

CEO Demographics and Financial Performance of Firms in Nigeria

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Abstract

This study empirically investigated the relationship between CEO demographics and financial performance of listed consumer goods firms in Nigeria. In order to determine the relationship between CEO demographics and firms' financial performance, CEO demographics were proxy using CEO nationality and CEO tenure while firm financial performance on the other hand was measured using return on sales (ROS). Two hypotheses were formulated to guide the investigation and the statistical test of parameter estimates was conducted using panel least squares regression model operated with E-Views.12. Ex Post Facto design was adopted and data for the study were obtained from the Nigerian Exchange Group Factbook and published annual financial reports of listed consumer goods firms on Nigerian Exchange Group (NGX) spanning from 2015-2023. The findings of the study indicate that CEO nationality and CEO tenure have positive and significant influence on firm financial performance (ROS) at 1% significant level. Based on this, the study concludes that CEO demographics ensure corporate financial performance in Nigeria. The study therefore suggests above all that shareholder should consider appointing foreign CEO to their organizations, who have empirically proved to have less flair for fraudulent financial reporting and assets mismanagement, because of their orientations. Also, there is a need for increasing the tenure of executives as it is capable of improving financial performance and on the other hand reduce agency issues

Keywords: CEO Demographics; CEO Nationality; CEO Tenure; Return on Sales

1.0 Introduction

In an age where skepticism is common and everyone in a leadership position is expected to lead with openness and transparency, integrity and trustworthiness are more important than ever. A CEO candidate should be above reproach and should be able to admit and own mistakes. Sequel to above, Attribute of a successful CEO include foresight for future planning, adaptability to changing circumstances, reliability to maintain trust, teamwork for effective decision making and decency to build strong relationships, Above all, emotional intelligence to accommodate all. Financial performance has been a common area of research in corporate governance, with many concerns guiding this research. Companies have always been interested in improving their performance, and value creation has become a crucial factor in evaluating companies in a more financially oriented economy (Ahmad, Prasetyo, Buchdadi, Suherman, Widyastuti & Kurniawati, 2023). This emphasis on value creation has raised questions about how companies manage or

transfer their risks.

Extant literature has been developed to explore the factors that impact firms' performance, with many factors being identified as significant contributors (Agarwal, 2020). Among these factors, the characteristics of executive directors, such as the CEO, are considered to play a crucial role (Chowdhury & Fink, 2022). Executive managers are essential players in this process, and the success or failure of a company is often attributed to their decisions. These managers are constantly evolving and are tasked with driving growth, managing complexity, and controlling costs. Recent financial crises have highlighted the importance of effective corporate governance, particularly concerning the behaviour of top managers. The crucial decisions that determine a company's survival are made by executive managers, whose focus is now shifting towards investment matters that promote growth and long-term success.

Chief Executive Officer (CEO) is the key part in firm's performance and has been highly debated in recent years. The role of CEO also differs in developing economies such as Nigeria as compared to developed countries such as China, USA, UK and other European countries due to the economic differences. Adams and Ferreira (2022) concluded that CEOs can only impact firm's performance if they have influence over crucial decisions. Chief executive officer is responsible for making all the business decisions hence rewarded when his firm outperforms and is also held accountable in case of disastrous performance. CEO also exerts huge influence over firms due to the fact that they are legally entitled authoritarians of the organizations hence directing corporate behaviors according to their will and understanding and this power to direct the firm according to CEO's own will and understanding results from various traits and resulting in making them powerful. Powerful CEO has the ability to decide composition of the firm's top management.

The rest of the team including top management and their subordinates can be at their best towards the achievement of organizational objectives but still the CEO is the one who is responsible to give a green signal for every decision hence is able to set the strategic direction of the organization (Musa & Onipe, 2023). The competitiveness of innovation, strategic direction and cost reduction of a business depend on the values and cognitive behavior of a CEO because it influences filtering mechanism of decision making as it depends on how the CEO perceives or interpret the data (Waqas & Ma, 2020).

While previous studies have already debated a lot on the fact that certain attributes of the CEO can determine the path of the firm's financial performance, which most of the studies focused on the US and European markets other than developing economies like Nigeria. The present study therefore focuses on the Nigeria market, which has received less attention in the literature. Thus, this research aims to fill the gap in the literature by examining the impact of CEO demographics, such as, nationality and tenure on the performance of Nigeria-listed consumer goods firms.

Also, the adoption of international financial reporting standards in Nigeria has led to structural changes in the country's business practices, making it an interesting case study for exploring the relationship between CEO demographics and firm performance. Hence, empirical evidence as to the seemed influence of CEO demographics on the performance of consumer goods firms in a developing economy like Nigeria is still vague which makes the present study germane as it aims to increase the understanding of the relationship between CEO demographics and firm

performance in the unique context of Nigeria using listed consumer goods firms which no study had investigated regarding the selected CEO demographics based on available literature.

Sequel to above, the present study seeks to determine the effect of CEO demographics on firm performance in Nigeria using a market based measurement for performance with reference to firms listed under consumer goods sector of the Nigerian Exchange Group (NGX). To achieve this purpose, the following hypotheses were formulated:

H₀₁: CEO Nationality does not have significant effect on Financial Performance of Listed Consumer Goods Firms in Nigeria

H₀₂: CEO Tenure has no significant effect on Financial Performance of Listed Consumer Goods Firms in Nigeria

This study includes several sections. Therefore, the remainder of this study is structured as follows: Section 2 deals with the overview of the current state of the relevant literature. This is followed by Section 3, which deals with the methodology and Section 4 presents and discusses the results, while Section 5 deals with conclusion and recommendations of the study.

2.0 Review of Related Literature

2.1. CEO Demographics

In the words of Dominic, Eyenubo and Famous (2022), the Chief Executive Officer (CEO) of an organisation can play an important role in creating the value for shareholders. The CEO can follow and incorporate governance provisions in a firm to improve its value. In addition, the shareholders invest heavily in the firms having higher corporate governance provisions as these firms create value for them. The decisions of the board about hiring and firing a CEO and their proper remuneration have an important bearing on the value of a firm. The board usually terminates the services of an underperforming CEO who fails to create value for shareholders. The turnover of CEO is negatively associated with firm performance especially in developed markets because the shareholders lose confidence in these firms and stop making more investments (Musa & Onipe, 2023; Omaliko, Odubuasi, Asuzu & Ajuonu, 2024).

CEOs are hired on short-term contracts and are more concerned about the performance of the firm during their own tenure causing them to lay emphasis on short and medium-term goals. This tendency of the CEO may limit the usefulness of stock price in an organization performance (Bhagat & Jefferis, 2022).

The CEO of a firm is responsible for making major corporate decisions, managing overall operations, and setting the company's strategic direction. They are accountable to the board of directors or stakeholders of the company and are often the public face of the organization (Chowdhury & Fink, 2022). A CEO is one of a number of corporate executives charged with the management of an organization. CEOs find roles in a range of organizations, including public and private corporations, non-profit organizations and even some government organizations (notably state-owned enterprises). The CEO of a corporation or company typically reports to the board of directors and is charged with maximizing the value of the business, which may include

maximizing the share price, market share, revenues or another element. In the non-profit and government sector, CEOs typically aim at achieving outcomes related to the organization's mission, usually provided by legislation. CEOs are also frequently assigned the role of main manager of the organization and the highest-ranking officer (Sani, 2022).

According to Ilaboya and Obasi (2020), the CEO occupies the peak of the organizational hierarchy, and he is ordinarily responsible for championing the course of the business from visioning, acquisition of requisite personnel to formulating the policy and setting the strategy for the organisation. He is the highest-ranking executive of any business organisation. The CEO is known by other titles such as President, Executive director, and Managing director.

For the purpose of this research, the present study proposed a model fit on CEO demographics using the following Indexes; CEO Nationality, CEO Tenure. This is explicated below as thus:

2.1.1. CEO Nationality

As noted by Odubuasi, Anene and Wilson-Oshilim (2023), nationality orientation has psychological inducement in the lives of individuals and nationality qualifies the nation of origin of the CEO. Literature recorded that CEOs are better off in the country where they were groomed except for CEOs with international experience and knowledge who would have a competitive advantage in improving performance of foreign companies. CEO with a particular nationality may have difficulty selling out his skills in a different clime or nation than the CEO of that very nationality. Jalbert, Chan, Jalbert and Landry (2021) found from their empirical investigation that CEOs in the United State of America are compensated according to their nationalities.

CEO nationality defines the country of origin of a firm CEO. CEOs' nationality race against time and is especially urgent when it comes to fluctuations in financial performance. Over the last few years, CEOs see poor financial performance primarily impacting their cost profiles and supply chains (Musa & Onipe, 2023).

