Chief Executive Officers Attributes and Financial Reporting Quality of Listed Non-Financial Firms in Nigeria

Tirimisiyu Gbadebo Ogunmefun, Prof. Tunji. T. Siyanbola, Dr. (Mrs.) Olabisi. B. Odewole

Crescent University, Abeokuta, Ogun State, Nigeria

ABSTRACT

The integrity of financial statements remains a critical concern in Nigeria following high-profile corporate failures that have eroded investor confidence. The financial reporting users have seen financial reporting as a better way of measuring the firm financial success than mere disclosure of information. This has attracted considerable attention of scholars. While traditional corporate governance research focuses on board composition, this study examined the effect of CEO attributes on financial reporting quality of listed non-financial firms in Nigeria.

Theoretically, this study is primarily underpinned by Stakeholder Theory, which posits that CEO attributes serve as a mechanism to balance the interests of diverse stakeholders through transparent financial disclosure. The methodology adopted an *ex post facto* research design covering all 104 non-financial firms listed on the Nigeria Exchange Group as at December 2024 over a thirteen-year (2015-2024) period. The study selected 80 listed companies in non-financial sector as the appropriate sample size using probability sample technique. To address potential endogeneity, simultaneity, and unobserved heterogeneity common challenges in corporate finance data the study utilized the Two-Step System Generalized Method of Moments (System-GMM) as the primary statistical estimation technique.

The study found that the CEO attributes had jointly significant effects on Financial Reporting Quality of the listed non-financial firms in Nigeria with the probability of the f-statistics of 0.000. Findings from the System-GMM analysis revealed a statistically significant relationship between CEO attributes and financial reporting quality. Specifically, CEO financial expertise and gender (female representation) exhibit a significant positive effect on accrual earnings quality and timeliness ($p < 0.01$), suggesting that technical proficiency and diverse perspectives mitigate aggressive earnings management. Furthermore, CEO tenure showed a significant non-linear relationship with earnings persistence, indicating that while experience enhances quality initially, overly long tenures may lead to entrenchment. CEO nationality was found to significantly influence value relevance, reflecting the impact of diverse cultural and professional backgrounds on market perceptions of accounting information. The control variable, firm size consistently showed a significant positive association with reporting timeliness and value relevance, confirming that larger firms face higher pressure for transparency.

The study concluded that CEO specific attributes are fundamental determinants of the integrity of financial disclosures in Nigeria. The integration of Stakeholder and Upper Echelon theories provides a robust framework for understanding how executive "DNA" shapes accounting outcomes. The study recommended that boards of directors prioritize a mix of financial expertise and gender diversity during the CEO succession planning process to enhance the long-term quality and persistence of earnings.

Keywords: CEOs' Attributes, Financial Reporting quality, Stakeholder theory, System-GMM.

INTRODUCTION

Financial reporting quality (FRQ) stands as a cornerstone of transparent and efficient capital markets, serving as a vital conduit of information for a diverse array of users. Scholarly discussions have consistently emphasized on the importance of financial reporting quality to firms, various stakeholders, and particularly to potential investors in navigating complex economic landscapes and making informed decisions.

For firms, high-quality financial reporting is not merely a regulatory obligation but a strategic imperative that underpins operational efficiency, enhances reputation, and facilitates access to capital. Accurate, reliable, and timely financial reports provide company leadership with crucial data on revenues, costs, profit margins, and cash flows, enabling them to make informed decisions regarding budgeting, resource allocation, capital investments, and cost management (Falana et al., 2025).Without such information, decision-makers risk operating based on outdated or incomplete data, potentially leading to suboptimal strategic outcomes.

Furthermore, strong FRQ helps firms in efficient resource allocation. It ensures that management can make rational decisions that maximize the firm's performance by effectively utilizing resources and controlling costs (Beam, 2024). This internal benefit translates into improved operational efficiency and a stronger financial position. High-quality reporting also mitigates agency costs by reducing information asymmetry between management and owners, fostering a more aligned approach to value creation.

From a compliance perspective, robust financial reporting is essential for avoiding legal penalties, reputational damage, and loss of stakeholder trust that can arise from non-compliance with accounting standards such as GAAP or IFRS. Moreover, the adoption of international standards like IFRS can increase a company's ability to reduce costs and gain easier access to foreign capital, thereby enhancing overall benefits (Beam, 2023).

Beyond the firm itself, a multitude of stakeholders rely heavily on the quality of financial reporting to make critical decisions. These stakeholders include employees, suppliers, customers, creditors, and regulatory bodies. Transparent and honest reporting communicates stability and transparency, reinforcing trust and strengthening relationships with these crucial groups.

For creditors and lenders, high-quality financial reports are paramount in assessing a business's financial health, risk, and growth potential. Consistently strong and transparent reporting builds credibility, making it easier for firms to attract funding, secure loans, and maintain lender trust (Francis, 2025). Studies have shown that higher financial reporting quality reduces the cost of capital by lowering information risk and enhancing investor confidence (Adewara et al., 2024; Falana et al., 2025). Conversely, poor financial disclosure practices contribute to market uncertainty and increase the cost of both equity and debt financing (Francis et al., 2022). Regulatory bodies also rely on FRQ to ensure market integrity and investor protection. High-quality reporting facilitates effective oversight, allowing regulators to identify and address potential issues promptly.

Potential investors, both individual and institutional, are perhaps the most prominent beneficiaries of high quality financial reporting. Their investment decisions, which directly impact capital allocation in the economy, are heavily dependent on the information presented in financial statements (Mwankenja, 2022).

High-quality financial reporting minimizes information asymmetry, which is the imbalance of information between a company's management and outside investors. This reduction in asymmetry helps investors make more informed and efficient investment decisions, leading to better capital allocation. When financial reports are accurate, relevant, and timely, potential investors can effectively evaluate a company's financial viability, long-term prospects, and management's performance (Mwankenja, 2022).

Conversely, low-quality financial reports can mislead investors, resulting in suboptimal or even detrimental investment decisions (Myers, Myers & Omer, 2003). This can lead to misallocation of capital, where funds are directed towards less productive ventures, ultimately harming overall economic efficiency. Mwankenja (2022) highlights that the accuracy of financial data, financial statement interpretation, and financial information literacy are crucial for sound investment decisions.

