

Uyioghosa, Obazee; Amede, F. Otivbo

## Article

# CEO attributes and timeliness of financial reporting

Accounting and taxation review

## Provided in Cooperation with:

University of Benin, Benin City, Nigeria

*Reference:* Uyioghosa, Obazee/Amede, F. Otivbo (2019). CEO attributes and timeliness of financial reporting. In: Accounting and taxation review 3 (3), S. 12 - 23.

This Version is available at:

<http://hdl.handle.net/11159/4434>

## Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics  
Düsternbrooker Weg 120  
24105 Kiel (Germany)  
E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)  
<https://www.zbw.eu/econis-archiv/>

## Standard-Nutzungsbedingungen:

Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte.



<https://zbw.eu/econis-archiv/termsfuse>

## Terms of use:

*This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence.*

ISSN: 2635-2966 (Print), ISSN: 2635-2958 (Online).

©International Accounting and Taxation Research Group, Faculty of Management Sciences, University of Benin, Benin City, Nigeria.

Available online at <http://www.atreview.org>

### Original Research Article

## **CEO Attributes and Timeliness of Financial Reporting**

Obazee Uyioghosa & Amede, F. Otivbo,

Department of Accounting, Faculty of Management Sciences University of Benin, Benin City Nigeria.

\*For correspondence, email: [uyioghosa.obazee@uniben.edu](mailto:uyioghosa.obazee@uniben.edu), [otivboebony@yahoo.com](mailto:otivboebony@yahoo.com)

Received: 13/08/2019

Accepted: 21/09/2019

### **Abstract**

*This work 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, it was 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.*

**Keywords:** Tenure, Financial expertise, CEO ownership, Gender, Timeliness

### **JEL classification:**M41

This is an open access article that uses a funding model which does not charge readers or their institutions for access and is distributed under the terms of the Creative Commons Attribution License. (<http://creativecommons.org/licenses/by/4.0>) and the Budapest Open Access Initiative (<http://www.budapestopenaccessinitiative.org/read>), which permit unrestricted use, distribution, and reproduction in any medium, provided the original work is properly credited.

© 2018. The authors. This work is licensed under the Creative Commons Attribution 4.0 International License

<b>Citation:</b> Obazee, U., & Amede, F.O. (2019). CEO Attributes and Timeliness of Financial Reporting. <i>Accounting and Taxation Review</i> , 3(3), 12-23
--

### **INTRODUCTION**

Financial statements provide credible financial information to facilitate informed decision making and to evaluate firm performance (Ohaka & Akani, 2017). The

agency theory justifies the importance of financial information. There is usually information asymmetry between managers and other users of financial information. It has been argued that managers could

influence the timing of reporting, as this could affect the decisions made by the users, to the benefit of the company. Thus, making timeliness a very important issue to both stakeholders and the company (Lehtinen, 2013). How useful financial statements are, is affected by how soon they are made available to users (Vuran & Adiloglu, 2013).

The growing complexity of business operations and expansion of the investment community have led to clamour for more timely information (Vuran & Adiloglu, 2013). The increasing information needs of stakeholders interested in financial reporting have led to demands for timely and reliable financial reports. In Nigeria, as businesses are increasingly being introduced to international capital markets, timeliness has become important. As such, regulatory agencies have set limits for the issuance and filing of audited financial statements (Iyoha, 2012).

Financial standards show timeliness to be a key component of relevant information for decision making (Ohaka & Akani, 2017). Timeliness of financial reporting means having information available to decision users promptly to be capable of influencing their decision. Generally, the older the information is, the less useful it is. Financial timeliness demands that financial information is available to users as quickly as possible. The more timely financial reports are, the more advantages derived (Oladipupo, 2011). Timeliness is one of the qualitative characteristics of financial reporting because it affects how useful the information is and the decisions taken by users (Daoud, Ismail & Lode, 2014). Okafor and Ibadin (2011) see timeliness as the length of time from the financial year end to the issuance of financial reports.

Timeliness is an important tool to reduce insider trading, leaks and rumour among emerging capital markets (Daoud, Ismail & Lode, 2015). Timeliness is necessary

because it leads to equal access to information by investors, reduces the chances of investors being defrauded and reduces uncertainty in evaluating investment (Enofe, Mgbame & Abadua, 2013). According to Vuran and Adiloglu (2013), lack of timeliness leads to greater market inefficiency. Studies on timely financial reporting have become more necessary especially with the changes in modern technology and business practices worldwide (Ohaka & Akani, 2017).

This study was undertaken to find out the impact of CEO characteristics on the timeliness of financial reporting. The CEO oversees the processes and procedures in producing financial reports and so has significant influence over the product. Where the CEO has appropriate knowledge and experience concerning these procedures, the product comes out better and more accurate, leaving less work for the external auditors and thus, increasing reporting timeliness. The demographic qualities of managers have been seen to have profound effect on organizational outcomes and financial reporting, as well as foretell them, and as such should have influence on reporting timeliness. CEO characteristics can give signals to market participants concerning the quality of financial statements (Baatwah, Salleh & Ahmad, 2015). CEO characteristics such as tenure, financial expertise, gender and ownership were examined to find out their relationship to timely financial reports. Financial statements are very important to stakeholders as they provide information that enables them to make informed decisions (Ohaka & Akani, 2017). The timing of the provision of this information is very important as it affects the decision being made. It has been argued that managers can influence the timing of reporting (Lehtinen, 2013), and so the examination of the relationship between the characteristics of these managers (CEO) and timeliness is necessary. This will provide information that will help in solving any

timing issues relating to financial reporting faced by stakeholders.

Though prior empirical studies have examined the relationship between board characteristics and timeliness of financial reporting in Nigeria, however, we suggest that research in this area is still largely inconclusive on the relationship between CEO characteristics and timeliness of financial reporting in Nigeria. This work aimed at finding out if CEO characteristics affect the timeliness of financial reports in Nigeria.

### **Concept of Financial Reporting Timeliness**

Timeliness calls for information to be made readily available to financial users as fast as possible in enhancing the usefulness of information (Turel, 2010). Timeliness of financial reporting is the reporting lag from the financial year end to the date of the release of the annual report to the public (Rahmawati, 2013). Timeliness is a major measure of transparency and financial reporting quality. The shorter the period of time between the financial year end and the date of publication, the more useful the audited report is (Ohaka & Akani, 2017).

Audit reporting timeliness is seen as the length of time the external auditor takes to check and report on the truth and fairness of the financial report. This can be achieved where the auditors complete the statutory audit within a shorter period of time. Audit report timeliness is a product of the interaction between auditors and management, the characteristics of management noticeably influencing this interaction (Baatwah et al., 2015).

According to Mouna and Anis (2013), timeliness is a necessary qualitative characteristic and an essential constituent of the relevance of financial reporting information in emerging market economies. It is the shorter time between financial

accounting year end and when the auditor issues audited annual report.

An important factor for adequate financial reporting is the provision of relevant financial information for decision making. This information could be obtained by users in a short time after the financial year end.

Owusu-Ansah and Leventis (2006) define timeliness as the time between the financial year end and the day when the company releases its financial statements publicly. They used lead time instead of delay, because for them, if a company releases its financial statements at the time set by the regulatory agencies, it cannot be said to have delayed. So they used final reporting lead time (FRLT) to describe the time in between year-end and publication date.

Timeliness has two sides to it, which are the frequency of reports: this can be monthly, quarterly, half-yearly; and the reporting lag: which is the time between the financial year end and the publishing of the financial statements or their submission to appropriate regulatory bodies. Reporting lag is of two types: audit report lag and management report lag. Audit report lag is the time period between the end of the company's year and the date the audit report is signed. While management report lag refers to the period from the financial year end of the company to the date of publication of the audited reports (Daoud et al., 2014).

### **Measures of Financial Reporting Timeliness**

In the study carried out by Mouna and Anis (2013), they measured timeliness in terms of the lapse of time between a company's year end and the date when the financial information is released to the public. In determining the timeliness of reports, they checked if a company complies with the listing requirements and the actual number of days a company takes to announce their annual report. The longer the number of

days the company takes to announce, the lower the report quality. The measures of reporting lag used were Interim Period; which is the number of days from the signature date on the auditor's report to the publication date; and total Period; which is the number of days between the financial year end and the publication date.