2.1.2 CEO Tenure

There are several previous researches that point towards the tenure of CEO and its impact on financial implications of a firm. The tenure of a CEO can have a huge impact on organizational performance and project preferences. A CEO serving for longer period of time must feel comfortable in traditional business practices and might not be able to bring or welcome innovative ideas. These executives spend more time in making decisions because they take more time to evaluate and decide best alternative on the basis of their knowledge and experience.

As CEOs' tenure increases they become more familiar with their enterprises, and have a stronger ability to avoid institutional restraints within and outside of their enterprises. This makes it easier to obtain core resources and pursue their own interests. On the other hand, CEOs with long tenure will accumulate more working experience in their companies, which deepens their recognition of resources and enhances their ability to identify the outside environment.

According to Adams and Ferreira (2022), CEO's with higher tenure prefer more risky projects to earn more rather than secure projects with lower returns. Furthermore, CEOs with higher tenure are more result oriented and higher commitment leads to increased incentives for increased

performance. On the other hand, CEOs with longer tenure are less likely to change their strategy because they prefer efficiency and stability over inconsistency throughout. CEOs are mostly faced by some sort of succession plans frequently and that's why they don't hold a top position in a firm for longer period of time. CEO turnover has been observed too, mostly were performance based turnovers. Kyereboah-Coleman (2020) noted that CEO tenure and firm's performance has inverse relationship. In short, shorter CEO tenure means he is lacking performance. The CEO retiring at a specified time period doesn't mean he was able to outperform others but there is another view suggesting that CEO with longer tenure may be exercising power by having control of board of directors (Abdullah & Faudziah, 2019).

This is one of the most uncertain characteristic of the CEO. Some researchers found a positive relationship while many argue that tenure of the CEO is negatively related to firm's performance. Adams and Ferreira (2022) argue that CEOs with more number of years in an organization gains more power and more power results in preference for higher returns as compared to projects that are more secured but offer lower returns.

Hambrick and Fukutomi (2021) presented leader life cycle theory in which they stated that there is an inverted curvilinear relationship between CEO tenure and firm's performance and developed five phases that a CEO might experience during his duration in the organization. Using this theory, the study concluded that the optimal tenure of a CEO is between 9-14 years. Also, Fayyaz, Raja, Antonucci and Venditti (2021) reported that there is a decline in CEO tenure in European firms that is 5 years

2.1.3 Firm Performance

Firm performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Okeke, 2021).

There are many different ways to measure corporate performance, but all measures should be taken in aggregation. Line items such as revenue from operations, operating income or cash flow from operations can be used, as well as total unit sales. Furthermore, the analyst or investor may wish to look deeper into financial statements and seek out margin growth rates or any declining debt. According to Erikie and Osagie (2019), corporate performance is the measuring of results of a firm's policies and operations in monetary terms. These results are reflected in the firm's return on investment, return on assets, value added, return on equity, return on networth, return on total assets and return on capital employed. There are many different ways to measure financial performance, but all measures should be taken in aggregation. Line items such as revenue from operations, operating income or cash flow from operations can be used, as well as total unit sales. Furthermore, the analyst or investor may wish to look deeper into the financial statements and seek out margin growth rates or any declining debt.

According to Chandrasekharan (2022), financial performance is an extent to which a company's financial health over a period of time is measured. In other words, it is a financial action used in order to generate higher sales, profitability and worth of a business entity for its shareholders through managing its current and non-current assets, financing, equity, revenues and expenses.

Its main purpose is to provide completion to the point information to shareholders and stakeholders and encourage them in making decisions. It can be used to evaluate similar companies from the same industry or to compare industries in aggregation.

One of the best ways of evaluating a sector financial performance is by the use of financial or ratio analysis. It shows the relation between one quantity or performance indicators over another, expressed mathematically and tries to summarize huge database for one eye view regarding the financial performance of a firm (Chandra, 2020).

2.2 Theoretical Framework

2.2.1 Stewardship Theory

The theory was propounded by Donaldson and Davis in the year 1989. The stewardship theory holds essentially, that directors act as stewards and will not be concerned about fostering their own economic interests, as agency theory holds, but will be willing to act in the best interests of their company, and they will act in a way that leads to collectivist/organizational utility rather than self-serving benefits. In working towards organizational ends, the personal needs of directors are fulfilled.

Stewardship theory puts forward the view that individuals, and this includes directors, can often be motivated by considerations of fairness, justice and concern for the interests of others (Buchanan 1996), and directors often see themselves as stewards of the company's affairs who can be trusted to do a good, professional job, and they are so connected to the aims of the company that that these take precedence over their self-interest (Hernandez 2012).

According to Finkelstein and Hambrick (1989), managers or agents are not motivated by individual goals rather they work in the best interest of principal if they hold both the positions of CEO and the Chairman of the board simultaneously. The previous researchers have found mixed and non-conclusive results regarding CEO characteristics and corporate performance. Some studies found combined leadership structure more favorable to achieve high performance in organization; hence, bending towards stakeholders theory (Donaldson & Davis, 1989). Meanwhile some studies found opposite results claiming that combined leadership structure (groups' interest) is not beneficial to achieving performance objectives (Shafique, Al-Mamun & Rahim-Suriya, Abdul, 2014).

Also, the stewardship theory argues that managers and executives always work in the best interest of the shareholders and suggests that CEO share ownership can be ideal for firm performance and value creation because leadership and control are united in one hand because stewardship theorists believe that the CEO will take responsibility of protecting and maximizing the shareholders wealth and interests seriously as they feel motivated and satisfied when the organizational objectives of profit maximization are achieved (Ezeala, Opara & Omaliko, 2024). Therefore, stewardship theory is of the opinion that educational level, experience, nationality etc ensure corporate performance.

Both theories are contradicting but simultaneously present possible outcomes in different situations. Agency theory on one side warns about the possible negative outcomes of joining both positions and on the other side, stewardship theory is ethically right because the chief

executive officer (CEO) and chairman of the board (COB) are both trusted positions in the organization and when combined together, the CEO must work in the best interest of the shareholders.

Hence, the study is anchored on Stewardship Theory as the theory perfectly explains the relationship between CEO Demographics and corporate performance and also offer clearance over conflict between the agent and principal where agents are the CEOs and the shareholders are the principals.

2.3 Empirical Review

Ibrahim and Ahmad (2023) investigate certain physical characteristics of the CEO in relation to firm performance (ROE). The study applied OLS with robust standard errors to a panel composed of 1600 firm-year observations of non-financial Malaysian listed companies between 2018 and 2022. The results revealed that the ethnicity (Chinese) and nationality (foreign) of a CEO have a significant positive association with firm performance.

Ghardallou (2023) examined the impact of CEO attribute on firm performance of one hundred and twenty (120) listed companies in the Tadawul Stock Exchange for the period 2017 to 2020, using data from the annual financial statements of the sampled company. The data obtained were estimated using the Generalised Method of Moment (GMM) estimation technique. The result from the GMM estimation points out that companies that have CEO with economic, administrative, or functional education performs better than CEO who does not have economic, administrative or functional education. The study also assert that CEO with longer tenure perform better than a CEO with shorter tenure they attribute the positive relation between the tenure of a CEO and firm performance to the knowledge, and experience that older CEO has acquired during the cause of working in the company.

Ahmad, Prasetyo, Buchdadi, Suherman, Widyastuti and Kurniawati (2023) investigated the effect of CEO characteristics (CEO tenure, CEO nationality) on firm performance in the context of food and beverage firms in Indonesia, Malaysia and Singapore. The sample was screened from 50 food and beverage firms consisting of 16 Indonesian firms, 19 Malaysian firms and 15 Singapore firms. The period of observation ranged from 2013 to 2018. The study used panel data regression analysis, including the fixed effect model (FEM) with clustered standard errors. The empirical results showed that CEO nationality has a significant effect on firm performance. Meanwhile, CEO gender does not have a significant effect to firm performance measured with ROA and ROE.

Olusola, Soyinka and Sunday (2022) examined the CEO attributes and earnings management in Nigeria. Secondary data were used for a for a 10-year period (2012-2021). The data were sourced from annual reports of 13 deposit money banks listed on the Nigeria Exchange Group (NEG) as at 31st December, 2021. In determining the dependent variable, discretionary accruals through modified Jones model was used while CEO age, CEO tenure and CEO gender was used to examine CEO attributes. The study utilized panel data analysis with the application of ordinary least square (OLS) regression to test the hypotheses and to ascertain the significant relationship between CEO age, CEO tenure, CEO gender and earnings management of listed deposit money banks in Nigeria. The findings revealed a significant negative relationship

between CEO age and earnings management, while CEO tenure and CEO gender were statistically non-significant in explaining variations in earnings management of listed deposit money banks in Nigeria. The study concludes that CEOs age are the strong drivers of earnings management.

Khan, Mansi, Lin, Lui, Suanpong and Ruangkanjanases (2021) analyzed the effects of Chief Executive Officer (CEO) Key attributes on the financial performance of banks. Current literature gives little attention to the important characteristics of CEOs, therefore, the paper investigates the effects of characteristics of CEOs, such as education, experience, nationality, military background (MTB), and political connectedness (PC), on the financial (return on assets) performance of listed private commercial banks in Pakistan. This research sample included 20 private commercial banks of Pakistan and used Secondary data that was derived from 2011 to 2020, which contained 200 sample observations. The study used the Fixed effect model, Normality test, Breush–Pagan, white test, multi-collinearity, and Augmented Dickey–Fuller test to investigate the study hypotheses. The main results revealed that CEO MTB and PC significantly and positively affected the financial performance of the bank. It is also found that the CEO's education and Experience have a significant and positive relationship with bank profitability. In contrast, the nationality of the CEO has no significant relationship with the financial performance of the bank.

Ilaboya and Obasi (2020) investigated how the homogenous attributes of the Chief Executive Officers of listed Banks in Nigeria influence the performance of the Banks. The study is rooted in the positivist research philosophy, directed by the inductive approach, and based on the panel research design which combines the characteristics of cross-sectional and longitudinal research strategies. Data was sourced from the content analysis of the annual reports of the banks. The study is a census of the target population of listed banks operational over the period 2012 to 2019. The panel regression technique forms the basis of data estimation, having achieved the usual regression diagnostics. The result of the analysis could not reject the proposition that the tenure of the CEO has no significant influence on the performance of the listed Banks at the 5% level of significance.

Obazee and Amede (2019) examines whether CEO attributes namely CEO tenure, gender, financial expertise, and ownership are significantly related to financial reporting timeliness. The study adopts a correlational research design and secondary data were sourced from firms quoted on the financial sector of the Nigerian Stock Exchange (NSE) for the period 2010-2016. The data collected were analysed using Ordinary Least Square (OLS) method regression technique. The findings reveal that CEO tenure and CEO gender are significantly related to financial reporting timeliness while CEO financial expertise and CEO ownership have no significant relationship with financial reporting timeliness. Based on the findings, the study recommended that CEOs should be allowed to retain their positions till the specified limit by the regulators. Also females should be considered more for the position of CEO. Share ownership should not be used as an incentive by the company for CEOs to report financial information in a timely manner. In seeking a new CEO, individuals who possess financial expertise should not be regarded higher than those who are not financial expert.

3.0 Methodology

An *ex post facto* design was used in the study based on the fact that the data for the study was secondary which already existed and cannot be controlled. The population of the study consists of all the 21 listed consumer goods firms on the Nigerian Exchange Group (NGX) as at December 31, 2023, covering the period 2014-2023. Thus, the study used the entire population of the study. On this basis, a total of 21 firms made up our sample size. Out of the 21 consumer goods firms that formed our sample size, 5 firms have empty financial information within the period under review (Union Dicon Slat Plc, Golden Guinea Breweries Plc, DN Tyre and Rubber Plc, BUA Foods Plc and Multi-Trex Integrated Foods Plc) and were removed. Based on this, a total of 16 firms were used. The data was collected from the annual accounts and annual accounts of the sampled firms. Panel least square regression model was used to examine the relationship between CEO demographics and financial performance of listed consumer goods firms in Nigeria.

3.1 Operationalization and Measurements of Variables

The definitions and measurements of dependent and independent variables inherent in the study is presented on table 1 as thus:

Table 1: Definitions and Measurements of the Variables

Variable	Measurement	A Priori Expectations
Independent		
CEO Nationality (CNAT)	1 if a firm has foreign CEO otherwise; 0	It is expected to have a positive effect.
CEO Tenure (CTEN)	1 if the CEO has stayed up to 3 years otherwise; 0	It is expected to have a positive effect.
Dependent		
Return on Sales	NPAT/ Sales	

Source: Researcher's Compilation (2024)

3.2 Model Specification

In-line with the previous studies, the researcher designed a model to examine the relationship between CEO demographics and performance of listed consumer goods firms in Nigeria.

The functional model is expressed as thus:

$$ROS_{it} = \beta_0 + \beta_1 CNAT_{it} + \beta_2 CTEN_{it} + \mu$$

Where:

ROS = Return on Sales

CNAT = CEO Nationality

CTEN = CEO Tenure

μ = Stochastic Term

$\beta_1 - \beta_2$ = Coefficient of Regression Equation

β_0 = Constant coefficient (intercept) of the model

Decision Rule: accept H_0 if P-value > 1%-5% significant level otherwise reject H_0

4.0 Data Presentations and Analysis

Table 2: Panel Least Squares Regression Result on Effect of CEO Demographics on Financial Performance of Consumer Goods Firms in Nigeria

Dependent Variable: ROS
 Method: Panel Least Squares
 Date: 09/28/24 Time: 12:04
 Sample: 2015 2023
 Periods included: 9
 Cross-sections included: 16
 Total panel (balanced) observations: 144

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CNAT	0.714929	0.255326	2.800062	0.0055
CTEN	0.155472	0.037861	4.106389	0.0002
C	3.149192	0.594258	5.299371	0.0000
R-squared	0.757441	Mean dependent var		1.028979
Adjusted R-squared	0.729419	S.D. dependent var		3.015098
S.E. of regression	2.939653	Akaike info criterion		9.006985
Sum squared resid	2030.766	Schwarz criterion		10.050753
Log likelihood	592.8312	Hannan-Quinn criter.		11.024624
F-statistic	7.160587	Durbin-Watson stat		2.002302
Prob(F-statistic)	0.000000			

Source: E-Views 12 Computational Results (2024)

4.1: Discussion of Findings.

In table 2, R-squared and its adjusted R-squared values were (0.76) and (0.73) respectively. This is an indication that all the independent variables jointly explain about 76% of the systematic variations in firm financial performance (ROS) of our sampled firms over the nine-year period (2015-2023) while 24% of the systematic variations are captured by the error term. The F-statistics 7.160587 and its P-value of (0.000000) portrays the fact that the Panel Least Squares Regression Model is well specified. With this, the researcher affirms the validity of the regression model adopted in this study.

Test of Autocorrelation: Using Durbin Watson (DW) statistics, 2.002302 was obtained from the regression result as shown on table 2. This agrees with the Durbin Watson rule of thumb which indicates that the data is free from autocorrelation problem and as such fits for the regression result to be interpreted and relied on. Akaike Info Criterion and Schwarz Criterion

which are 9.006985 and 10.050753 respectively further strengthen the fitness of our regression result for reliability as it confirm the goodness of fit of the model specified.

In addition to the above, the specific findings from each explanatory variable from panel least squares regression model as shown on table 2 is provided below as follows:

H₀₁: CEO Nationality does not have significant effect on financial performance of listed consumer firms in Nigeria. This hypothesis was tested and the result of the regression model as exposted on table 2 indicates that the relationship between CEO nationality (CNAT) and return on sales (ROS) is positive and significant with a P-value (significance) of 0.0055 for the model which is less than to 1% level of significance adopted. Likewise the result of positive coefficient of 0.7149 for the model indicates that the nationality of the CEOs is a matter of concern in a discourse of firm financial performance (ROS) in Nigeria. The implication of this is that firms with foreign CEOs have higher performance.

We therefore rejected the null hypothesis and accepted the alternate hypothesis which contends that CEO nationality has significant effect on performance of listed consumer goods firms in Nigeria.

H₀₂: CEO Tenure has no significant effect on financial performance of listed consumer goods firms in Nigeria. This hypothesis was tested and the result of the regression model as exposted on table 2 indicates that the relationship between CEO tenure (CTEN) and return on sales (ROS) is positive and significant with a P-value (significance) of 0.0002 for the model which is less than the 1% level of significance adopted. Likewise the result of negative coefficient of 0.1555 for the model indicates that the tenure of the CEOs determines firm financial performance in Nigeria. This implies that firm financial performance is a determinant firm financial performance.

We therefore rejected the null hypothesis and accepted the alternate hypothesis which contends that CEO tenure have significant effect on performance of listed consumer goods firms in Nigeria

5.1 Conclusion

The study having developed a model fit on CEO demographics using (CNAT & CTEN) notes that among the two categories of CEO demographics covered in this study; CEO nationality (CNAT) has the highest level of influence on firms' financial performance by the model used in the study followed by CEO tenure (CTEN). Thus, the study concludes that CEO demographics ensures the financial performance of listed consumer goods firms in Nigeria.

5.2 Recommendation

In lieu of the findings of the study, the following recommendations were made:

1. The study having found a positive and significant association CEO nationality and firm financial reporting recommends that shareholder should consider appointing foreign CEO to their organizations, who have empirically proved to have less flair for fraudulent financial

reporting and assets mismanagement, because of their orientations. Hence, the need for foreign CEO consideration

2. The study also recommends the need for increasing the tenure of executives as it is capable of improving financial performance and on the other hand reduce agency issues.

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