Furthermore, high-quality financial reporting enhances investor confidence. Companies known for transparent and credible reporting are more likely to attract new funding and retain existing shareholders, often commanding higher valuations and better financing terms (Mwankenja 2022).This is because reliable information reduces the perceived risk associated with an investment, making the company more attractive to potential capital providers.

In accounting literature, there are many variants for measuring financial reporting quality prominent among which are earnings management, accounting conservatism, value relevance, earnings smoothening, earnings persistence, financial reporting timeliness and earnings predictability. However, for the purpose of this study,

earnings accrual quality, value relevance, earnings persistence and financial reporting timeliness will be used to surrogate for financial reporting quality.

The CEO has been argued to be among the top management team that can influence financial reporting. This in the argument of (Altarawneh et al. (2020) and Chandrenet al.(2021) is so because the CEO may likely influence the content of corporate statement, such as press release, compensation packages, and annual reports. The Nigeria Code of Corporate Governance (NCCG) 2018 sees CEO as the head of management delegated by the board provide leadership for the daily running of the affairs of the firm, in a way that will enable the achievement of the strategic objectives for sustainable corporate performance (Udezo et al., 2024). This power the Code of Corporate Governance (NCCG) 2018 granted the CEO can position them to engage in financial reporting manipulation of the financial statements, in a way that the financial report will forecast financial reporting outcome for opportunistic purposes and to show that the CEO have performed well to the public.

Statement of the Problem

The non-financial firms in Nigeria have been characterized with financial scandals, earnings manipulation, misrepresentation of revenues, poor compliance and lack of transparency as a result of poor financial reporting quality which have undermined investor confidence and the credibility of most of the companies. However, despite the intervention of the Financial Reporting Council of Nigeria (FRCN) and Nigerian Exchange Group (NGX), these problems and challenges facing the non-financial firms in Nigeria still persist. Recent empirical evidence from Abdi (2025) and Okika et al. (2024) suggests that while CEO attributes like financial expertise and gender are becoming pivotal in board selection, their actual impact on curbing opportunistic discretionary accruals remains inconclusive.

Most existing studies working on financial reporting quality problem are sectorial bias while most of the empirical studies have been analyzed based on static perspective, utilizing analytical techniques, this study considered dynamic interaction between CEO attributes and financial reporting quality using Generalized Method of Moments which is considered efficient in addressing endogenuity, simultaneity, dynamic nature and omitted variables which are inherent in the static statistical analysis.

Objectives of the Study

The main objective of the study is to investigate the effect of CEO attributes on financial reporting quality of listed non-financial firms in Nigeria and the specific objectives are to:

i. Examine the effect of CEO' s attributes on accrual earnings quality of listed non-financial firms in Nigeria
ii. Analyse the effect of CEO's attributes on value relevance of accounting information of listed nonfinancial firms in Nigeria
iii. Investigate the effect of CEO's attributes on earnings persistence of listed non-financial firms in Nigeria .
iv. analyse the effect of CEO's attributes on financial reporting timeliness of listed non-financial firms in Nigeria.

Research Questions

The following research questions were notable:

i. How does CEO's attributes affect accrual earnings quality of listed non-financial firms in Nigeria?
ii. ii.To what extent does CEO's attributes affect value relevance of accounting information of listed non-financial firms in Nigeria?
iii. What is the effect of CEO's attributes on earnings persistence of listed non-financial firms in Nigeria?
iv. How does CEO's attributes affect financial reporting timeliness of listed non-financial firms in Nigeria?

Research Hypothesis

The following research hypotheses were tested in this study:

Ho1: CEO's attributes have no significant effect on accrual earnings management of listed nonfinancial firms in Nigeria

Ho2: CEO's attributes do not significantly affect value relevance of accounting information of listed non-financial firms in Nigeria

Ho3: CEO's attributes have no significant effect on earnings persistence of listed non-financial firms in Nigeria

Ho4: CEO's attributes have no significant effect on financial reporting timeliness of listed nonfinancial firms in Nigeria

LITERATURE REVIEW

Conceptual Review

Financial Reporting Quality

Financial reporting quality according to Agbata et al. (2025) relates to the accuracy, adequacy and reliability of information presented in financial reports. A high-quality financial report will show accurate, relevant, unbiased and complete information thereby enabling assessment. Financial reporting integrity is very vital in ensuring that internal and external stakeholders are properly guided while making economic decision (Desiet al. (2023). High-quality financial reporting is instrumental in nurturing the confidence of investors in the company as this will encourage them to invest more resources in the company (Johri, 2024).The beneficial impact of financial reporting quality on the economy is evidenced by its crucial in role in nurturing the confidence of investors by providing accurate and reliable information in regard of the overall performance of a company (Olatunde et al., 2023).Besides its economic impact, financial reporting quality also plays prominent roles in ensuring the quality of non-financial information disclosure that meets the information needs of other stakeholders beyond financial information need.

Accrual Earnings Quality

Accrual earnings quality refers to the quality of earnings derived under the accrual basis of accounting. It shows the extent to which the earnings derived from the accrual basis of accounting shows the true economic reality given rise to the reported earnings. Accruals refers to accounting entries utilized in recognition of revenue and expenses earned or incurred in income statement but yet to be received or settled, reducing future earnings compared with what they would have been without being manipulated(Christensen et al., 2022). In accounting practice, some limitations, such as earnings manipulation serves as an obstacle to the attainment of accrual earnings quality. It describes a situation whereby the accrual earnings management is reduced to the barest minimum.

Value Relevance

For financial statements to be useful for financial information, it must be relevant to their decision making. The users of accounting information can be grouped into primary and secondary. The primary users are the most important users of accounting information. Among the primary users, investors and shareholders are predominant. The investors need value relevant accounting information in order to make a prediction about firm future outcomes based on present performance and condition. Value relevant is one of the most crucial qualitative attributes of accounting information mentioned in accounting standards and literature (Nguyen & Dang, 2023). They argued further that value added definition is regarded as a criterion in accounting standards. The ability of the financial statement to influence the decision making of the users is significantly hinged on its predictive value, confirmatory value, or both (IASB, 2018). The predictive value is manifested if accounting information permits the users to use its report to analyse and predict future results for the purpose of decision making. Confirmatory of accounting information on the other hand implies that the report is able to confirm or provide feedback on a previous change (Nguyen & Dang, 2023).

Value relevance connotes the ability of accounting information to meet the information needs of its users. According to Migliavacca (2024), the value relevance of information implies that the financial markets uses the accounting information in valuing equity and is reflected in market value.

Earnings Persistence

Earnings persistence is an attributes of financial reporting quality that is of significant attention to users of accounting information particularly the shareholders. Investors prefer companies that generate regular earnings as they use this as the basis for predicting what the future earnings would be. According to Sandy and Mulya (2024), earnings persistence is defined as the constancy and steadiness of a company's earnings over a period of time. Earnings persistence has recently gained wider popularity and attention in accounting research.

Financial Reporting Timeliness

Timeliness is one of the important qualitative attributes of financial reporting. It matters significantly in determining financial reporting quality. Relevant information if not timely will not serve its intended use as the information will not be available when needed by the users of the information. Timeliness is a crucial factor in enhancing the value relevance of accounting information and characteristics of financial reporting quality (Ashraf et al., 2020). Financial information should be at the reach of the users when it is still capable of influencing their decision; otherwise, it can be of little or no value (IASB, 2018). Timeliness of financial statement is regarded by the framework for the preparation and presentation of financial statements as a constraint on relevant information as untimely financial report may lose relevance (Ebaid, 2022).

CEO Attributes

The chief executive officers are important members of the company board of director that assist in the running of the business affair of an entity. The Nigerian Code of Corporate Governance (FRCN, 2018) refers to Chief Executive Director as the head of management delegated by the board to run the affairs of the Company to achieve its strategic objectives for sustainable corporate performance (Iyoha &Akhor, 2022). The CEO has been argued to play significant role in ensuring the success of corporate management (Sugiharto, Probohudono, Suhardjanto&Widarjo, 2024). The study considers the effect of some of the CEO's attribute such as gender, tenure, nationality and financial expertise on financial reporting quality. The basis of selecting these attributes are justified that the recent evidence suggests that female CEOs often exhibit higher ethical conservatism and risk-averseness, potentially reducing aggressive earnings management (Okika et al., 2024). Longer tenure can lead to "expert power" and deep firm-specific knowledge, but may also lead to entrenchment or "blind spots" in reporting (Omaliko, 2024; Henry, 2025). Concerning nationality in a globalized market like Nigeria, foreign CEOs may bring different reporting orientations or face "liability of foreignness" in navigating local regulatory nuances (Adeoluwa et al., 2023). For financial expertise, a CEO with a background in finance or accounting is better equipped to oversee the complexities of IFRS and internal control systems (Matthew et al., 2023; Owolabi & Owolabi, 2021).

Mapping of the Objectives to Literature and Theory

CEO Attributes & Accrual Earnings Quality

The focus was to measure discretionary accruals (errors or bias in accounting estimates). However, Mathew et al. (2023) and Suziharto et al. (2024) argue that Financial Expertise is the strongest deterrent against aggressive accrual management. Expert CEOs understand the long-term reversal of accruals and prioritize "Faithful Representation" as mandated by IASB (2018). The theoretical justification was based on Stakeholder Theory that suggest that by ensuring high accrual quality, the CEO protects the interests of creditors and suppliers who rely on accurate working capital figures.

CEO Attributes & Value Relevance

The focus was to measure the ability of accounting numbers (earnings/book value) to influence stock prices. Orugbo and Okolie (2025) found that CEO Nationality and Gender Diversity enhance the market's perception of financial reports. In Nigeria, foreign or diverse leadership is often perceived as a signal of adherence to global best practices, making the reported numbers more "relevant" to investors. The theoretical justification is

Signaling Theory which is often used alongside Stakeholder Theory posits that CEO attributes act as a signal of firm quality, increasing the stock market's reaction to earnings announcements.

CEO Attributes & Earnings Persistence

The Focuswas to examine the extent to which current earnings are likely to recur in the future. Mulya and Sandy (2024) and Henry (2025) discuss how CEO Tenure affects persistence. While long-tenured CEOs might create stable reporting patterns, Henry (2025) warns that entrenchment can lead to "smoothed" earnings that lack genuine persistence. Francis et al. (2025) add that "High-IQ" or expert CEOs are better at making sustainable operational decisions that lead to persistent earnings. The theoretical justification is that under Stakeholder Theory, persistent earnings reduce volatility for employees and long-term investors, fulfilling the CEO's duty to provide a stable outlook of the firm's economic health.

CEO Attributes & Financial Reporting Timeliness

The study focused on the delay between a firm's year-end and the publication of its audited reports. However, Iyoha and Akhor (2022) and Olatunde et al. (2023) provide empirical evidence that CEO Financial Expertise and Gender significantly reduce audit lag in Nigeria. Financially literate CEOs facilitate smoother audits by maintaining better internal controls, as highlighted in the Beam (2024) proceedings regarding technology driven reporting. The theoretical justification is the Agency Theory and the NCCG 2018 that suggests that timeliness reduces the opportunity for insider trading and information leakage, ensuring all stakeholders have equal access to information.

THEORETICAL FRAMEWORK

The study is primarily underpinned by Stakeholder Theory, which suggests that CEOs with certain positive attributes are more likely to align financial reporting with the interests of various stakeholders (creditors, employees, and regulators) rather than just short-term profit motives.

Empirical Review

Iyoha and Akhor(2022) investigated the effect of CEO attributes on financial reporting quality of listed deposit money banks in Nigeria using data of 13 listed deposit money banks which ranges from 2010 to 2020. The result of the regression analysis documents that CEO share ownership and financial expertise have significant negative effect on financial reporting quality. On the other hand, CEO tenure is found to have no significant negative effect on financial reporting quality of listed deposit money banks in Nigeria. The implication of the finding is that CEO that has shares in a company are less inclined to uphold high ethical reporting standard; thus, limiting their contributions towards improving firm vale.

Orugbo and Okolie (2025) investigated the effect of CEO attributes on listed commercial banks in Nigeria by sampling 11 banks and obtaining data from their annual reports and accounts for periods ranging from. The result of the regression analysis documents that chief executive gender diversity has a significant positive effect on financial reporting. Further finding shows that CEO tenure has a no significant effect on financial reporting quality. The result of that gender diversity has a significant positive effect on financial reporting quality points to the fact that women CEO helps in strengthening financial reporting quality. This can be attributed to the monitoring and controlling roles of the female directors that will translate to avoidance all form of financial reporting manipulation. The finding that CEO tenure having no significant positive effect on financial reporting quality is an indication of the fact that when the CEO overstay on the board, they will make no meaningful contributions towards ensuring financial reporting quality. The study contributed to the body of literature by investigating the effect CEO's attributes on financial reporting quality particularly in Nigeria banking sector that is characterized by financial reporting manipulation.

METHODOLOGY

Research Design and Population

This study adopts Ex-post facto research design using longitudinal (panel) data. The population consists of all 114 non-financial firms listed on the Nigerian Exchange Group (NGX). The study covers a ten-year period

from 2015 to 2024 and selected 80 listed companies in non-financial sector as the appropriate sample size using probability sample technique. Secondary data are extracted from the audited annual reports of the sampled firms and the NGX Fact book.

Model Specification

The study adopted the following regression models which examine the effect of CEOs attributes on financial reporting quality of listed non-financial firms in Nigeria. . The essence of the model is to proffer answers to the various research questions raised by the study. Functional effect between the dependent and independent variable will be represented as follows:

$$AEQit) = \beta_0 + \beta_1 AEQ(-1)_{it} + \beta_2 CEOGDR_{it} + \beta_3 CEOFEXP_{it} + \beta_4 CEOT_{it} + \beta_5 CEONALit + \epsilon_{it} \quad ----1$$

$$(VRit) = \beta_0 + \beta_1 VR(-1)_{it} + \beta_2 CEOGDR_{it} + \beta_3 CEOFEXP_{it} + \beta_4 CEOT_{it} + \beta_5 CEONALit + \epsilon_{it} \quad ----2$$

$$(EPit) = \beta_0 + \beta_1 EP(-1)_{it} + \beta_2 CEOGDR_{it} + \beta_3 CEOFEXP_{it} + \beta_4 CEOT_{it} + \beta_5 CEONALit + \epsilon_{it} \quad ----3$$

$$(TMit) = \beta_0 + \beta_1 TM(-1)_{it} + \beta_2 CEOGDR_{it} + \beta_3 CEOFEXP_{it} + \beta_4 CEOT_{it} + \beta_5 CEONALit + \epsilon_{it} \quad -----4$$

$$(FRQit) = \beta_0 + \beta_1 FRQ(-1)_{it} + \beta_2 CEOGDR_{it} + \beta_3 CEOFEXP_{it} + \beta_4 CEOT_{it} + \beta_5 CEONALit + \beta_6 (FSIZE)it + \epsilon_{it} ---5$$

 Where:

AEQ= Accrual earnings quality

AEQ (-1) = a period lag of accrual earnings quality

CEOGD = CEO gender

CEOFE =CEO financial expertise

CEOT CEO Tenure

CEONAT=CEO nationality

VR=Value relevance

VR (-1) =A period lag of value relevance

EP=Earnings persistence

EP (-1) = A period lag of earnings persistence

TM= Financial Reporting Timeliness

TM (-1)= A period lag of timeliness

FRQ=Financial Reporting Quality

FRQ (-1) = A period lag of Financial Reporting Quality, FSize= Natural logarithm of total firm size β_0 = Intercept term β_1= Regression coefficient of the independent variable X_{it} = Independent variables (CEOs' attributes) μ=Error term.

i = Cross-sectional units (i = 1…..15) t = Time series (t = 1…..15)

Model Evaluation

The model was evaluated based on:

- **Reliability Tests:** The **Arellano-Bond (AR1 and AR2)** tests to check for serial correlation.
- **Validity Tests:** The **Hansen J-test** (or Sargan test) for over-identifying restrictions to prove your instruments are exogenous.
- **Instrument Count:** Monitoring of the instrument count to avoid "over-fitting" (ensuring instruments < number of groups).

Measurement of Variables

Variable	Abbreviations	Unit of Measurement	Justifications for Variable Measurements
Accruals Earnings Quality	AEQ	Modified Jones Model	Afrizal et al, 2020; Kajola et al, 2021.
Value Relevance	VR	Ohlson Model (1995)	Ibanichuka& Briggs, 2018
Timeliness	TM	Time lag between firm fiscal year end and the date of issuance of the financial statement.	UiTM, 2016
Earnings persistence	EP	Autoregressive Models	Taylor & Francis, 2024
CEO gender	CEODG	A dummy variable equals 1 if the CEO is a female and 0 if otherwise	Okika et al., 2024; Altarawneh et al., 2020
CEO Tenure	CEOT	Length of time a CEO hold the position in a company	Sami et al., (2021), Henry (2025) and Omaliko (2024)
CEO Nationality	CEONAT	A dummy variable equals 1 if the CEO is a Nigerian and 0 if otherwise.	Adeoluwa et al. (2023) and Orugbo& Okolie (2025)
CEO financial expertise	CEOFE	A dummy variable = 1 if the CEO has an accounting and finance educational background and 0 if otherwise.	Iyoha &Akhor (2022) and Suziharto et al. (2024)
Firm Size	FSIZE	Natural logarithm number of firm total asset	Kajola, et al., 2022; Kajola, et al., 2020

Justification for System-Generalized Method of Moment (GMM)

System-GMM is designed to exercise the following based on Arellano and Bover (1995),

Endogeneity: This is the big one. Does a CEO with financial expertise cause better financial reporting quality (FRQ) or do firms with high FRQ specifically hire CEOs with financial expertise? System-GMM uses "internal instruments" (lagged values of the variables) to isolate the direction of causality.

Dynamic Complexity: Financial Reporting Quality is often persistent. Last year's accrual quality likely influences this year's quality. System-GMM allows you to include a lagged dependent variable as an explanatory variable.

Unobserved Heterogeneity: Every firm has a unique culture or "fixed effect" that doesn't change over time but affects Financial Reporting Quality. System-GMM removes these firm-specific biases through "differencing."

DATA ANALYSIS, RESULTS AND DISCUSSION OF FINDINGS

Descriptive Analysis

This section of the study provides insights into the chief executive officers attributes and financial reporting quality of non-financial companies listed on the Nigerian exchange. Table 4.1.1 below presents the descriptive statistics (Mean, Standard deviation, minimum and maximum values) of the proxies for chief executive officers attributes and financial reporting quality of listed non-financial companies in Nigeria. These proxy variables include Accrual Earnings Quality (AEQ), Value Relevance (VR), Earnings Persistence (EP), Financial Reporting Timeliness (FRT), CEO Gender (CEOG), CEO Nationality (CEON), CEO Tenure (CEOT), CEO Finance Expertise (CEOFE) and Firm Size (FSIZ).

Table 4.1.1 Descriptive analysis

Variables	Mean	Standard Deviation	Minimum	Maximum
AEQ	-.081245	0.489790	-8.507629	3.885963
VR	36.45403	155.8464	0.070000	1601.360
EP	27.26106	176.0346	0.000000	3286.000
FRT	110.8844	89.34462	-187.0000	934.0000
CEOG	0.072222	0.258999	0.000000	1.000000
CEON	0.323333	0.468009	0.000000	1.000000
CEOT	6.622222	3.779453	1.000000	13.00000
CEOFE	0.186874	0.390028	0.000000	1.000000
FSZ	7.121414	0.908023	4.834986	9.990000

Source: Researcher's Computation (2025) using E-views 9

Interpretation

Accrual Earnings Quality (AEQ)

The mean value of -0.08 for accrual earnings quality indicates that the accrual earnings management of the referenced companies are downwardly based- indicating a downward distortion of earnings.

Value relevance (VR) is averaged 36.45 indicating that that while some firms may disclose more value relevant information in their annual reports, others may disclose less value relevant information.

Earnings Persistent (EP) is averaged 27.26106 and ranges from 0.000 to 3286.000. This implies that on average, the degree of persistence in earnings of listed non-financial firms for the relevant period is 27.3.

Financial Reporting Timeliness (FRT), surrogated by audit reporting lag shows a mean value of 110.8844 indicating that indicates that the firm significantly differ with respect to their level audit reporting lag while some firms experience high delay in the audit report date, others may have their account being audited and signed by the auditor on time.

CEO Gender (CEOG) indicates that there is low women CEO among the sampled firms as majority of them are led by men CEO.

CEO Tenure (CEOT) is averaged 6.622 and ranges from 1.000 to 13.000. The standard deviation of 3.779453 indicates that there is wide variation from the mean value.

CEO Financial Expertise (CEOFE) has a mean value of 0.186874 indicating that the average CEO with financial expertise is 18.7% of the CEO of the sampled firms.

Correlation Analysis

Table 4.2.1. Correlation analysis for CEO attributes and accrual earnings management

	AEQ	CEOG	CEON	CEOT	CEOFE	FSZ	VIF	1/VIF
AEQ	1.000000							

						VIF	1/VIF
CEOG	0.018439	1.000000				1.307	.765
CEON	0.013097	-0.165600	1.000000			1.495	.669
CEOT	-0.061223	-0.063962	-0.247451	1.000000		1.525	.656
CEOFE	-0.070805	0.042455	-0.124297	0.089045	1.000000	1.224	.817
FSZ	0.011368	-0.062340	0.375924	-0.241062	0.006619	1.000000	1.162	.860

Source: Researcher's Computation (2025) using E-views 9

Table 4.2.2 Correlation analysis for CEO attributes and value relevance of financial reporting

	VR	CEOG	CEON	CEOT	CEOFE	FSZ	VIF	1/VIF
VR	1.000000							
CEOG	-0.052037	1.000000					1.219	.820
CEON	0.246312	-0.165600	1.000000				1.467	.682
CEOT	-0.114230	-0.063962	-0.247451	1.000000			1.400	.714
CEOFE	-0.064105	0.042455	-0.124297	0.089045	1.000000		1.047	.955
FSZ	0.245826	-0.062340	0.375924	-0.241062	0.006619	1.000000	1.191	.840

Source: Researcher's computation (2025) using E-views 9

Table 4.2.3. Correlation analysis for CEO attributes and earnings persistence

	EP	CEOG	CEON	CEOT	CEOFE	FSZ	VIF	1/VIF
EP	1.000000						1.281	.780
CEOG	0.000965	1.000000					1.457	.687
CEON	0.007138	-0.165600	1.000000				1.519	.658
CEOT	-0.056083	-0.063962	-0.247451	1.000000			1.161	.862
CEOFE	-0.013228	0.042455	-0.124297	0.089045	1.000000		1.218	.821
FSZ	0.107490	-0.062340	0.375924	-0.241062	0.006619	1.000000	1.281	.780

Source: Researcher's computation (2025) using E-views 9

Table 4.2.4. Correlation analysis for CEO attributes and financial reporting timeliness

	ART	CEOG	CEON	CEOT	CEOFE	FSZ	VIF	1/VIF
ART	1.000000						-	-
CEOG	-0.037401	1.000000					1.252	.799
CEON	-0.098833	-0.165600	1.000000				1.067	.937
CEOT	0.053489	-0.063962	-0.247451	1.000000			1.085	.921

| CEOFE | 0.057699 | 0.042455 | -0.124297 | 0.089045 | 1.000000 | | 1.149 | .870 |
| FSZ | -0.023078 | -0.062340 | 0.375924 | -0.241062 | 0.006619 | 1.000000 | 1.252 | .839 |

Source: Researcher's computation (2025) using E-views 9

Interpretations

In all, none of the independent variables has a correlation with the dependent variable in the neighborhood of 80% (Gujarati, 2003); hence, there is no problem of multicollinearity. This absence of collinearity is further buttressed by the results of the VIF which shows that none of the variables has a VIF value of close to 10.

GMM Diagnostic Tests

To validate the model three crucial tests are presented as follows:

Hansen/Sargan Test: $p > 0.05$ test of over – identification statistics which indicate that there is no problem of over-identification.

Arellano-Bond Test (1) shows that there is no problem of first-order correlation since the probability is far more than 5%

Arellano-Bond Test (2) shows that there is no problem of second-order serial correlation in the residuals, ensuring the GMM estimates are consistent.

System-GMM Results and Interpretations of Regression Analyses and Diagnostic Tests

Analysis of Hypothesis 1: CEO's attributes has no significant effect on accrual earnings management of listed non-financial firms in Nigeria.

Table 4.4.1.CEOs Attributes and Accrual Earnings Quality

Estimate Techniques	Coefficient	Std. Error	T-stat	Prob
AEQ(-1)	-43.35196	0.008023	-0.347811	0.0000
CEOG	0.964131	0.054563	9. 64131	0.0000
CEON	0.365734	0.051309	7.128011	0.0000
CEOT	0.111699	0.008875	12.58589	0.0000
CEOFE	0.295121	0.053083	5.559581	0.0000
FSZ	0.245233	0.040361	6.076046	0.0000
R^2	0.03			
Overall/Adjusted R^2	0.02 (4.733)			
F-Stat	0.000 (4.733)			
LM Test	0.000(33345)			
Heteroskedasticity Test	(818)			
Durbin-Watson Stat	1.788			
Arrelano-Bond test AR(1)	0.316			
Arrelano-Bond test AR(2)	0.616			
Hansen J test of overidentification	0.553			

Source: Researcher's computation (2025) using E-views 9

Analysis of Hypothesis 2: CEO's attributes does not significantly affect value relevance of accounting information of listed non-financial firms in Nigeria

Table 4.4.2.CEOs Attributes and Value Relevance of Financial Report

Estimate Techniques	Coefficient	Std. Error	T-stat	Prob
VR(-1)	0.364716	0.005952	61.27752	0.0000
CEOG	-3.655997	2.245175	-1.628380	0.1039
CEON	-35.02911	5.352027	-6.545016	0.0000
CEOT	-0.977532	0.218681	-4.470130	0.0000
CEOFE	-43.10815	6.119169	-7.044772	0.0000
FSZ	4.182160	0.911697	4.587225	0.0000
R^2	0.9433			
Overall/Adjusted R^2	0.9430			
F-Stat	0.000 (2729)			
LM Test	0.000 (4291)			
Heteroskedasticity Test	0.000 (4895)			
Durbin-Watson Stat	2.223			
Arrelano-Bond test AR(1)	0.1629			
Arrelano-Bond test AR(2)	0.1484			
Hansen J test of overidentification	46.501 (0.756)			

Source: Researcher's computation (2025) using E-views 9

Analysis of Hypothesis 3: CEO's attributes has no significant effect on earnings persistence of listed non-financial firms in Nigeria

Table 4.4.3: CEOs Attributes and Earnings Persistence

Estimation Technique	Coefficient	Std. Error	T-stat	Prob
EP-(1)	2.160896	0.006194	348.8459	0.0000
CEOG	37.90143	7.008848	5.407655	0.0000
CEON	145.6388	6.130331	23.75708	0.0000
CEOT	16.73253	1.474943	11.34453	0.0000
CEOFE	72.06205	2.966144	24.29486	0.0000
FSZ	47.94207	1.614458	29.69546	0.0000
R^2	0.654			

Overall/Adjusted R^2	0.651			
F-Stat	0.000 309			
LM Test	0.000 (8162)			
Heteroskedasticity Test	4729 (0.000)			
Durbin-Watson Stat	1.53			
Arrelano-Bond test AR(1)	0.0562			
Arrelano-Bond test AR(2)	0.6812			
Hansen J test of overidentification	54.70526 (0.447608)			

Source: Researcher's computation (2025) using E-views 9

Analysis of Hypothesis 4: CEO's attributes has no significant effect on financial reporting timeliness of listed non-financial firms in Nigeria

Table 4.4.4: CEOs attributes and Financial Reporting Timeliness

Estimation Technique	Coefficient	Std. Error	T-stat	Prob
FRT(-1)	0.284706	0.006194	78.20056	0.0000
CEOG	-70.21571	7.008848	-25.44286	0.0000
CEON	38.91833	6.130331	5.460751	0.0000
CEOT	1.349547	1.474943	1.489155	0.1369
CEOFE	60.07391	2.966144	14.79630	0.0000
FSZ	-53.88402	1.614458	-32.93681	0.0000
R^2	0.312			
Overall/Adjusted R^2	0.308			
F-Stat	0.000 (74.400)			
LM Test	3807 (0.000)			
Heteroskedasticity Test	1547 (0.000)			
Durbin-Watson Stat	2.161			
Arrelano-Bond test AR(1)	0.0013			
Arrelano-Bond test AR(2)	0.7120			
Hansen J test of overidentification	65.06201 (0.143993)			

Source: Researcher's computation (2025) using E-views 9

DISCUSSION OF FINDINGS

The study examined how CEO attributes influence the integrity of earnings, market relevance of financial reporting, the long-term consistency of earnings and the efficiency of the financial reporting cycle.

In all, the probability of the f-statistics of 0.000 indicates that there is joint significant effect of CEO's attributes on all dependent variables (accrual earnings quality, value relevance, earnings persistence and timeliness of financial report of listed non-financial firms in Nigeria. Arising from this, we reject the null hypothesis H_{04} which states that CEO's attributes has no significant effect on the quality of listed non-financial firms in Nigeria.

The result of the Arellano and Bond Test (1) shows that there is a problem of first-order correlation since the probability is less than 5%. However, the result of the Arellano and Bond Test (2) shows that there is no problem of second-order correlation since the probability is far more than 5%. The Hansen J test of overidentification statistics of 0.553 indicates that there is no problem of over-identification since it is far below 5%.

Implication of the findings to the stakeholders

The rejection of the null hypothesis indicated by the F-statistic of 0.000 is a robust finding with the application of System GMM thatcontrolled for endogeneity which proved that the CEO attributes actually drive reporting quality, rather than just being associated with it by chance.

Table 4.6.1 Summary Table of Implications of the Findings

Attribute	Primary Impact Area	Stakeholder Action
Finance Expertise	Accrual Quality	Boards should prioritize financial certifications in CEO searches.
Gender/Nationality	Value Relevance	Regulators should promote diversity to increase market trust.
Tenure	Earnings Persistence	Auditors should increase scrutiny as CEO tenure increases.
Firm Size (Control)	Reporting Complexity	Large firms require even stricter oversight of CEO influence.

CONCLUSION AND RECOMMENDATIONS

This study investigated the effect of CEO attributes on the Financial Reporting Quality (FRQ) of listed nonfinancial firms in Nigeria The study tested four hypotheses in the examination of the effect of CEO attributes on financial reporting quality of listed non-financial reporting of listed. The study extracted data of 80 listed non-financial companies from the annual reports and accounts of non-financial firms from 2015 to 2024 of which only 75 firms were successful.. By utilizing the System Generalized Method of Moment (GMM), this research addressed potential endogeneity biases and the persistent nature of financial reporting— problems often ignored by static models. The empirical results yielded an F-statistic of 0.000 (p < 0.01), providing overwhelming evidence to reject the null hypothesis. This confirms that CEO characteristics are not merely background noise but are fundamental determinants of a firm's financial integrity.

However, this study has moved the conversation from whether the corporate governance matters to how specific CEO attributes have directly shape the transparency of the Nigeria Capital Market. In all, the study established the significance of CEOs attributes in improving the quality of financial reporting in Nigerian listed non-financial firms.

Recommendations

Based on the empirical evidence, the following recommendations which associates with already concluded studies are proposed to enhance the quality of financial reporting in Nigeria:

Prioritize Financial Literacy in CEO Appointments: The Financial Reporting Council of Nigeria (FRCN) and Board Nomination Committees should encourage the appointment of CEOs with verifiable financial expertise. Technical competence in accounting allows for better oversight of the financial reporting process, reducing the likelihood of earnings manipulation.

Enhance Gender Diversity in the Executive Suite: Given the positive link between female leadership and earnings quality, firms should institutionalize policies that promote gender diversity. This is not just a social imperative but a strategic move to enhance the credibility of financial statements for stakeholders.

Monitor Long-Tenured CEOs: While experience is valuable, boards should implement more rigorous independent audits for long-tenured CEOs to prevent managerial entrenchment. Regular "refresher" oversight ensures that long-serving executives remain aligned with the ethical demands of Stakeholder Theory.

Promote Demographic Diversity: Boards should actively seek gender and nationality diversity. The study indicates that diversity is not just a social goal but a functional mechanism to improve the Value Relevance and Timeliness of financial statements

REFERENCES

1. Aabo, T., Hanousek Jr., J., Pantzalis, C., & Park, J. C. (2023).CEO Personality Traits and Corporate Value Implication of Acquisitions. Journal of Empirical Finance, 73, 86–106.
2. Aabo, T., Kirch, T. R., & Thomsen, K. H. S. (2024). Give me uncertainty, and I will shine: CEO Narcissism and Corporate Performance. Global Finance Journal, 62.
3. Abdi. (2025). Chief Executive Officer Characteristics and Earnings Quality of Nigerian Listed Firms. Journal of Asian and African Social Science and Humanities, 11(1), 20–43.
4. Adeoluwa, S. A., Musa, S., & Abdul-Latif, M. (2023). CEO Attributes and Real Earnings Management of Listed Non-Financial Firms in Nigeria: The Moderating Role of Board Independence. Journal of Accounting and Financial Management, 9(4), 12–31.
5. Ado, A. A., & Nwachukwu, A. (2021). Board Gender Diversity and Financial Reporting Quality of Listed Deposit Money Banks in Nigeria. International Journal of Accounting & Finance (IJAF), 10(1), 1–15.
6. Agbata, A. E., et al. (2025). Corporate Boards Remuneration Committee Attributes and Financial Re-Engineering Among Listed Companies in Nigeria. Annals of the University of Craiova for Journalism, Communication and Management, 10(1), 151–158.
7. **Akims, K. A., Akims, M. A., &Pyoko, O. M. (2024).** Chief Executive Officer Characteristics and Firm Value: Evidence From Construction and Allied Firms Listed at the Nairobi Securities Exchange. Journal of Finance and Accounting, 12(1), 12–28.
8. Almaghrabi, K. S., Slack, R., Tsalavoutas, I., &Tsoligkas, F. (2024). Capitalised Development Costs and Future Cash Flows: The Effect of CEO Overconfidence and Board Gender Diversity. The British Accounting Review, 56(6).
9. Akinwumi, S., &Onmonya, L. (2025). Corporate Governance and Financial Reporting Quality: Evidence from Nigerian Listed Firms. FUJAFR, 3(3).
10. Altarawneh, M., Shafie, R., Ishak, R., & Ghaleb, B. A. A. (2020). CEO Characteristics and Discretionary Accruals in an Emerging Economy. Cogent Business & Management, 7(1), 1–21..
11. Anyang, I. A., &Uwah, U. E. (2024). Chief Executive Officers' Attributes and Firms' Value of Deposit Money Banks in Nigeria. AKSU Journal of Administration and Corporate Governance, 4(4), 125–141.
12. Ashraf, M., et al. (2020). CEO Attributes and Financial Reporting Quality: Evidence from an Emerging Market. Journal of Financial Reporting and Accounting, 18(4).
13. Bugaje, S. Y., Taura, N. A., &Minjibir, I. S. (2024). Investigating the Effect Of CEO Characteristics and Financial Reporting Quality of Quoted Consumer Goods Firms in Nigeria. African Banking and Finance Review Journal, 18(18), 110–127.

14. Chandren, S., et al. (2021). The Influence of The Chairman and CEO Effectiveness on Operating Performance: Evidence from Malaysia. Cogent Business & Management, 8(1), 1935189.

15. Christensen, T. E., et al. (2021). ESG Reporting, Investor Decision-Making, And Financial Reporting Quality.

16. Conscientia Beam. (2023). Benefits and Costs of Adopting International Financial Reporting Standards. International Journal of Management and Sustainability, 12(2), 70–83

17. Dechow, P. M., et al. (2023). Trends in Earnings Management Research: A Review of Recent Advancements. Journal of Accounting and Economics (relevant edition).

18. Desiet, A. (2023). CEO Attributes, Board Independence, and Real Earnings Management: Evidence from Nigeria. Cogent Business & Management, 10(1), 2194464.

19. Ebaid, I. E.-S. (2023). IFRS Adoption and the Readability of Corporate Annual Reports: Evidence from An Emerging Market. Future Business Journal, 9(1), 1–12.

20. Francis, J., et al. (2022). Does CEO Inside Debt Really Improve Financial Reporting Quality?

21. Francis, J., et al. (2025). CEO IQ and Earnings Quality in Private Firms. Accounting and Business Research, 55(1

22. Henry, A. O. (2025). CEO Tenure and Financial Reporting Quality: Examining the Entrenchment Vs. Expertise Hypothesis in Nigerian Listed Firms. Journal of African Business and Economic Research, 10(2), 88–104.

23. Ibrahim, S. I., Yahaya, O. A., & Irom, M. I. (2025). CEO Attributes and Earnings Management of Listed Insurance Firms in Nigeria Moderated by Board Gender Diversity. International Journal of Research and Innovation in Social Science, 9(14), 1852-1877.

24. Iyoha, A. O. I., &Akhor, S. O. (2022). CEO Attributes and Financial Reporting Quality Among Deposit Money Banks Listed in Nigeria Stock Exchange. Journal of Finance and Accounting, 8(9), 40–54

25. Johri, A. (2024). Examining the Impact of International Financial Reporting Standards Adoption on Financial Reporting Quality of Multinational Companies. International Journal of Financial Studies, 12(4), 96.

26. Lawal, A. M., Amran, N. A., & Shafai, N. A. (2024). CEO Demographical Characteristics and Financial Reporting Timeliness in Nigeria. Cogent Business & Management, 11(1).

27. Loan, N. T. K., Dong, P. X., & Phuong, H. T. L. (2025). CEO's financial and accounting expertise on earning quality: The moderating role of audit quality. WSB Journal of Business and Finance, 59(1), 81–92.

28. Mathew, S. O., Adeniran, A. J., & Suleiman, T. (2023). CEO Financial Expertise and Earnings Management of Listed Non-Financial Firms in Nigeria. International Journal of Finance and Management, 8(3), 45–60.

29. Migliavacca, M. (2024). The Influence of Managerial Characteristics on Corporate Disclosure and Financial Reporting Quality. Journal of Management and Governance, 28(1), 45–68.

30. Mulya, A. S., & Sandy, R. M. (2024). Earnings Response Coefficient: Earnings Persistence Moderated by Capital Structure and Economic Growth. Cogent Business & Management, 11(1), 2441475.

31. Mwankenja, J. P. (2022). Impacts of Financial Information on Investment Decision Making: A Case Study of Dar es Salaam Stock Exchange. [Master's thesis, The Open University of Tanzania]. OUT Digital Repository. http://repository.out.ac.tz/3559

32. Myers, L. A., Myers, J. N., & Omer, T. C. (2003). Exploring the Term OfThe Auditor-Client Relationship AndThe Quality Of Earnings: A Case For Mandatory Auditor Rotation? The Accounting Review, 78(3), 779–799..

33. NCCG. (2018). Nigerian Code of Corporate Governance 2018. Financial Reporting Council (FRC) of Nigeria.

34. Nguyen, Q. K., & Dang, V. C. (2023). The impact of FinTech development on stock price crash risk and the role of corporate social responsibility: Evidence from Vietnam. Business Strategy & Development, 6(3), 345–358

35. Okika, N. P., Esther, O. T., & Gbadebo, A. D. (2024). CEO Characteristics and Financial Reporting Quality in Listed Consumer Goods Companies in Nigeria. Gusau Journal of Accounting and Finance, 5(1), 68-86.

36. Olatunde, O. J., et al. (2023). Corporate Governance Mechanisms and Timeliness of Financial Reporting: Evidence from Nigerian Consumer Goods Sector. Nigerian Journal of Management Sciences, 24(1), 112–125.

37. Omaliko, E. L. (2024). CEO Attributes and Sustainability Reporting Quality of Listed Industrial Goods Companies in Nigeria. International Journal of Accounting and Finance, 13(1), 15–32.

38. Orugbo, O. V., & Okolie, A. O. (2025). Board Diversity, CEO Characteristics and Value Relevance of Financial Information in Nigeria: A System-GMM Approach. Journal of Financial Reporting and Taxation, 7(1), 202–218.

39. Owolabi, A., & Owolabi, S. A. (2024). Audit Committee Effectiveness, CEO Financial Literacy and the Quality of External Audits in Nigeria. African Journal of Accounting, Auditing and Finance, 9(2), 140–158.

40. Saheed, B., Farouk, A. M., &Dagwon, Y. D. (2025). Impact of CEOs' Characteristics on Earnings Management of Listed Deposit Money Banks in Nigeria; Moderated By Audit Quality. ANUK College of Private Sector Accounting Journal, 2(3).

41. Schumann, F., Thun, T. W., Dauth, B., &Zülch, H. (2024). Does Top Management Team Diversity Affect

42. Accounting Quality? Empirical Evidence from Germany. Journal of Management & Governance, 28(1), 137-175.

43. Suziharto, S., Probohudono, A. N., Suhardjanto, D., &Widarjo, W. (2024). The Role of CEO Accounting Expertise in Moderating the Relationship between CEO Power and Financial Reporting Quality. International Journal of Professional Business Review, 9(4), e04481.

44. Tessema, A. M., & Abou-El-Sood, H. (2025). CEO Dynamics and Real Earnings Management: A Gender Diversity Perspective From Sub-Saharan Africa. MDPI.