the regression analysis,

the variables might explain variations in the financial reporting quality of Nigerian listed consumer products companies by 12.4%. The low R Square matches the findings of two Nigerian investigations, Yahaya (2020): 16.3% and Ashafoke et al. (2021): 18.4%. A value of 5.97 and a p-value of 0.000 are revealed by the F-statistics chi square, indicating significance at the less than 5% level. This indicates that the model fits and is sufficient. Additionally, it demonstrates that the factors taken together have a noteworthy impact on the financial reporting quality (FRQ) of Nigeria's listed consumer products companies.

CEO Gender and Financial reporting Quality

The result from table 6 showed that CEO gender (CEOG) has a coefficient of 0.128 and a p-value of 0.029 which is significant at 5% level of significance. This showed that CEO gender has negative and significant effect on financial reporting quality of listed Consumer firms in Nigeria. This implied that presence of female CEO will improve the FRQ by 0.128. This further suggested that presence of Female CEO reduce opportunistic behavior and enhances quality of FRQ in the sample firms. This finding proved that that women often exhibit more risk-averse behavior and may prioritize long-term sustainability over short-term gains which can lead to more conservative and ethical financial reporting practices. The finding aligned with Upper Echelon theory of a positive relationship and prior studies by Al-Shaer and Zaman (2016), Alqatamin, et al. (2017) Belot and Serve, (2018). Soares et al. (2018) proved that women-managed businesses appear to outperform their male counterparts in terms of quality of reporting earnings. On the contrary, Ashafoke et al. (2021); Mohammad et al. (2020) and Al-Othman & Al-Zhoubi (2019) discovered that there is no link between the gender of the CEO and earnings management.

CEO Financial Expertise and Investment Efficiency

Table 6 revealed that CEO financial expertise has negative and insignificant effect on FRQ of listed consumer goods firms' n in Nigeria. This is evidence by a coefficient of -0.070 and p-value of 0.120 which is insignificant at 5% level of significance. This implied that when firms appoint financial expertise as CEO, this does not have any effect on FRQ of consumer firms in Nigeria, invariably, financial expertise of the CEO will not influence on FRQ. Although, CEOs with financial expertise may have a deeper understanding of how financial reporting decisions can impact their personal financial incentives which may create conflicts of interest, potentially leading to reporting practices. According to the finding, the effect is minimal and not substantial. This is in line with prior finding

of Jiang, et al., (2013). This finding is not in conformity with the finding of Gounopoulos and Pham, (2018) who reported that CEOs with financial expertise are less likely to manage earnings either through accruals and real earnings.

CEO Tenure and Financial Reporting Quality

Table 6 shows that CEO tenure (CEOTEN) has a coefficient of 0.039 and a p-value of 0.029 which is not significant at less than 5% level of significance. It suggests that any increase in the tenure of the chief executive officer will improve FRQ by 0.039. This finding proved that CEO TEN positively influence FRQ of listed consumer goods companies in Nigeria. These findings are consistent with those of Ashafoke et al. (2021), Bouaziz et al. (2020), Ali & Zhang (2015), and others who have also found that CEOs manipulate accounting results from the start of their mandate until the end of it. A long-serving CEO is more committed to enhancing the company's circumstances and fostering the expansion and development of the enterprise than a younger which can lead to more accurate and transparent financial reporting. Also, this could result from the fact that CEOs with longer tenures are often well-known in the industry and among investors. Their reputations are at stake with each financial report, which can incentivize them to maintain high reporting quality to protect their personal and professional credibility. This finding is in conformity with upper echelon theory which predicted a positive relationship for longer tenure CEO and financial reporting quality. The finding is contrary to Mohammad et al. (2020) who found that CEO tenure does not affect FRQ.

The findings provide valuable insight to policymakers, regulators and investors by suggesting that the impact of CEO characteristics on FRQ of listed consumer goods firms in Nigeria is weak (R square is 12.5%). The results indicate that there is a need for boards of directors, investors, and regulatory agencies to enhance Financial Reporting Quality (FRQ) in response to CEO tenure and gender attributes. This provides need for firms in the consumer goods industrial in Nigeria to strengthen their corporate governance practices, by ensuring that characteristic of the CEO who is also an executive director on the board is evaluated well to encourage diversity and ethical reporting standard.

5. Conclusion and Recommendations

This study examines the effect of CEO characteristics and financial reporting quality of listed consumer goods firms in Nigeria for the period 2013 to 2022. CEO characteristics such as tenure, financial expertise, and gender were utilized to examine the effects on financial reporting quality. The results revealed that CEO

Gender and Tenure have positive and significant effect on financial reporting quality of listed consumer goods firms in Nigeria, CEO financial expertise has negative and insignificant effect on financial reporting quality of listed consumer goods firms in Nigeria. The study concluded that firms with female CEOs and longer tenured CEOs engage less in earnings manipulation and have better financial reporting quality while firm with CEO with financial expertise does not influence financial reporting quality.

The study recommends that board of directors of the consumer goods firms in Nigeria should encourage gender diversity at the executive level through policies and initiatives that promote equal opportunities for women. Greater gender diversity in leadership can contribute to improved financial reporting quality. Further, Female CEOs, as well as male CEOs, in the consumer goods firms in Nigeria should prioritize ethical and transparent financial reporting practices and foster a culture of integrity within the company. Finally, potential and current investors in the consumer goods firms in Nigeria consider CEO tenure as a positive factor when evaluating investments in consumer goods firms as longer tenures may indicate stability and the potential for strong financial reporting practices.

The study on CEO characteristics and financial reporting quality is limited to consumer goods firms in Nigeria and measurement of financial reporting quality was done using Dechow et al. (1995). Hence further studies should explore another industries or sectors. Accrual models (e.g, Kothari et al., 2005) or working capital model (e.g, Dechow & Dichew, 2002) can create an avenue for further research. An area worthy of further research is the interaction between CEO characteristics and the composition of the board of directors. How do board characteristics, such as diversity and independence, moderate or amplify the effects of CEO attributes on reporting quality?

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