Baatwah et al.(2015) used three measures of report timeliness in their study. These were audit report lag, natural log of audit report lag, and industry-adjusted audit report lag. Audit report lag being the number of days between the year end and the date when the audit report was signed by the auditor; Natural log of audit report lag used to control the effect any outliers and nonlinearity in the audit report lag; and industry-adjusted audit report lag defined by subtracting the industry median of the audit report lag from the company audit report lag.

Daoud et al. (2014) used audit report lag to measure timeliness. The audit report lag was measured as the time period between the financial year end of the company and the date on which the auditor signed the report. While Daoud et al. (2015) measured timeliness of the financial reports by audit report lag (ARL) and management report lag (MRL).

### **Regulatory Framework of Financial Reporting Timeliness in Nigeria**

There are many bodies and laws that have provisions that concern the accounting practice in Nigeria. The Companies and Allied Matters Act(CAMA)(2004) is the major regulatory framework for reporting practice in Nigeria. CAMA specifies the form and content of company individual and group financial statements. Since Nigeria adopted International Financial Reporting Standards (IFRS) in 2012, companies have been required to prepare their financial statements in accordance with the requirements of IFRS. Financial Reporting Council (FRC) of Nigeria, which was

established in 2011 to replace the Nigerian Accounting Standards Board, is an independent standard setting and regulatory body for accounting in Nigeria.

The Nigerian Stock Exchange, which is one of the regulatory bodies, in their rulebook mandate that listed bodies submit their audited annual financial statements not later than three months after the last working day of the financial year. The Central Bank of Nigeria (CBN) requires banks' submission of audited financial statements not later than four months after the end of the company's financial year. Banks and other Financial Institutions Act (BOFIA) (2004) require banks to publish their annual reports not later than 4months after the end of their financial year. The Insurance Act requires insurance firms to submit their financial statements on or before June 30<sup>th</sup> every year.

### **Literature Review and Hypotheses Development**

#### **CEO Tenure and Financial Reporting Timeliness**

CEO tenure refers to the number of years that an individual continues to hold the position of CEO in a company. Tenure helps the CEO with more knowledge and experience concerning accounting methods and misreported areas, and makes the CEO more capable of discovering and preventing irregular behavior. The longer a CEO stays in the office, the more familiar he is with the accounting process of the company. Thus, he verifies the financial statements faster, giving it to the external auditors in time to do their work. This will lead to reporting timeliness. Also, CEO tenure creates an impression concerning the quality of financial statements to external parties because it has a positive relationship with CEO reputation and a CEO with a good reputation is less likely to approve false or dishonest financial statements (Baatwah et al., 2015).

CEO's have a tendency to overstate earnings in the first years of their service, as

they wish to influence how they are seen with respect to their abilities and thus build a good reputation. As they continue further serving, they tend to avoid overstatement of earnings in order to protect their reputation. However, in their final year, overstatement of earnings is greater than in other years (Ali & Zhang, 2013).

In the study carried out by Baatwah et al. (2015), they found a positive relationship between long-tenured CEO and audit report timeliness. Positive relationship is expected between CEO tenure and reporting timeliness in this study.

### **CEO Financial Expertise and Financial Reporting Timeliness**

According to Baatwah et al. (2015), a CEO is a financial expert that has accounting qualifications or has previously held a position related to financial reporting such as CFO, senior accountant or controller. In the work done by Custodio and Metzger (2014), it is seen that CEO's with financial expertise are better able to raise funds externally, which alludes that they have better access to capital markets. They are also seen to hold less cash and more debt, that is, they pursue more aggressive financial policies. Such CEO's are actively involved with the firm's financial policies.

CEO's that are financial experts are interested in the accounting and auditing departments, and pay close attention to them. They will be able to quickly and easily observe and correct irregularities caused by other executives. With their knowledge, they can easily handle difficult accounting issues and properly oversee the preparation of financial statements. Thus, there will be little or no errors and this will cause the external audit to work faster and enhance timely reports. Financial expertise also helps the CEO in negotiations with the external auditors (Baatwah et al., 2015).

