

Do CEO Attributes Influence Financial Reporting Quality of Listed Firms in Nigeria? Using Bibliometric Analysis

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ABSTRACT

The past corporate scandals have left accounting profession in doubts of its integrity, transparency and relevance. Thereby, the CEO frequently interacts with the board of directors responsible for improving the financial reporting quality (FRQ). However, this issue has been left unexplored by several researchers around the world and little studies that shows mixed results. Therefore, the study empirically examines the effect of CEO characteristics on FRQ of listed firms listed in Nigerian. This study reviewed 1,009 articles via Bibliometric analysis using Scopus database for the period of 29 years. Based on the 592 firms-year observation, the study used panel data measured by McNicholas Model. The findings indicate that the busyness of the CEO can minimizes their performance in the firms where they are in charge. Meanwhile, the result revealed that longer serving of CEOs has become experts in every aspect of the firm's operations and technicalities. This finding can assist relevant authorities to enact suitable policies that enhance the role and the quality of the CEOs in the organizations. Finally, this study presents a picture of the potential benefits to the companies, professional bodies, policymakers, and academia from considering the CEO variables like tenure and CEO busyness.

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ملخص

أدت فضائح الشركات إلى التشكيك في نزاهة وشفافية و أهمية مهنة المحاسبة. حيث يعمل الرئيس التنفيذي للشركة بشكل دوري مع مجلس الإدارة المسؤول عن تحسين جودة التقارير المالية (FRQ). ومع ذلك، لم يجر العديد من الباحثين حول العالم بحثًا في هذا الموضوع باستثناء عدد قليل من الدراسات التي أظهرت نتائج مختلفة. يعد هذا البحث دراسة تجريبية حول تأثير الصفات التي يجب على الرؤساء التنفيذيين التحلي بها على جودة التقارير المالية للشركات المدرجة في نيجيريا. استعرضت هذه الدراسة 1009 مقالة بالاعتماد على تحليل ببيوم تري باستخدام قاعدة بيانات سكوربوس (Scopus) لمدة 29 عامًا. كما استخدمت الدراسة بيانات لوحة تتبع 592 شركة على مدار العام تم قياسها بواسطة نموذج ماكنيكولاس (McNicholas Model) تشير النتائج إلى أن انشغال الرئيس التنفيذي يمكن أن يقلل من أدائه في الشركات التي يتولى فيها المسؤولية. وفي الوقت نفسه، كشفت نتائج البحث أن الرؤساء التنفيذيين الذي عملوا لمدة أطول أصبحت لديهم خبرة ومعارف أكبر عن كل جانب من جوانب عمل الشركة وتقنياتها. ويمكن أن تساعد هذه النتائج المعنيين على وضع سياسات مناسبة تعزز دور الرؤساء التنفيذيين ونوعيتهم داخل الشركات. وفي الأخير، تقدم هذه الدراسة لمحة عامة عن المزايا المحتملة للنظر في صفات الرئيس التنفيذي مثل فترة عمله بالنسبة للشركات والهيئات المهنية وصانعي السياسات والأوساط الأكاديمية.

ABSTRAITE

Les scandales qui ont secoué les entreprises par le passé ont fait douter la profession comptable de son intégrité, de sa transparence et de sa pertinence. C'est pourquoi le PDG interagit fréquemment avec le conseil d'administration, responsable de l'amélioration de la qualité de l'information financière (QIF). Toutefois, cette question n'a pas été explorée par plusieurs chercheurs à travers le monde et peu d'études ont donné des résultats mitigés. C'est pourquoi l'étude examine empiriquement l'effet des caractéristiques du PDG sur la qualité de l'information financière des entreprises cotées en bourse au Nigeria. Cette étude a passé en revue 1 009 articles par le biais d'une analyse bibliométrique utilisant la base de données Scopus pour une période de 29 ans. Sur la base des 592 années d'observation des entreprises, l'étude a utilisé des données de panel mesurées par le modèle de McNicholas. Les résultats indiquent que le fait que le PDG soit très occupé peut minimiser ses performances dans les entreprises dont il a la charge. Par ailleurs, les résultats révèlent que les PDG en poste depuis plus longtemps sont devenus des experts dans tous les aspects des opérations et des aspects techniques de l'entreprise. Cette constatation peut aider les autorités

compétentes à mettre en place des politiques appropriées qui renforcent le rôle et la qualité des PDG dans les organisations. Enfin, cette étude présente les avantages potentiels pour les entreprises, les organismes professionnels, les décideurs politiques et le monde universitaire de la prise en compte de variables telles que la durée du mandat et l'activité du PDG.

