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CEO's Attributes on the Long-Term Solvency of Consumer Goods Firms Listed on Nigeria Exchange Group Plc.

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Abstract
This study investigated the effect of chief executives officer's (CEO) attributes on the long term solvency of consumer goods listed on Nigeria exchange group from 2014 to 2023 financial years. The study was set to achieve three objectives to evaluate the effect of CEO share ownership, CEO gender diversity and CEO account expertise on the long term solvency of consumer goods as established on the upper echelon theory top management cognitive behaviour. The study adopted ex post facto research design and generated secondary data from the annual reports of the sampled consumer goods firms listed on Nigeria exchange group. Descriptive statistics, correlation analysis and Ordinary least square regression estimation was used for the making inferences and the outcome indicate that CEO share ownership and CEO account expertise have both positive and statistical significant effect on the long term solvency of consumer goods firms listed on Nigeria exchange group ltd. More so, CEO gender diversity has inverse and no significant effect on the long term solvency of consumer goods firm in Nigeria. Consequently, the study recommends amongst others that Shareholders should try to consider persons with knowledge of accounting as the potential candidates for appointment to CEO position, because CEOs with accounting background have more required accounting and finance skills to manage the affairs of the enterprise to perpetuity.

Key words: *CEO gender diversity, CEO share ownership, CEO account expertise, Long term solvency.*

1. INTRODUCTION

When it comes to the existence and operations of business organisations, funding new business initiatives and expansions is of the utmost importance. These types of financing often come from either investments in debt or equity. For the purpose of determining whether or not a company is financially stable over the long run, long-term solvency is utilised. The ability of an institution to fulfil its long-term obligations by the due date is what is meant by the term "long-term solvency." Lenders with a long-term commitment are primarily concerned with whether or not they will get their principal and interest payments on time. According to Supriyanto and Kho (2022), the concept of long-term solvency relates to the capacity of a business to fulfil its future commitments. Indicators of a company's ability to satisfy the fixed interest, costs, and repayment schedules associated with its long-term borrowings are provided by the ratios of long-term solvency. In order to ensure that the company continues to function as a going concern, it is expected of business organisations to strategically utilise both their long-term solvency (leverage) in sufficient quantities and their short-term solvency (liquidity) in the appropriate manner. According to Odubuasi, Ofor, and Ilechukwu (2022), a company must make effective strategic decisions regarding leverage and provide an optimal capital mix in order to maximise the wealth of its shareholders. If the company fails to do so, it will be confronted with a significant financial risk of becoming insolvent,

The Upper Echelon Theory, which was proposed by Hambrick and Mason (1984), is a managerial theory that purports to provide explanations, among other things, regarding the manner in which the chief executive officer of a company decides the capital structure of the financial institution. To a significant extent, the achievement of maximal management and proportion of long-term funds is a sacred principle for the purpose of making an organisation profitable. Accordingly, the Chief Executive Officer is responsible for making well-informed decisions regarding the solvency position of individual companies. This is in accordance with the position that companies are an expression of the cognitive powers of the Chief Executive Officer (Odubuasi, Anene, and Okeke, 2022; Hambrick & Mason, 1984). Be that as it may, the knowledge base of the CEO is believed to have an impact on the performance and survival or long term solvency status of financial institutions. Take for instance, some scholars argue that males CEO have tendency to dispose more favourable attitude towards the utilisation of debt, whilst female CEOs tend to have a more risk-averse mentality (Supriyanto & Kho 2022). Moreover, there is an argument on whether a CEO with a significant amount of company's share may have a somewhat different perspective on debt financing compared to a CEO who does not own any shares of the company. Again there is contention on whether a CEO who has no accounting background may have tendency to demonstrate a different attitude towards debt financing that worsens long-term insolvency than a CEO who has accounting knowledge. In view of the fact that interest on loans is tax deductible, management is enticed and motivated to employ more debt against equity, which puts them in a situation where they are vulnerable to the possibility of long-term insolvency. Despite the fact that the incentive to generate shareholder value had left many courageous CEOs with the option of highly leveraged operations, the burden of insolvency had exposed numerous companies to the possibility of business failure.

Several studies on CEO attributes and long term solvency of firms were conducted mostly on developed and developing nations of the continents other than Africa like USA (Huang et al., 2024) that investigated the work titled Impact of powerful female CEOs on the capital structure of USA publicly traded companies; Sri Lanka (De Silva & Banda, 2022; De Silva & Weerakoon, 2021) that sought for the link between Chief Executive Officer and capital structure; Indonesia (Supriyanto & Kho, 2022) who determined the moderating effect of capital structure on the link between CEO qualities and the performance of manufacturing firms listed on Bursa Efek Indonesia. However, the outcome is overwhelming with little or no study found to have established the link between CEO attributes and the long term solvency of firms listed on Nigeria Exchange Group, with emphasis on consumer goods. Therefore the study is to fill then study gap by investigating the effect of CEO attributes on the long term solvency of consumer goods firms listed on Nigeria Exchange Group Plc.

Objectives of the study

The study objectives are to;

1. Investigate the effect of CEO gender on the long term solvency of consumer goods firms listed on Nigeria Exchange Group,
2. Evaluate the effect of CEO account expertise on the long term solvency of consumer goods firms listed on Nigeria Exchange Group
3. Investigate the effect of CEO share ownership on the long term solvency of consumer goods firms listed on Nigeria Exchange Group

Research questions

The research question were formulated in line with the objectives as presented below;

1. How does CEO gender affect the long term solvency of consumer goods firms listed on Nigeria Exchange Group?
2. To what level does CEO account expertise affect the long term solvency of consumer goods firms listed on Nigeria Exchange Group?
3. What is the effect of CEO share ownership on the long term solvency of consumer goods firms listed on Nigeria Exchange Group?

Hypotheses of the study

The hypotheses of the study were made to synchronise with the objectives and the research question, which are presented in their null forms as below;

Ho1: CEO gender does not have significant effect on the long term solvency of consumer goods firms listed on Nigeria Exchange Group.

Ho2: CEO account expertise has no significant effect on the long term solvency of consumer goods firms listed on Nigeria Exchange Group.

Ho3: CEO share ownership does not have any significant effect on the long term solvency of consumer goods firms listed on Nigeria Exchange Group.

The result will be useful by the existing and potential shareholders, the board of directors and external auditors for their various decision making. The article is structured such that section two has the review of related literature, the next section contains the methodology, the following section is data analysis and interpretation and finally the conclusion and recommendation.

2. REVIEW OF RELATED LITERATURE

Conceptual review

Chief Executive Officer Gender

The term "CEO gender" relates to the gender of the CEO, implying that it is either a male or a female employee. The gender of the chief executive officer is an important aspect of research at the moment because it raises the question of whether or not women behave differently when they are appointed to positions of authority.

According to research in cognitive psychology and management, women and men are distinct in a variety of aspects, including but not limited to leadership styles, effectiveness, communicative skills, conservatism, aggressiveness, risk aversion, and decision-making (Byrnes et al., 1999; Eagly and Johnson, 1990). This is the case when taking into consideration the gender of chief executive officers. Atkinson, Baird, and Frye (2003) conducted a study in which they compared the performance and investment behaviour of female fixed-income mutual fund managers to that of male fixed-income mutual fund managers. The study was to determine whether or not the stereotype of women being less competent than their male counterparts is accurate. The findings of the research carried out by Ashafoke, Dabor and Ilaboya (2021) indicate that women naturally exhibit a higher level of ethical behaviour than their male counterparts. The findings of Altarawneh, Shafie, Ishak, and Ghaleb (2022), which found that female CEOs have a greater propensity to rigorously implement improved strategic decision making.

Chief Executive Officer Accounting expertise

There is a correlation between the accounting expertise of the CEO's school background and the CEO's personal qualities and behaviours, notably the CEO's approach to the management of long-term debt. Earlier studies on CEO account expertise found that CEOs who have account expertise are more likely to engage in diversification activities than CEOs who have no account knowledge (Malmendier & Tate, 2008). This was found to be the case in comparison to CEOs who did not have any account knowledge. The results of this study indicate that chief executive officers are more likely to take risks than CEOs who do not have experience in account management. In addition, Malmendier and Tate (2008) find that chief executive officers who have a background in accounting are less sensitive to the flow of funds inside the organisation. This in turn suggests that they are more risky when it comes to making decisions regarding funding.

Chief Executive Officer Ownership

When a Chief Executive Officer (CEO) owns a significant portion of the firm's stock, he is able to bridge the gap between ownership and control of the company (Odubuasi, Anene, & