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**CEO CHARACTERISTICS AND FINANCIAL REPORTING QUALITY IN NIGERIA: AN
EMPIRICAL STUDY OF LISTED INDUSTRIAL GOODS COMPANIES**

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Abstract

This study examined the effect of chief executive officers (CEOs) attributes on financial reporting quality of listed industrial goods companies in Nigeria. Thus, CEO's attributes being the independent variable was decomposed into three (3) sub variables: ownership, gender diversity and nationality, while the dependent variable was financial reporting quality. A combination of a cross-sectional and longitudinal research design was employed, while secondary data covering a period of eight (8) years (2015-2022), were sourced from the audited annual financial reports and accounts of the sampled industrial firms. The samples of this study consists of all thirteen (13) listed industrial goods companies on the Nigerian Exchange Group (NGX) as of 31st December 2022. Furthermore, the panel data regression techniques were employed in conducting the analysis, and the results revealed that a negative and significant relationship exists between CEO's ownership and financial reporting quality of listed industrial goods companies in Nigeria. It was also observed that CEO's gender diversity had a negative and statistically insignificant effect on financial reporting quality of listed

industrial goods companies in Nigeria. And finally, the study found a positive and insignificant relationship between CEO's nationality and financial reporting quality of listed industrial goods companies in Nigeria. Consequently, the study recommended among other things that management of listed industrial goods companies, should pay attention to CEO's ownership to further enhance the significant relationship between the ownership attributes and financial reporting quality.

Keywords: Reporting Quality, CEO Ownership, CEO Gender Diversity, CEO Nationality.

Introduction

Good corporate governance is one of the most essential mechanisms in ensuring the achievement of goals and objectives of an organization, meeting shareholders' wealth, and preparing the quality of financial reporting (Abdullah et al., 2021). Thus, the role of corporate governance and financial reporting quality are amongst the most popular issues being investigated by researchers in the accounting field. This role is a significant mechanism for leading and directing a business organization and protecting the interests of all stakeholders (Fama & Jensen, 1983; Jensen & Meckling, 2019). Hence, such protection of stakeholders interest largely extends to the application of due diligence in the preparation of the financial statements of the firm.

The financial statement of any firm is expected to have the required qualitative attributes as stated by International Financial Reporting Standards (IFRS) which include relevance, comparability, timeliness, understandability, faithful representation, and verifiability. Furthermore, the financial statement should always depict detailed information about the economic performance of a firm (as highlighted in the income statement) viz a viz the statement of financial position, statement of cash flows and statement of changes in equity (IAS 1).

This is to ensure that the information provided is of high quality (Aifuwa & Embele, 2019), especially that financial reporting of firms is aimed at providing quality financial information for evaluation of firms' performance (Kilis et al., 2020). Dabor & Dabor (2015) described financial reports as the most crucial components of an accounting transaction, because it is aimed at giving information to guide stakeholders' decisions and serves as a prospectus for potential investors and a barometer for ascertaining chief executive officer's (CEO's) and other manager's performances.

The failure of companies has often been attributed to poor accounting practices resulting in unethical conduct and misuse of power (Aggarwal, 2013), poor and weak corporate governance activities by some chief executive officers (Gaio et al., 2014; Haat, et al., 2008), thus influencing the quality of financial reports in firms. Nevertheless, top managers (CEO) still have considerable discretion over firms' financial reporting since they make the final decisions on how to manage the earnings of the firm (Schumann et al., 2023).

Statement of Research Problem

In Nigeria, there have been many concerns in the issue of quality of the financial reports being prepared and filed by corporations, especially the industrial goods companies (World Bank, 2004; Shiyabola et al., 2020), and empirical evidence indicates this weak reporting practices of Nigerian companies (Norwani et al., 2011; Unuagbon & Oziegbe, 2016).

Consequently, public expectation on the influence of CEOs attributes on financial reporting quality has become an issue, especially as the amended section 334(1) of the Company and Allied Matters Act 2020 has given corporate board of directors the mandate to prepare corporate financial reports of listed corporate companies in Nigeria (Kajola et al., 2020), hence all eyes are on corporate CEOs as they are now directly connected with the quality of financial reporting of the firm (Ashafoke et al., 2021). Some researchers have carried out various studies over the years to determine if the presence of certain attributes amongst CEOs of firms, can promote the quality of the firm's financial reports, such as Gottesman & Morey (2010) in US, Ghardallou (2022) in Saudi Arabia, Kokeno & Muturi (2016) in Nairobi, Kenya, and Ali & Xin (2020) in Pakistan amongst others.

Similar studies have also been done in the Nigerian context. Nevertheless, none of these researchers in a single study, has been able to capture CEO's nationality alongside CEO's ownership and CEO's gender diversity as measures for CEOs attributes, which is the focus of this particular study. Furthermore, most of the past studies were more on quoted financial service firms (Saidu, 2019) rather than quoted industrial firms which this study also focused on. And finally, there's need for a study that will bring to date the underlying issues and add to the existing literatures, hence the conduct of this research study, to bring to light current day realities in respect of the subject matter..

Study Objective

The Purpose of this study include to: i.) Determine the effect of CEO ownership on financial reporting quality in listed industrial goods companies in Nigeria. ii.) Investigate the influence of CEO gender diversity on financial reporting quality in listed industrial goods companies in Nigeria. iii.) Assess the effect of CEO nationality on financial reporting quality in listed industrial goods companies in Nigeria.

Conceptual Framework**CEO Ownership**

CEO ownership looks at the psychological disposition of the CEO when he has a chunk of shares of the organization he leads (Odubuasi et al. 2023). Uyioghosa & Amede (2019) opined that firms with high managerial ownership produce higher stock market returns than those which have lower managerial ownership in a trading strategy based solely on public information. Qawasmeh and Azzam (2020) noted that CEO ownership is a fundamental factor that determines how the CEO would manipulate the accounting report and earnings of the enterprise. Sharma & Kuang (2014) pointed out that the rise in the volume of stock held by the CEO would increase their tendency to enroll in more creative accounting conducts to project higher earnings. Kazemian and Sanusi (2015) affirm that firms with high CEO ownership have higher chances to engage in earnings management activities for

opportunistic behavior at the detriment of the shareholders, especially in settings of low market discipline. According to Zanani et al. (2008), directors are often encouraged to have their own portion of ownership in the corporation. This portion ownership is important to the company because it will be expected to have influence on audit quality. However, executive, and non-executive directors' ownership is expected to have different impact on audit quality. Jensen and Meckling (1976) argue that agency conflicts between managers and shareholders may be reconciled when managers possess an ownership interest in their companies. The rationale to invite directors especially non-executive to have a portion of ownership in the corporation is to reduce a gap between director's interest and the interest of shareholders as well as the corporation. It is hope then the interest of both parties can be aligned.

CEO Gender Diversity

Gender diversity could be described as the percentage of women (female) on corporate board or female directors in an organization (Oriakhi, 2020). CEO gender diversity is known to be a vital instrument in promoting corporate governance exercise in a firm (Wang, 2015), because diversity in corporate board promote healthier decision making and lead to innovation in a firm (Aifuwa & Embele, 2019). Issa et al. (2019) opined that CEO gender diversity is an important component in promoting corporate governance procedure as well as tactical judgment in corporate board room.

It is the general believe that the inclusion of female on corporate board brings about improvement in financial reporting quality because they augment the strength of supervision and are extra independent (Usman et al., 2018).

Various corporate governance reforms all over the world emphasize the necessity to practice gender diversity on corporate board to boost corporate board efficiency (Srinidhi et al., 2011), also the agency theory accentuate the significance of corporate board room diversity of which gender is singled out as one of the significance diversities (Musah et al., 2022).

Women are recognized to be great motivators and accomplishes; they respect ethical values and possess good relationship between job execution and self-reliance in dealing with issues that can promote financial reporting positively (Enofe et al., 2017). Olowookere et al. (2021) said that females seem to be extra decent in their obligations than their male counterpart.

CEO Nationality

CEO nationality is used to explain the origin and wealth of knowledge of the CEO resulting from his exposure to cultures other than those operating in each country (Jalbert et al., 2007; Saidu, 2019). With increasing globalization, firms tend to adjust their governance bodies by appointing more foreigners to the management board (Oxelheim et al., 2013; Sanders & Carpenter, 1998).

Prior research has found that national origin has a lasting effect on executives' mindsets (Gelekanycz, 1997; Schumann et al., 2023), just as studies have shown that CEOs that have wide international exposure tend to have experience to manage employees of diversity in the organization and could relate with various investors (Ogochukwu, 2020). In other words, an individual's nationality reflects the

institutional background of the country where they spent most of their formative years (Hambrick et al., 1998).

Furthermore, relating the above in line with the resource dependency model, foreign members add value to their boards and firms, due to their different skills and experiences (Hoang et al., 2017). Thus, growing up in a society with certain peculiarities affects how top managers process and interpret information, which impacts decision-making behavior (Nielsen & Nielsen, 2013). In this way, one's country of origin jointly influences their field of vision, selective perceptions, and strategic action. Consequently, nationality-diverse teams are equipped with a broader range of knowledge, which can enhance firms' problem-solving abilities. Multinational teams integrate their embodied experiences and engage in in-depth discussions to consider the best possible solution (Hambrick et al., 1998).

Financial Reporting Quality

The concept of financial reporting quality according to Agbonrha-Oghoye & Sadiq (2022), seems vague and imprecise to define. Although there appear to be several definitions and proxy for accounting quality, however they all ultimately seem to serve the same purpose, to enable users of such information to make value judgment about accounting information. Financial reporting quality is hinged on the decision-useful information.

According to the International Accounting Standard Board (IASB, 2008), decision-useful information is defined as information about the reporting entity that is useful to present and potential equity investors, lenders, and other creditors in making decisions in their capacity as capital providers.

A financial report should have good quality; therefore, users of the information will not be misled. Thus, financial reporting quality can be defined as the accuracy of financial reporting in conveying information related to a firm's operational activities (Putri & Indriani, 2019). Kamal (2017) defined financial reporting quality as "the precision with which financial reports convey information about the firm's operations, in particular its cash flows, in order to inform equity investors".

Irwandi and Pamungkas (2020) described FRQ as a report presented based on the company's condition, which decreases due to the funder's ability to understand accounting. Excellent financial reporting quality reduces information asymmetry between the principal and agent in accordance with the company's legal obligations (Landsman et al., 2012). When an error occurs during the reporting process, the legal committee's audit trustees correct it immediately to avoid creating problems for the company.

Empirical Review

Abdullah et al. (2008) examined the impact of CEO ownership on financial reporting quality among listed companies in Malaysia. The study sampled a total of six hundred and fifty-five (655) listed companies in Malaysia. The study utilized secondary data sourced from the selected companies. The study utilized logistic regression to estimate data. The study revealed that CEO ownership exhibited an insignificant relationship with financial reporting quality.

Uyioghosa and Amede (2019) examined the effect of CEO attributes on financial reporting timeliness of listed financial institutions in Nigeria. The study

sampled a total of fourteen (14) banks out of the fifteen (15) listed banks in Nigeria as of December 2016. The study utilized Ordinary Least Square (OLS) method regression technique. The study revealed that CEO ownership has no significant relationship with financial reporting timeliness.

Peni and Vähämaa (2010), carried out an investigation on how female executives influence financial outcomes in their organizations. Using a sample of firms in the US, the result of their empirical analysis provided evidence that firms with female chief financial officers (CFOs) are associated with income-decreasing discretionary accruals, thereby implying that female CFOs are following more conservative EM strategies. They concluded that that female CFOs are following more conservative financial reporting strategies, which is broadly consistent with the literature on gender differences in conservatism and risk-aversion.

Arun et al. (2015) found that firms with a higher number of female and independent female directors are adopting restrained EM practices in the UK. They made a distinction between complex (high debt) and simple (low debt) companies, and the outcomes revealed that female directors have a positive effect on the EM in simple companies. Their findings suggest that female representation may enhance the functioning and efficiency of corporate boards and committees and, more generally, that executive gender may affect managerial behavior.

Jalbert et al. (2007) conducted a study on CEO nationality, financial management, compensation, and performance. Nationality was measured by cultural background. Data for the study was drawn from 800 CEOs in United States for the period 1991-1997. CEO nationality was found to have a non- significant influence on firm performance.

Ibrahim and Ahmad (2017) investigate certain physical characteristics of the CEO in relation to accounting (ROE) and market-based (market value) firm performance. The paper applied OLS with robust standard errors to a panel composed of 1600 firm-year observations of non-financial Malaysian listed companies between 2010 and 2014. The results revealed that the ethnicity (Chinese) and nationality (foreign) of a CEO have a significant positive association with both proxies of firm performance.

Theoretical Review

Stakeholders Theory

Edward Freeman originally propounded the stakeholder's theory in 1984. The basic proposition of the stakeholder's theory is that the firm's success is dependent upon the profitable management of all the relationships that an association has with its stakeholders- a term at first introduced by means of Stanford research institute (SRI) to refer to those groups without whose support the enterprise would cease to exist (Freeman, 1984).

Thus, the concern of the stakeholder's theory is to ascertain which stakeholders are more relevant to the organization, this is very vital to the management of the organization because it is believed that the success of the organization in terms of performance is dependent on the support of the stakeholders (Belinda., 2015)

Freeman's stakeholders' principle asserts that, managers must fulfill a variety of constituents (example, employees, customers, suppliers, host community and so

on) who can impact the firm's outcomes. According to this view, it is now not sufficient for managers to focus solely on the wants of stockholders, or the owners of the business. This implies that it can be advisable for the organizations to have interaction in certain environmental activities that non-financial stakeholders perceive important, because without this, these groups might withdraw their support from the business (Eneh & Amakor, 2019).

Agency Theory

The agency theory was developed by Barry Mitnick from the institutional perspective while Stephen Ross developed the same alongside other economists from the economic perspective in the 1960's. Nevertheless, it was Michael Jensen and William Meckling that produced groundbreaking work on the Agency theory in 1976.

This theory postulates that shareholders are the only owners of the firm, and the task of its directors is merely to ensure that shareholder's interests are protected and maximized. More specifically, the duty of the directors is to run the company in a way that would maximize the long run returns to its owners and thus maximize the company's profit and cash flows (Shoaib, 2011; Utile, 2016).

The agency theory provides an explanation of the agency relationship between the managers of the firm and its stakeholders especially with regards to the provision of financial and non-financial information. It has been argued that managers tend to provide information to the owners of the firm in a way that would favor their aspirations even though the maximization of shareholder's wealth and company profit are the key objectives of finance and are supposed to be keen to managers (Utile, 2016).

According to Fama and Jensen (1983), the issue of separation of ownership from control (management) has been a problem that has bothered scholars from Adams Smith to Berle and Means (1932) and Jensen and Mackling (1976). And since this issue is central to agency theory, it can be inferred that agency theory has its roots in the works of these scholars. Specifically, agency theory is "directed at ubiquitous agency relationship, in which one party (the principal) delegates work to another (the agent), who performs that work" (Eisenhardt, 1989).

This relationship is what is obtainable in modern corporations where shareholders (principals) delegate the day-to-day running of their businesses to their managers (agents).

Study Methodology

This study employed the ex-post facto design which estimates the cause-effect relationship between the dependent and independent variables in the specified model and the longitudinal (panel) research design. The choice of panel research design was informed by the longitudinal nature of the dataset which had both time series and cross-sections.

The population of this study consists of all thirteen (13) listed industrial goods companies on the Nigerian Exchange Group (NGX) as of 31st December 2022. While secondary data was sourced from the audited annual financial reports and accounts of the sampled listed industrial goods firms for the relevant years.

Model Specification

The Functional model for this study is specified below

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$$FRQ = f(CEOOWN, CEOGED, CEONAT, FSIZE, ROA) \dots\dots\dots(1)$$

This can be re-specified in regression form as:

$$FRQ_{it} = a + \beta_1 CEOOWN_{it} + \beta_2 CEOGED_{it} + \beta_3 CEONAT_{it} + \beta_4 FSIZE_{it} + \beta_5 ROA_{it} + e_{it} \dots\dots\dots(2)$$

Where:

FRQ = Financial Reporting Quality

CEOOWN = CEO Ownership

CEOGED = CEO Gender Diversity

CEONAT = CEO Nationality

FSIZE = Firm Size

ROA = Return on asset

$\beta_0, \beta_1, \dots, \beta_5$ = Coefficients of the explanatory and control variables.

t = Period covered by the study (2015 – 2022)

i = companies sampled

ϵ = Error term.

Data Analysis and Results

The tests results are provided as follows;

Table 4.1: Correlation Analysis

Covariance							
Correlation							
Probability	FRQ	CEOOWN	CEOGED	CEONAT	FSIZE	ROA	
FRQ							
	1.000000						

CEOOWN	-0.004584						
	(-0.065555)	1.000000					
	[0.5085]	-----					
CEOGED	-0.003890	-0.005888					
	(-0.041846)	(-0.067183)	1.000000				
	[0.6732]	[0.4980]	-----				
CEONAT	0.024627	0.048755	0.062130				
	(0.181371)	(0.380908)	(0.365148)	1.000000			
	[0.0654]	[0.0001]	[0.0001]	-----			
FSIZE	-0.216998	-0.085402	-0.035965	-0.559427			
	(-0.357921)	(-0.149432)	(-0.047339)	(-0.504150)	1.000000		
	[0.0002]	[0.1300]	[0.6332]	[0.0000]	-----		
ROA	0.397666	-0.011415	1.358293	-0.400070	6.281781		
	(0.060996)	(-0.001857)	(0.166261)	(-0.033528)	(0.117904)	1.000000	
	[0.5385]	[0.9851]	[0.0916]	[0.7355]	[0.2333]	-----	

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Source: Authors compilation (2023) as extracted from E-views 10 output.

Note: items in () = correlation, [] = probability value.

The correlation coefficient results as presented in Table 4.2 showed that all the CEOOWN, CEOGED, and FSIZE had a weak and negative correlation with FRQ going by their correlation values of -0.0655, -0.0418 and -0.3579 while CEONAT, and ROA were positively correlated with FRQ based on the correlation coefficients of 0.1813 and 0.0609. Judging from the corresponding probability values as presented in the squared brackets, only firm size and CEONAT were significant at 1 and 10% respectively.

From the point of the independent variables, the correlation result which ranged from -0.00185 to 0.3809 shows that all the variables had correlation values that are less than 0.90 and as such we concluded that there is no possibility of multicollinearity problem in the model.

Diagnostic Test

To ascertain the robustness of the estimated result and to ascertain the viability of the inferences that could be drawn from the result, some diagnostic tests such as the Variance inflation Factor and the serial correlation tests were carried out. This is required since the random effect assumes that the residuals of the variables are correlated. The results are presented as follows:

Table 4.2: Variance Inflation Factors

Variance inflation Factor test			
			Centered
	Coefficient	Uncentered	Centered
Variable	Variance	VIF	VIF
CEOOWN	0.011968	1.471050	1.256571
CEOGED	0.007078	1.517615	1.313320
CEONAT	0.004910	4.211049	1.943561
FSIZE	0.000178	77.06314	1.403619
ROA	1.15E-06	1.135040	1.050252
C	0.055923	89.06797	NA

Source: Authors computation (2023) From E-views 10 output.

From the VIF table the centered VIF values for the variables used in this study ranges between 1.05 and 1.94, we can say that they fall within the tolerance level which is also far below 10 and as such we conclude that the estimated result from this model is free from any form of multicollinearity problem. This implies that the variables in use are not highly correlated. The VIF result further corroborated the correlation analysis result.

Estimation Results

The estimated method for fixed and random effects models was sued. Yet, in order to decide which is most suitable. The Hausman's Test was used, and the outcome is displayed below:

Table 4.3: Hausman Test Result
Correlated Random Effects: Hausman Test
Equation:Untitled

Correlated Random Effects - Hausman Test				
Equation: Untitled				
Test period random effects				
Test Summary		Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Period random		7.739500	5	0.1712
** WARNING: estimated period random effects variance is zero.				
Period random effects test comparisons:				
Variable	Fixed	Random	Var(Diff.)	Prob.
CEOOWN	-0.179155	-0.186587	0.000054	0.3099
CEOGED	-0.140853	-0.111313	0.000357	0.1181
CEONAT	0.094257	0.072488	0.000172	0.0970
FSIZE	-0.040050	-0.041488	0.000002	0.3189
ROA	0.001293	0.001460	0.000000	0.5761

Source: Authors computation (2023) From E-views 10 output.

The result of the Hausman statistics as presented on Table 4.3 under the fixed effect column had a Chi. Sq. value of 7.7395 and a probability value of 0.1712. Consequent on the probability value of the Hausman test which is greater than 0.05, we therefore accept the null hypothesis that states that the random effect model is more appropriate for this study.

Table 4.4
Dependent Variable (FRQ)
Method Panel EGLS (Period random effects)
Swamy and Arora estimator of component variances

Random Effect Result

Dependent Variable: FRQ				
Method: Panel EGLS (Period random effects)				
Date: 02/04/24 Time: 21:35				
Sample: 2015 2022				
Periods included: 8				
Cross-sections included: 13				
Total panel (balanced) observations: 104				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
CEOOWN	-0.186587	0.108859	-1.714021	0.0897

CEOGED	-0.111313	0.083719	-1.329599	0.1867
CEONAT	0.072488	0.069728	1.039573	0.3011
FSIZE	-0.041488	0.013271	-3.126133	0.0023
ROA	0.001460	0.001068	1.367410	0.1746
C	0.807860	0.235317	3.433074	0.0009
	Effects Specification			
			S.D.	Rho
Period random			0.000000	0.0000
Idiosyncratic random			0.254278	1.0000
	Weighted Statistics			
R-squared	0.170606	Mean dependent var		0.144040
Adjusted R-squared	0.128290	S.D. dependent var		0.273693
S.E. of regression	0.255535	Sum squared resid		6.399200
F-statistic	4.031719	Durbin-Watson stat		1.103354
Prob(F-statistic)	0.002275			
	Unweighted Statistics			
R-squared	0.170606	Mean dependent var		0.144040
Sum squared resid	6.399200	Durbin-Watson stat		1.103354

Source: Authors computation (2023) From E-views 10 output.

From the Random Effect estimate contained above; the coefficient of determination is 0.17 while the adjusted R-squared is 0.12 when adjustments were made for the degree of freedom. This implies that 17 percent of the variations in financial reporting quality of the industrial goods firms in Nigeria were explained by all the explanatory variables. The remaining percent are therefore unexplained in the model.

This figure is attributed to the fact that the study is area specific (CEO attributes on FRQ) which hindered the inclusion of so many control variables that would have boost the R-square. We characterize this unexplained variation to variables not explicitly included in the model and measurement errors both of which effects are captured by the stochastic error term.

The value of the F-statistic is 4.0317 with a statistically significant probability value of 0.0022, which is less than 0.05. Based on the f-statistics probability value, we therefore conclude that the model is linear and statistically significant at the 1% level of significance.

Test of Hypothesis

Hypothesis One

H0₁: CEO ownership has no significant effect on financial reporting quality of listed industrial goods companies in Nigeria.

Stemming from the random effect model result as presented in Table 4.3, the results revealed that CEO Ownership has a negative coefficient of -0.1856 and a probability value of 0.0897 which is less than 0.10.

This therefore implies that CEOOWN was statistically significant at 10% level of significance and based on the decision rule we therefore reject the null hypothesis which states that CEO ownership has no significant effect on the financial reporting quality of the listed industrial goods companies in Nigeria. We therefore conclude that CEO ownership has a significant impact on the financial reporting quality of the industrial goods firms in Nigeria.

Hypothesis Two

H0₂: CEO gender diversity has no significant effect on financial reporting quality of listed industrial goods companies in Nigeria.

The result of the random effect model showed that CEO gender diversity (where CEO = Female =1) has a negative coefficient of -0.1113 and a probability value of 0.1867 which is greater than 0.05 and 0.10.

This therefore implies that CEO gender diversity when CEO is female does not have significant effect on the financial reporting quality, so we therefore accept the hypothesis that CEO gender diversity does not have significant effect of financial reporting quality of the listed industrial goods firms.

Hypothesis Three

H0₃: CEO nationality has no significant effect on financial reporting quality of listed industrial goods companies in Nigeria.

Based on the regression result from the random effect model, CEO nationality was found to have a co-efficient of 0.07248 a probability value of 0.3011 which is greater than 0.05 and 0.10.

This therefore implies that CEO nationality does not have significant effect on the financial reporting quality of the industrial goods firms in Nigeria. Based on the probability that appears to be greater than 0.05, and the decision rule, we therefore accept the null hypothesis that states that CEO nationality has no significant effect on the financial reporting quality on industrial goods companies in Nigeria.

Discussion of Findings

The result showed that CEOOWN was negative and statistically significant at a 10% level of significance in driving FRQ. This means that the more percentage of shares the CEO own in the industrial goods company, the more interest they then to have in the auditing and reporting process of the financial report and this can significantly promote financial reporting quality.

This finding negates those of Mustapha et al. (2021), Uyioghosa and Amede (2019), Alzeaideen and Al-Rawash (2018), and Abdullah et al. (2008) whose studies revealed that there is insignificant relationship between CEO ownership and financial reporting quality. However, the findings support the result in the research by Agbonrha–Oghoye and Sadiq (2022), and Oussii and Klibi (2023) which implied that CEO ownership promotes financial reporting quality.

CEO gender has no significant effect on financial reporting quality of listed industrial goods companies. This implies that holding other variables constant the more gender diversified the CEO is, the less the quality the financial report will be.

This finding agrees with Ashafoke et al. (2021), Ogbonnaya et al. (2020), Damagum et al. (2014) whose studies revealed an insignificant relationship between CEO gender and financial reporting quality. However, this result does not agree with the findings of Abdullah et al. (2021) and Ojugbeli (2018) whose studies revealed that CEO gender significantly promotes financial reporting quality.

Lastly, CEO nationality was found to be positive but insignificant in promoting financial reporting quality of the sampled industrial goods companies under study. This implies that, holding other variables constant, the more indigenous persons are employed as CEO, the more interested the CEO will be in the business affairs, the better their decision making as well as audit report which will in turn result to better financial reporting quality.

However, the variable did not pass the significance test as the p-value that is seen to be greater than 0.05. This finding is in line with the study of Musa et al. (2023), which revealed that CEO nationality negatively impact real earnings management being a probable measure of financial reporting quality. Nevertheless, the study does not agree with Yoko et al. (2023) whose study reveals CEO nationality has a positive and statistically significant effect.

Summary of Findings

The model produced the following findings based on the analysis:

1. CEO Ownership has a significant effect on financial reporting quality of industrial goods companies in Nigeria.
2. CEO gender diversity has an insignificant effect on financial reporting quality of industrial goods companies in Nigeria.
3. CEO gender diversity has an insignificant effect on financial reporting quality of industrial goods companies in Nigeria.

Conclusion

The result showed that CEO ownership (CEOOWN) promotes Financial Reporting Quality (FRQ) for the period under investigation, while the other attributes CEO gender, and CEO nationality do not significantly affect financial reporting quality in listed industrial goods companies in Nigeria.

Recommendations

Stemming from the listed findings, the following policy recommendations have been proffered to the identified problem, and these are stated in line with the specific objectives of the study:

1. The study recommended that the management of quoted industrial goods companies should pay proper attention to CEO ownership to further enhance the significant relationship between the ownership attributes and financial reporting quality.
2. More emphasis should be placed on qualitative aspects like strategic decision-making skill, experience, and expertise as prerequisite for electing of CEO than gender balance.

3. Listed industrial goods firms should endeavour to promote more local CEO and in doing that they should also emphasize on qualification, experience, and training, if possible, to make their effect significant in driving FRQ.

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