Keywords: CEO tenure, CEO busyness, CEO financial expertise, financial reporting quality, Nigerian Stock Exchange

JEL Classification: M4, M48

1. Introduction

The poor quality of financial accounting information has been blamed for the global collapse of equities markets. As a result of financial manipulation, several firms throughout the world, including the Tyco Kozlowski Company in the United States and the Satyam Company in India, came dangerously close to bankruptcy (Dachomo & Bala, 2020; Sani, 2019). Investors were understandably concerned that the company's accounting was not sufficiently instructive, particularly in light of the company's stated profitability (Qawasmeh & Azzam, 2020; Chen et al., 2021; Hendricks et al., 2022). The regulatory efforts to checkmate the actions of the CEOs and management of the firm have not been successful, and acts of profits manipulation have continued to rise not only in rich nations of the world, but also in the developing country (Dachomo & Bala, 2020; Demaki & Jeroh, 2016; Oradi et al., 2020). Meanwhile, investors' judgments of firms' investment merit are heavily reliant on the accuracy and transparency of available financial data (Sani, 2019; Samaila, 2014). In theory, a company's financial statements should accurately depict the company's financial situation. However, managers may use their control over the company to inflate or otherwise distort the stated financial results (Kazemian & Sanusi, 2015; Dalhat, 2014; Qawasmeh & Azzam, 2020; Bouaziz et al., 2020).

In addition to the above evidence on the corporate scandals perpetrated by the CEOs in Nigeria, in 2012, 25 CEO's were reported to have been involved in financial scandals both in the financial and non-financial sector (Bravo, 2012; Borgi et al., 2021). Also, in 2016, the Central Bank

reported that the CEOs of Sterling bank, Fidelity bank, Access bank and First bank have been indicted with fraud that led to the loss of customers and shareholders' funds (Proshare, 2016). This also happened to Skye Bank where their CEO was sacked by the regulators due to loss of customer's deposit and loss of shareholders investment (Latif & Al-Dhamari, 2020; Miko, 2016; Hasan & Rahman, 2020). Thus, there is a need to examine the role of CEOs in constraining the practice of financial management.

In view of these incidents, some scholars believe that CEO attributes such as CEOs financial expertise, tenure and busyness among others are expected to improve the effectiveness of the CEO in monitoring the opportunistic behavior of management by overseeing the accounting procedure (Ali & Zhang, 2015; Du et al., 2017; Shen, 2021; Hemdan et al., 2022; He et al., 2022). Hence, the financial reports are very important to stakeholders as they provide information that enables them to make informed decisions (Uyioghosa, 2019; Ohaka & Akani, 2017). Contrarily, evidence in Francis, Hasan and Li (2016), Hu et al. (2015) demonstrate that higher CEO shareholding and tenure increase the ability to engage in myopic financial manipulations. As stated by Hou et al. (2017) and Borgi et al., (2021), among the CEO attributes that reported by several researches, CEO tenure has being one of the most controversial aspect of corporate governance. Where the CEO tenure in Nigeria firms is important because many CEOs have been in the post for over 23 years. The reason for this might be lack of restrictions about the length of CEO tenure in Nigeria. In another studies, CEO tenure, CEO busyness and CEO financial expertise are the most discernible attributes of these key individuals (Saleh et al. 2020; Subrahmanyam et al., 2020; Lin et al., 2020).

According to upper echelon theory, CEOs' characteristics have major impacts on financial reporting quality. To maximise the firm's wealth and achieve success, the decision makers such as Chief Executive Officers (CEOs) need to take effective strategic choices in terms of leverage (De Silva & Banda, 2022; Busenbark et al., 2016). Since there are limited research conducted on CEO characteristics and financial reporting quality in the Nigerian context, this study has made a significant contribution to the local literature and mitigates the gap in the frontier market literature. To the best of the authors' knowledge, this is the first empirical study that explores the effect of CEO characteristics on a financial reporting quality

in an emerging country like Nigeria using Bibliometric analysis. This study motivated to fill in this gap by investigating the influence of CEO characteristics on financial reporting quality. Thus, this study contributes from the managerial point of view by identifying the benefits of considering tenure and nationality of CEOs as an essential factor for the quality of financial reports.

2. Literature Review

2.1 Article Reviewed via Bibliometric analysis using Scopus database

This study reviewed articles via Bibliometric analysis using Scopus database as of February 2021, which 1,009 articles were review for the period of 29 years between years 1992 to 2021. The search term “financial reporting quality” and “CEO characteristics” contained in the title of this study was used to search for the relevant published articles. This study focused on the title of articles because it is the first keyword/elements that researchers will observe, and it also represents the relevant topic that is more significant with the research area. Nevertheless, this study excluded retracted and erratum document types to prevent double or false counting of documents. Thus, all the extracted articles were subjected to the bibliometric analysis through the use of three software. This includes (i) Harzing’s Publish and Perish software to measure the citations metrics. (ii) Microsoft Excel to calculate the percent and frequency of the published materials with the relevant graph and chart. (iii) VOSviewer (version 1.6.15) to generate and visualize the bibliometric networks.

Summarily, the citation metrics for the retrieved publication as of 10th February 2012 shown in the Table 1, where 1,007 publications with 21,946 citations was reported for the period of 29 years (1992 – 2021) of CEO characteristics and financial reporting quality publications. This citation metric were generated by software called “Harzing’s Publish and Perish” by way of importing RIS downloading format files extracted from Scopus database to the software mentioned above to present the raw citations metrics. The result of the citation metric via Harzing’s Publish and Perish shown in the table 1 below:

Table 1: Annual publications and citation matrix (1992 – 2021)

Document Type	TP
Publication years	(1992 – 2021)

Citation years	29
Papers	1,007
Citations	21,946
Citations/year	756.76
Citations/paper	21.79
Authors/paper	2.62
Hirsch h-index	69
Egghe g-index	126
Pop hI, norm	46
PoP hI, annual	1.59
hA -index	17

As indicated on the document source in the table 1 and figure 1 above, out of the 11 document source on this topic, journal article have the largest percentage of 927(92%) of the entire document downloaded. Followed by the review and conference papers with the 26(2.6%) and 25(2.5%) respectively. Whereas, the lowest contributions are letter, short survey, retracted and undefined with 1 documents each.

2.1.1 Source Type

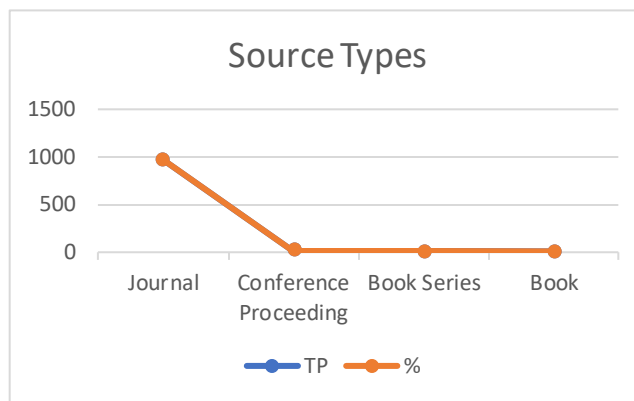
Based on the sources types, this study also sought to investigate where financial reporting quality and CEO characteristics documents have been published by analyzing data on sources types. Table 2 show the journal that have the largest percentage of the common sources with 971(96.4%) of the entire publication. Followed by conference proceedings and book series with 17(1.7%) and 10(1%) respectively. Finally, books were the least frequent source type with 9(0.89%). The summary of the source type indicated in Table 2 below:

Table 2: The Source Types Retrieved (1992 – 2021)

Source Type	TP	%
Journal	971	96.43%
Conference Proceeding	17	1.69%

Book Series	10	0.99%
Book	9	0.89%

Figure 1: The Source Types Retrieved (1992 – 2021)



2.1.2 Years of Publications and Metric Citations

The investigation of the documents based on the year of publication helps the researchers to observe the increasing pattern and the popularity of the research area over time as suggested by Ahmi and Mohammad (2019a). Thus, the highest productivity was observed in year 2020 with the total publications of 171 documents, as compare to the publications in the previous years. This indicates that there is an increase in the number of documents published in the recent years during the study. Also, the citations per publication was highest in 1999 (929 citations/publication) for the documents published, while, the lowest was for those published in 2021 (0.06 citation/publication) due to the show period that has elapsed since publications.

2.1.3 Keywords Analysis

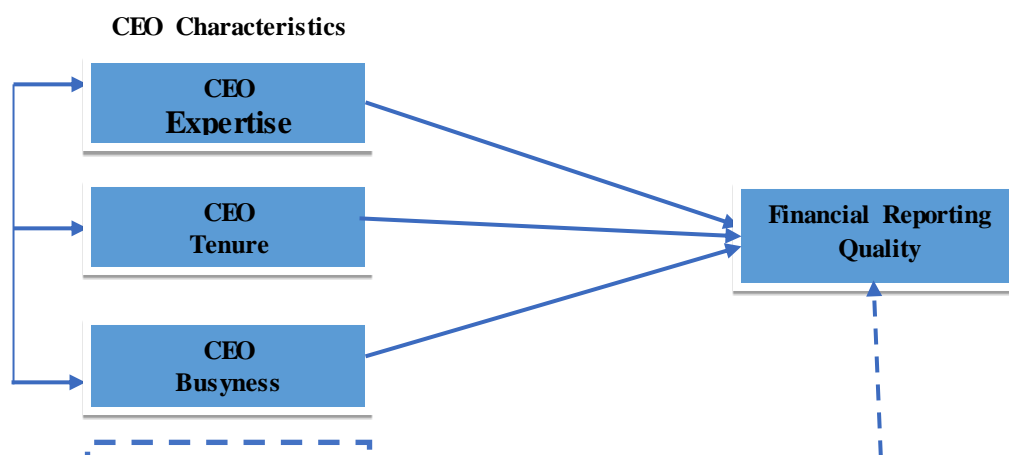
With regards to the Keywords analysis from the documents extracted from the Scopus database, this study used VOSviewer tool for

(Saleh et al., 2020; He et al., 2021). Thus, the busyness hypotheses in an attempt to investigate the relationship between the existence of CEO characteristics and financial reporting quality in the non-financial firms listed in the NSE. The agency theory was formed as a mechanisms to recognize incomplete and information asymmetry. Thus, this theory requires the director to employ different methods to reconcile the interests of the agents and the principal. As a result, the delegation of the responsibilities must go smoothly with the mechanisms to monitor and supervise management and assure that the authority delegation lead to the highest possible returns and improve the quality of financial reports (Saleh et al., 2020; Shettima & Dzolkarnaini, 2018; Battisti et al., 2021; Wang et al., 2022).

With regards to the resource dependency theory, it has been revealed that internal corporate mechanisms like CEO are essentials corporate mechanisms, in that the directors are resource providers (Haniffa & Hudaib, 2006; Alhmoed et al., 2020). It was indicated that a large number of expertise and experience director, with diversity and multiple directorships are vital resource to the corporate organisations (Saleh et al., 2018; Hillman & Dalziel, 2003). This theory suggests that CEOs are valuable assets to company who may supply resources and improve the quality of financial reports.

As indicated by Pfeffer and Salancik (1973), CEO acts mechanisms for companies allowing them to acquire external resources beyond the limit of the resource that company have access to. Hence, this study used the busyness hypothesis to support the examination of multiple directorships. As proposed by Ferris et al. (2003), directors with multiple appointments may have insufficient time to carry out their duties and responsibilities. The executives may seek directorship outside as it is improves their visibility and their status, but at expense of shareholders' resources (Saleh et al., 2018:2020). Thus, these benefits might outweigh the benefit of sitting on internal board committees. Therefore, this study examines the effect of CEO characteristics on financial reporting quality of non-financial firms listed in the NSE.

Figure 3: Research Framework



3. Data and Methodology

This research used secondary data method from annual reports extracted from DataStream for the period of 8 years (2012 – 2019). This period was utilized due to the fact that Nigeria code of corporate governance was issued in 2011 and became effective in the year 2012. This study also mainly focused on non-financial firms listed in the Nigerian stock exchange, which in 113 companies. The model examined whether CEO busyness, CEO financial expertise and CEO tenure affect the financial reporting quality of the companies. However, we used the data screening and filtration method, by which any firm that failed to have up to date data before 2019 period or delisted firms before the year 2019 were removed from the sample due to their incomplete data. Therefore, this study utilized 73 non-financial firm that have complete data, which amounted to 584 firm-years observations.

3.1 Model Specification and Measurement of the Variables

Based on the measurement of the financial reporting quality, several other studies have using accruals quality as a proxy for financial reporting quality (Cho et al., 2017; Tanyi & Smith, 2015; Gomariz & Ballesta, 2014). Hence, this study adopts the modified model of Dechow and Dichev (2002) by Mc Nichols (2002), which also used extensively in the prior literatures. Therefore, the modified model by McNichols (2002) is shown below:

$$WCA_{it} = \beta_0 + \beta_1 CASHFO_{it-1} + \beta_2 CASHFO_{it} + \beta_3 CASHFO_{it+1} + \beta_4 \Delta ARECEIV_{it} + \beta_5 PROPPE_{it} + \epsilon_{it}$$

Where: WCA = company's changes in working capital between current and prior year. CASHFO_{it-1}, CASHFO_{it}, CASHFO_{it+1} = operating cash flows for firm I at year t-1, t, t+1 respectively; ARECEIV = change in accounting receivables; PROPPE = level of property plant and equipment.

Thus, the adoption of Dechow and Dichev (2002) model requires more powerful mechanisms to the estimation of earnings quality as indicated

by McNichols (2002). Hence, lower quality is represented by a larger standard deviation of the residuals.

The liaison between CEO characteristics and financial reporting quality is scrutinized through panel regression and the subsequent model has been framed:

$$Y_{it} = \alpha_0 + \beta(\text{CEO characteristics}) + \gamma(\text{controls}) + \varepsilon_{it}$$

That is: Y_{it} is FRQ for firm i in year t . The CEO attributes used in the model. Hence, discretionary expenses measure the dependent variable of financial reporting quality (McNicholas, 2002). Thus, the proxy of discretionary expenses and all other independent variables are being indicated in the study model below:

$$\text{FRQ}_{it} = \beta_0 + \beta_1 \text{BUSY}_{it} + \beta_2 \text{TENURE}_{it} + \beta_3 \text{EXPRT}_{it} + \beta_4 \text{Fsize}_{it} + \beta_5 \text{Fage}_{it} + \varepsilon_{it} \dots\dots\dots(1)$$

Where: FRQ = Financial reporting quality; BUSY = CEO busyness; EXPERT = CEO financial expertise; TEN = CEO tenure; Fage = Firms Age; and Fsize = Firm Size. Hence, the proxy of the financial reporting quality and other independent variables are being shown in table 3 below:

Table 3: Measurement of the Variables with the Adopted Theories and Sources

S/N	Constructs	Acronym	Measurement and Sources	Theories
<i>Measuring the Dependent Variables</i>				
1	Financial Reporting Quality	FRQ	The adoption of Dechow and Dichev (2002) model requires more powerful mechanisms to the estimation of earnings quality as indicated by McNichols (2002).	Agency theory; Resource dependency theory
<i>Measuring the Independent Variables</i>				
2	CEO Busyness	BUSY	The number of directorships the CEO holds in other companies (Saleh et al., 2018; 2020)	Agency theory; Resource dependency theory
3	CEO Financial Expertise	EXPERT	Dummy variable of one if the CEO has accounting or business-related qualification or membership of a	Agency theory; stewardship theory; Resource

			professional accounting body (Baatwah et al., 2015)	dependency theory
4	CEO Tenure	TEN	We measure the tenure of CEO as the number of years the CEO has served in the position (Ali & Zhang, 2015; Zhang, 2009)	Agency theory; stewardship theory
<i>Measuring the Control Variables: Corporate Attributes</i>				
5	Firm Size	FSIZE	We measure the firm size by the logarithm of total assets (Kantudu & Samaila, 2015; Na et al. 2017).	Agency theory
6	Firm Age	FAGE	We measure the firm size by the logarithm of total assets (Kang & Kim, 2011; Olowokure et al., 2016)	Agency theory

4. Empirical Results

4.1 Descriptive Statistics

As indicated in the Table 6 below, the result of the descriptive statistics for the mean, minimum, maximum and standard deviation of the financial reporting quality (FRQ) are -.063, -1.52, 1.96 and 0.172 respectively. This revealed that the non-financial companies listed on the NSE were having minimal of the indication of earnings manipulation on the average for the period of study. As compare to the previous studies around the world, for instance, Saleh et al. (2020); Rhodes (2015), which relatively low when compare to other emerging markets. Based on the CEO busyness (BUSY), the mean, minimum, maximum and standard deviation are 3.67, 0.00, 18, and 9.34 respectively. The maximum value revealed that some CEOs held board positions in 18 companies added to the firm where they worked, whereas the minimum value 0.00 implies that some CEOs didn't hold position in any board other than in the firms where they serves as CEO. Also, the standard deviation value 9.34 showing that the busyness variable was normally distributed. With regards to the tenure of CEO (TEN), the typical CEO served as mean value of 8.65 years with a minimum of 1 year and maximum of 21 years. Move to the CEO financial expertise (CEF), the value of the mean, minimum, maximum and standard deviation are 0.21, 0.00, 1, and 0.40 respectively. This indicate that the minimum value of 0.00 showing that some CEOs had no financial expertise and the mean

of 0.21 showing that only 21% of the CEOs in the listed companies had financial expertise. The results of the descriptive analysis are summarized in the Table 4 below:

Table 4: The Result of the Descriptive Statistics (Mean and Standard Deviation)

Constructs	Obs.	Mean	Std. Dev.	Min	Max
JOSA_AEM	592	-.063273	.1721803	-1.0523	1.9649
CEO Tenure (Ten)	592	8.651646	.4768621	1	21
CEO financial expertise (cef)	592	.2062392	.4049553	0	1
CEO busyness (busy)	592	3.665508	9.339773	0	18
Firm size (fsize)	592	7.110921	.8517216	4	9.2409
Firm Age (fage)	592	27.02577	13.34003	3	55

4.2 Correlation Analysis

The correlation statistics was test in this study to examine the level of any signifies multicollinearity associations among the exogenous construct in the model. The correlation analysis used to measure the strength and directions of the relationship between or among independent variables. Thus, the correlation used in this study measure the strength of relationship among the research constructs with 592 firm-years observations. According to Gujarati (2004) and Lateef et al. (2021), the multicollinearity problems can only be proved, if the value of the relationship is 0.8 and above. From the result of this study, the result shown between 0.060 – 0.662, which shown that the model is free from multicollinearity issues. The result of the correlation analysis shown in the table 5 below.

Table 5: Correlation Analysis

Constructs	Josa_aem	Ten	Cef	Busy	Fsize	fage
JOSA_AEM	1.0000					
CEO Tenure (Ten)	-0.0317	1.0000				
CEO financial expertise (cef)	0.0532	-0.6615	1.0000			
CEO busyness (busy)	-0.0988	0.2417	-0.1765	1.0000		
Firm size (fsize)	0.0603	-0.1504	0.0660	-0.1920	1.0000	
Firm Age (fage)	0.0774	-0.1019	0.1010	-0.3717	0.1081	1.0000

4.3 Multivariate Analysis

The panel data regression mostly based on three models as examined in this study (fixed effect model, random effect model and pool OLS model). Breusch and Pagan LM test was carried out to know whether data for the study are heterogeneous, which shown that random model is appropriate. Hausman specification test was also carried out to know the appropriate model between fixed effect and random effect. The result leads to the conclusion that random effects are more appropriate. Before moving to the regression analysis, diagnostic test were carried out to fulfill the assumptions. This includes serial correlation, heteroscedasticity, cross sectional dependency and the multi-collinearity test. However, both autocorrelation and heteroscedasticity violate the assumption, this resulted to the consideration of the panel corrected standard error method (PCSE). After examined the descriptive statistics and diagnostic test, all the assumption of regression were fulfilled and those assumptions were managed by using PCSE model for the multivariate analysis. As it is more suitable inferential statistic for the models of the study (Hardin & Hilbe, 2007).

Table 6: Multiple Regression Analysis and Testing of Hypotheses (PCSE Method)

Panel-Corrected						
JOSA_AEM	Coef.	Std Error	Z	p>I z I	95% conf. Interval	
CEO Tenure	.0512758	.0195467	2.62	0.013	.0261351	.0504867
CEO financial expertise	.023737	.0250965	0.95	0.344	- .0254512	.0729252
CEO busyness	-.001349	.000511	-2.64	0.008	-.002351	-.0003478
Firm size	.0147893	.0060612	2.44	0.018	-.0031216	.0206379
Firm Age	.0005679	.0008427	0.67	0.500	-.0010838	.0022196
_cons.	-.148962	.0405695	-3.67	0.000	-.2284768	-.0694473
R ²			0.2150			
F (1, 73)			29.035			
P. value			0.000			
Mean VIF			1.42			
HM Test (Chi2)			373.0228			
P. value			0.0000			
No of Observation			592			
Prob. > Chi2			0.0000			

The outcome of the Panel Corrected Standard Error as indicated in Table 9 show that there is a negative significant relationship between CEO busyness and financial reporting quality with ($\beta = .0013$; $z = -2.64$; $p = .008$). The result revealed that a unit increase in the busyness of office of CEO tends to reduce the likelihood of financial reporting quality by $-.0013$. Hence, this hypothesis H_3 was supported. The outcome support the assumptions of the busyness CEOs which revealed that multiple directorship resulted to busy managers who are not having adequate time to fulfill their main responsibilities in an efficient and effective manner. In addition, this finding support the proposed theory (agency theory and resource dependency theory) as well as the previous studies (Saleh et al., 2018:2020; Jackling & Johl, 2009) which argued that multiple directorship delay managers from devoting their attention and time to the company, as a result, the quality of financial report suffers. Also, this result is in line with the stipulations of Nigerian Code of Corporate

Governance (2011) that CEO should be a full time employee of their corporate firms.

With regards to the relationship between CEO tenure and financial reporting quality, Table 9 show that there is a positive significant relationship between CEO tenure and financial reporting quality with ($\beta = .051$; $z = 2.62$; $p = .013$). The result revealed that a unit increase in the tenure of office of CEO tends to increase the likelihood of financial reporting quality by .0512. Hence, this hypothesis H₂ is supported. This result indicate that the longer the tenure of CEO, the better and stronger the financial reporting quality. This is because the longer serving of CEOs has become experts in every aspect of the firm's operations and technicalities. This is aligned with the proposed theory that considers a powerful CEO as part of the company's asset. The findings also supported the previous studies such as, Saleh et al. (2020); Luo et al. (2014); and Limbach et al. (2015), who revealed that longer tenure of CEO linked with better knowledge, personal affiliations and experience.

Based on the third objective of this study, it was revealed that CEO financial expertise have insignificant relationship with financial reporting quality with ($\beta = .024$; $z = 0.95$; $p = .344$). The result indicated that a unit increase in CEO financial expertise will not increase the log odds of financial reporting quality by .024. Thus, the hypothesis H₃ is not supported. The result of this study contradicts the resource dependency theory which argued that CEO is resourceful with experience that assists to increase the wealth of shareholders. This also contradict the previous studies such as, Saleh et al. (2018) and Custodio and Metzger's (2014) who revealed that a CEO with financial knowledge is better able to improve the quality of financial reports.

Based on the result of the control variables, both firm's size and firm age were considered as control variables. Thus, the result of the firm's size were statistically significant with the financial reporting quality ($\beta = .015$; $z = 2.44$; $p = .018$). Whereas, the firm's age was statistically insignificant with financial reporting quality ($\beta = .0006$; $z = .67$; $p = .500$). this revealed that the control variables partially increase the likelihood of financial reporting quality of non-financial firms listed on the Nigerian stock exchange.

4.4. Discussions and Implications of the Study

This finding has significant policy implications for practice. As a result of the study's findings, CEOs in Nigeria utilized their discretion to enhance and assure accurate and quality financial reporting practices. We contend that the CEO, as the highest-ranking manager, has a considerable influence on the firm's decision-making. The study's findings specifically reveal that the CEO has a vital impact in business financial decisions owing to their discretion in selecting the proper accounting technique and preparing financial reports. Our findings show that CEOs with equity ownership and financial knowledge are more connected with the quality of financial reports, as well as tenure and nationality of CEOs. Because of their important roles, CEOs have become the subject of extensive study and oversight from government agencies. Maximizing shareholder value in today's business environment calls for an experienced and capable chief executive officer and senior management team. How much of an impact CEOs have received a lot of study. As evidence mounts, though, CEOs' activities are being scrutinized more closely.

As regards to the limitations, because this study is confined to CEO characteristics and financial reporting quality of listed firms in Nigeria, all data were obtained in Nigeria. Future research might look into other African countries with comparable institutional and political structures. Future research might look at the impact of this link on other aspects of financial reporting quality.

5. Conclusion and Recommendation

This study examined the relationship between CEOs characteristics and financial reporting quality of non-financial firms in the Nigerian stock exchange. Conclusively, this study presents evidence around the world through 1009 articles that CEOs characteristics in term of CEO tenure, and CEO busyness have significant relationship with financial reporting quality. This also evidenced that CEO can attract the external resources to create additional profit and wealth for the company. In addition, the concentration of the decision making power with the single director is good for the quality of Nigerian firms by improving the quality of business decisions as well as minimized the delay in the policies implementation. Hence, extend the tenure of CEOs that possessed previous CEOs experience is advantageous for the Nigerian non-financial firms as they minimize the earnings manipulation. Hence, this study

ultimately concludes that CEO characteristics play an important role on financial reporting quality.

On the recommendation notes, CBN should enact the selection procedures of CEO more market and practically oriented. That is, it should be open to professional experts, instead of filling through promotions. In addition to that, the tenure of the CEOs should be minimize to prevent the earnings manipulation and provide understanding the prevailing economic arena and have concrete decisions having far-reaching influence. If at all the tenure will be extended, the CEO tenure extension should be done on the bases of their last year tenure merit. Also, the track records of professional financial expertise and experiences must consider when reappointing CEOs. Multiple directorships for CEOs should be stop completely to prevent busyness of the CEOs from one company to another and to extensively concentrate on their current assignment. Relevant authority and regulatory agencies should revisit the policy that will adjust the tenure and busyness of CEOs to improve the financial reporting quality.

Authorship Contribution

The authors confirm contribution to the paper as follows: Study conception and design by Saheed Ademola Lateef. Data collection and data management by Umar Aliyu Mustapha and interpretation of results by Abdullah Bala Ado and Wahid Damilola, Olanipekun. Norfadzilah Rashid and Saheed Ademola Lateef draft manuscript preparation. The manuscript thoroughly supervised by Norfadzilah Rashid. Finally, all authors reviewed the results and approved the final version of the manuscript.

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