Baatwah et al. (2015) found a positive relationship between a CEO who is a

financial expert and reporting timeliness. While Custodio and Metzger (2014) found, when they analyzed CEO-firm matching based on financial experience, that CEOs with financial expertise tend to be employed by more mature firms. After carrying out an examination of a sample of U.S initial public offerings (IPO's) from 2003-20011, Gounopoulos and Pham (2017) found that newly listed companies which have CEO's that are financial experts have a lower tendency to engage in earnings management than those firms whose CEOs are not financial experts. Their results also give an indication that CEOs with financial expertise are likely to provide a lot of information while reporting in order to help investors in ascertaining the worth of the firm. In this study, we expect CEO financial expertise to affect financial reporting timeliness.

### **CEO Gender and Financial Reporting Timeliness**

This has to do with the effect that the CEO being male or female has on financial reporting timeliness. It has been argued that women care more about establishing communications and helping others, and thus are more unlikely to carry out unethical actions such as earnings manipulation, timeliness lag in financial information reporting and holding back vital information (Omoro, Aduda, & Okiro, 2015).

Jalbert, Jalbert, and Furumo (2013) showed that financial markets perceive female CEO's differently. Also, that CEO's who are female produce higher sales growth, higher returns in the form of Return on investment (ROI) and return on assets (ROA), and their firms are more valued in the market than those that male CEO's manage. Eduardo and Poole (2016) found an association between CEO gender and subsequent market performance which was slightly significant with female CEOs outdoing the male CEOs.

According to Plockinger, Aschauer, Hiebl, and Rohatschek (2016), female executives were found to report financial information in a more conservative way, and also to be more risk-averse than the male executives. There is a notion that female directors are more unlikely to take high risks and less likely to be unethical than male directors. Female CEO's have been seen to be more risk averse than their male counterparts and they have a positive association with firm performance (Na & Hong, 2017).

### **CEO Ownership and Financial Reporting Timeliness**

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. CEO's that are owners are value increasing for their firms as they mitigate empire building and efficiently run their firms (Lilienfeld-Toal & Ruenzi, 2014). According to Kim and Lu (2011), at low levels of ownership, CEO ownership and external governance are substitutes in reducing agency problems. Meanwhile, at high levels of ownership, strong external governance must hold these CEO's accountable for their performance if not, the voting rights they have and their sensitivity to wealth performance will cause them to be extremely cautious when it comes to taking risks. Large ownership by the CEO can have negative effect on shareholder value which include, empire building and excessive private benefits.

Kim and Lu (2011) find that CEO ownership has an effect on effort and risk taking when external governance is weak. The result of the work of Lilienfeld-Toal and Ruenzi (2014) suggest that CEO ownership can counter the negative influence of weak governance. A significant relationship is expected between CEO ownership and financial reporting timeliness.

## **3.0 Methodology**

### **Theoretical Framework and Model Specification**

#### **Theoretical Framework**

This study is based on Upper Echelon's Theory. This theory was introduced to show how the characteristics of top management affect organizational performance. It made it known that the background characteristics of management partially foretell organizational outcomes, choices and performance levels. Executives make decisions based on their personal interpretation of situations that they confront, and this interpretation is tied to their values, experiences and personalities (Omoro et al., 2015). The Upper Echelons theory takes into account personal idiosyncracies, discretion, and irrational conduct, on the basis of bounded rationality; which indicates that the rationality of individuals in making decisions is limited (Plockinger et al., 2016).

Organizational outcomes are seen to be significantly affected by the decisions of top managers, and these decisions are influenced by the managers' characteristics. Two moderators of the link between managers' characteristics and organizational outcomes were recommended. Firstly, managerial discretion, which refers to the manager's freedom of action in making strategic choices and secondly, executive job demands which is the level of difficulties that the manager confronts. High managerial discretion will cause characteristics of managers to better foretell organizational outcomes. Also, high level of difficulties gives the manager less time to ponder on the decision to be made, and thus he will depend more on his personal background. This will cause the connection between manager characteristics and organizational outcomes to be stronger (Hiebl, 2014).

#### **Model Specification**

The Upper Echelon's Theory states that organizational outcomes are partially

predicted by the background characteristics of top management. Financial reporting timeliness is an organizational outcome, and thus can be affected by the characteristics of top management; in this case, the CEO. Therefore, based on the Upper Echelon's Theory, and prior studies (Baatwah et al., 2015; Muona and Anis, 2013; Omoro et al., 2015), significant relationship is expected between CEO characteristics (tenure, financial expertise, gender and ownership) and financial reporting timeliness.

The model to be utilized for the purpose of this study is specified as follows: where

$$FRT = f(CEOT, CEOF, CEOG, CEOO, LEV, FIRMS) \dots \dots \dots (1)$$

$$FRT_{it} = \beta_0 + \beta_1 CEOT_{it} + \beta_2 CEOF_{it} + \beta_3 CEOG_{it} + \beta_4 CEOO_{it} + \beta_5 LEV_{it} + \beta_6 FIRMS_{it} + \epsilon_{it} \dots \dots (2)$$

FRT = Financial reporting timeliness, CEOT=Chief Executive Officer tenure, CEOF= financial expertise, CEOG= Chief Executive Officer gender, CEOO= Chief Executive Officer ownership, LEV=Leverage, FIRMS= Firm size.

**Table 1: Operationalisation of the variables used for the study**

	VARIABLE	MEASUREMENT	SOURCE	APRIORI
1	Financial reporting timeliness by proxy of audit report lag	Number of days from the financial year end to the date of signing of the audit report	(Daoud et al., 2014).	
2	CEO tenure	Number of years a CEO continually holds the position in a company	Baatwah et al. (2015)	+
3	CEO financial expertise	If the CEO has accounting or finance qualifications or previous experience	Baatwah et al. (2015)	+
4	CEO gender	If the CEO is male or female	Na & Hong (2017)	+
5	CEO ownership	Percentage of shares owned by the CEO to total shares listed	Kim & Lu (2011)	+
6	Firm size	Logarithm of total assets	Rahmawati (2013)	+
7	Leverage	Total liabilities divided by total assets	Rahmawati (2013)	+

Source: Researcher's compilation 2019.

The research design adopted in this study is the correlational research design which assesses the statistical relationship between variables. It is appropriate for this study because it aid in testing the relationship between variables and making forecasts about the relationships.

The population of this study comprises of all banks listed on the Nigeria Stock Exchange as at 31<sup>st</sup> Dec,2016. 14 out of 15 banks were used as sample because the transactions for Eco Bank were stated in foreign currency and getting the exchange rates for the different years would be difficult.



**Estimation results and Discussion of Findings****Descriptive Statistics****Table 2: Result of Descriptive Statistics**

Stats	FRT	CEOT	CEOF	CEOG	CEOO	LEV	FIRMS
mean	86.81	4.1	0.89	0.09	0.004	0.77	8.71
p50	83	3	1	0	0.001	0.85	8.93
min	34	1	0	0	3.75	0.001	5.68
max	254	12	1	1	0.08	1.16	9.63
Std dev	30.59	3.01	0.31	0.29	0.01	0.26	0.86
skewness	2.88	0.99	-2.55	2.81	7.10	-2.46	-2.34
kurtosis	14.86	3	7.49	8.88	56.46	7.66	8.06
Probability	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N	97	90	75	97	72	92	93

**Note:** FRT=financial reporting timeliness, CEOT=CEO tenure, CEOF=CEO financial expertise, CEOG=CEO gender, CEOO=CEO ownership, LEV=leverage, FIRMS=firm size

**Source:** Researcher's compilation from Stata 14.2

Table 2 presented the result of the descriptive statistics of the data of 97 firm-year observations which comprises of 14 Nigerian listed banks over the period 2010-2016. The average of the dependent variable financial reporting timeliness (FRT) during the sample period was 86.81 which is approximately, 87. The average is below the period set by BOFIA and CBN Act of 120 days. This suggests that on the average, companies listed on the financial sector of the NSE prepare their financial reports within 87 days and that these companies comply with the rules on timely reporting of financial reports by BOFIA and CBN.

CEO Tenure (CEOT) had a mean of 4.1 years which suggests that on the average, the CEOs of firms in the financial sector was 4 years and therefore, none of the CEO stayed beyond the statutory tenure allowed for a person to occupy the position of the

CEO of an organization in line with the Central Bank of Nigeria (CBN) regulation.

CEO financial expertise (CEOF), CEO gender (CEOG) and CEO ownership (CEOO) showed an average of 0.89, 0.09 and 0.004 respectively. The average of CEOF implies that on the average, 89% of the CEO had some form of expertise in terms of knowledge in accounting, finance, economics or business. Also, the average of CEOG implies that on the average, the office of the CEO was dominated by approximately 1% of females. Furthermore, the average of CEOO suggests that on the average, the CEO do not have significant shareholdings in their companies.

**Correlation Matrix**

The correlation matrix was used to examine the association between the dependent and independent variables.

**Table 3: Results of Correlation Coefficients**

	FRT	CEOT	CEOF	CEOG	CEOO	LEV	FIRMS
FRT	1						
CEOT	-0.09 0.40	1					
CEOF	-0.00 0.99	-0.23* 0.04	1				
CEOG	-0.04	-0.13	0.09	1			

	0.72	0.23	0.43				
CEOO	-0.03 0.81	0.58* 0.00	0.09 0.52	-0.12 0.32	1		
LEV	0.04 0.70	-0.21* 0.05	0.42* 0.0002	0.14 0.18	-0.09 0.47	1	
FIRMS	-0.06 0.60	-0.24* 0.03	-0.07 0.53	0.07 0.48	-0.00 0.95	0.17 0.10	1

**Source:** Researcher's compilation from Stata 14.2

From the result of the Pearson pairwise correlation analysis on Table 3, there is the absence of multicollinearity among the variables. This is also confirmed when we run the variance inflation factor (VIF) as it shows there is absence of multicollinearity among the variables with a mean VIF of 1.58 which is less than the maximum acceptable value of 10

#### Variance Inflation Factor Result

**Table 4: Result of Variance Inflation Factor**

Variable	VIF
CEOO	2.28
CEOT	2.07
CEOF	1.54
LEV	1.36
CEOG	1.15
FIRMS	1.10
Mean VIF	1.58

#### Regression Results

The relationship between the dependent and independent variables was examined using multiple regression analysis. The Ordinary Least Square regression technique result is shown below:

**Table 5 OLS Regression Analysis**

Variables	Pooled OLS
C	117.43*** (0.00)
CEOT	-2.28** (0.02)
CEOF	-6.76 (0.42)
CEOG	-18.67** (0.02)
CEOO	-229.37 (0.83)

Variables	Pooled OLS
LEV	-13.10 (0.13)
FIRMS	-0.55 (0.81)
R <sup>2</sup>	0.27
F-stat	2.93 (0.01)***
N	53

. \*\* significance at the .05 level, \*\*\* significance at the .01 level.

*Note: The coefficient and Probability values are presented with the probability values in parenthesis.*

**Source:** Researcher's compilation from Stata 14.2

In estimating the financial reporting timeliness model, the OLS regression model was used and the results are presented in Table 5 The model reported an R<sup>2</sup> of 27% suggesting that the variables examined were able to explain 27% of financial reporting timeliness, which implies that other variables aside those examined contributes to explaining the timely presentation of financial reports. The results show that there is a significant relationship between CEOT, CEOG and FRT. While variables such as CEOF, CEOO and control variables (LEV and FIRMS) were not significant at 5% level of significance.

#### Discussion of Findings

This work set its decision rule for the acceptance of the hypothesis at 5% level of significance; hence the hypothesis would be rejected if the probability value was less than 0.05 and the calculated t-statistics was less than 1.96. The findings made from the empirical analysis are:

From the forgoing analysis, it is observed that CEO tenure has a negative and significant relationship with financial reporting timeliness. This means that the longer a CEO spends in the position, the shorter the lag involved in the reporting of financial information. Long-tenured CEOs are thus associated with timely financial reports. Hence, the alternate hypothesis that CEO tenure has significant influence on financial reporting timeliness is accepted, and the null hypothesis is rejected. This agrees with the findings of Baatwah et al. (2015).

From the foregoing analysis, CEO financial expertise was observed to have a negative and insignificant relationship with financial reporting timeliness. Hence, the null hypothesis is accepted, which states that CEO financial expertise does not have significant influence on financial reporting timeliness.

From the outcomes on table 4, it is seen that CEO gender has a negative and significant relationship with financial reporting timeliness. This means that female CEOs are associated with timely reports. Thus, the null hypothesis is rejected, and the alternate hypothesis which states that CEO gender has significant influence on financial reporting timeliness is accepted.

It is observed that CEO ownership has a negative and insignificant relationship with financial reporting timeliness. Thus the null hypothesis, which states that CEO ownership does not have significant influence on financial reporting timeliness, is accepted.

The control variables, which were leverage and firm size, were seen to both be negatively and insignificantly associated with financial reporting timeliness.

### **Conclusion and Recommendation**

The broad objective of the study is to examine CEO characteristics and financial

reporting timeliness Nigeria. The empirical analysis provided that CEO tenure has a negative and significant relationship with financial reporting timeliness, CEO financial expertise has a negative and insignificant relationship with financial reporting timeliness. It also revealed that CEO gender has a negative and significant relationship with financial reporting timeliness. However, CEO ownership has a negative and insignificant relationship with financial reporting timeliness.

In the light of the empirical findings we recommend CEOs should be allowed longer tenures as this will lead to a reduction in the lag involved in financial reporting. Since the limit for bank CEOs tenure as set by Central Bank of Nigeria is ten years, CEOs should be allowed to retain their position till the limit, as this is in the good interest of the shareholders who need timely financial reports. Females should be considered more for CEO positions as they are more strongly associated with financial reporting timeliness than the males. Those that have the authority to appoint CEOs do not need to consider people with financial expertise above those without financial expertise when they are considering appointing a CEO that will enhance timely reporting of financial information. This is because financial expertise does not have any significant influence on financial reporting timeliness in Nigeria and CEOs holding shares in a firm does not provide motivation to report financial information in a timely fashion. Thus, company owners should not consider it an incentive for CEOs to get them to reduce lag in reporting of financial information.

### **References.**

- Ali A., & Zhang, W. (2013). CEO tenure and earnings management. doi:10.2139/ssrn.2060119.
- Baatwah, S. R., Salleh, Z., & Ahmad, N. (2015). CEO characteristics and audit report timeliness: Do ceo tenure and

- financial expertise matter? *Managerial Auditing Journal*, 30 (8/9), 998 – 1022. doi:10.1108/MAJ-09-2014-1097.
- Chinwuba, O., & Ibadin, P.O. (2011). Timeliness and financial reporting: Empirical evidence from Nigeria. *International Journal of Social Sciences*, June 3(1), 161 – 171.
- Custodio, C., & Metzger, D. (2014). Financial expert CEOs: CEO's work experience and firm's financial policies. *Journal of Financial Economics*, 114(1), 125-154. doi:10.1016/j.jfineco.2014.06.002.
- Daoud, K. A., Ismail, K. N., & Lode, N. A. (2014). The timeliness of financial reporting among Jordanian companies: Do company and board characteristics, and audit opinion matter? *Asian Social Science*; 10(13), 191-201. doi:10.5539/ass.v10n13p191.
- Daoud, K. A., Ismail, K. N., & Lode, N. A. (2015). The impact of internal corporate governance on the timeliness of financial reports of Jordanian firms: Evidence using audit and management report lags. *Mediterranean Journal of Social Sciences* 6(1), 430- 442. doi:10.5901/mjss.2015.v6n1p430.
- Eduardo, M., & Poole, B. (2016). CEO age and gender: Subsequent market performance. *Cogent Business and Management*, 3, 1-8. doi:10.1080/23311975.2016.1146389.
- Enofe, A. O., Mgbame, C.O., & Abadua H. S. (2013). Audit firm rotation and audit report lag in Nigeria. *IOSR Journal of Business and Management (IOSR-JBM)*. 12(4), 13-19. Retrieved from <http://www.iosrjournals.org>.
- Gounopoulos, D., & Pham, H. (2017). Financial expert CEOs and earnings management around initial public offerings. *International Journal of Accounting* 53(4), 1-45. doi:10.2139/ssrn.2852601.
- Hiebl, M. R. W. (2014). Upper echelons theory in management accounting and control research. *Journal of Management Control*, 24(3), 223-240. doi: 10.1007/s00187-013-0183-1.
- Iyoha, F. O. (2012). Company attributes and the timeliness of financial reporting in Nigeria. *Business Intelligence Journal*. 5(1), 41- 49.
- Jalbert, T., Jalbert, M., & Furumo, K. (2013). The relationship between CEO gender, financial performance, and financial management. *Journal of Business and Economics Research*, 11(1), 25-34. doi:10.19030/jber.v11i1.7520.
- Khuong, N. V., & Vy, N. T. X. (2017). CEO characteristics and timeliness of financial reporting of Vietnamese listed companies. *VNU Journal of Science: Economics and Business*, 33(5E), 100-107. doi:10.25073/2588-1108/vnueab.4127.
- Kim, E. H., & Lu, Y. (2011). CEO ownership, external governance and risk taking. *Journal of Financial Economics*, 102(2), 272-292. doi:10.1016/j.jfineco.2011.07.002.
- Lehtinen, T. (2013). Understanding timeliness and quality of financial reporting in a Finnish public company. Retrieved from Aalto University School of Business website: <http://epub.lib.aalto.fi>.
- Lilienfeld-Toal, U.V., & Ruenzi, S. (2014). CEO ownership, stock market performance, and managerial discretion. *The Journal of Finance*, 69(3), 1013-1050. doi:10.1111/jofi.12139.
- Mohamad-Nor, M. N., Shafie, R., & Wan-Hussin, W. N. (2010). Corporate governance and audit report lag in Malaysia. *Asian Academy of Management Journal of Accounting and Finance*, 6(2), 57–84.
- Mouna, A., & Anis, J. (2013). Financial reporting delay and investors behavior: Evidence from Tunisia. *International Journal of Management and Business Research*, 3(1), 57-67.
- Na, K., & Hong, J. (2017). CEO gender and earnings management. *Journal of*

- Applied Business Research*, 33(2), 297-308. doi: 10.19030/jabr.v33i2.9902.
- Ohaka, J., & Akani, F. (2017). Timeliness and relevance of financial reporting in Nigerian quoted firms. *Management and Organisational Studies*, 4(2), 55-62. doi:10.5430/mos.v4n2p55.
- Oladipupo, A. O. (2011). Impact of corporate international linkage on the incidence of audit Delay in Nigeria. *Jorind*, 9(1), 231-237. Retrieved from [www.ajol.info/journals/jorind](http://www.ajol.info/journals/jorind).
- Omoro, N., Aduda, J., & Okiro, K. (2015). Demographic diversity in top management team and financial reporting quality in commercial state corporations in Kenya. *Donnish Journal of Accounting and Taxation*, 1(1), 001-016. Retrieved from <http://www.donnishjournals.org/djat>.
- Owusu-Ansah, S., & Leventis, S. (2006). Timeliness of corporate annual financial reporting in Greece. *European Accounting Review*, 15(2), 273-287. doi:10.1080/09638180500252078.
- Plockinger, M., Aschauer, E., & Hiebl, M. R. W. (2016). The influence of individual executives on corporate financial reporting: A review and outlook from the perspective of upper echelons theory. *Journal of Accounting Literature*, 37, 55-75. doi: 10.1016/j.acclit.2016.09.002.
- Rahmawati, E. (2013). Information content and determinants of timeliness of financial reporting of manufacturing firms in Indonesia. Retrieved from Victoria University, School of Business website: <http://vuir.vu.edu.au/id/eprint/24830>.
- Turel, A. (2010). Timeliness of financial reporting in emerging capital markets: Evidence from Turkey. *Istanbul University Journal of the School of Business Administration*, 39(2), 227-240. Retrieved from <https://mp.ra.ub.uni-muenchen.de/29799>.
- Vuran, B., & Adiloğlu, B. (2013). Is timeliness of corporate financial reporting related to accounting variables? Evidence from Istanbul Stock Exchange. *International Journal of Business and Social Science*, 4(6), 58-70.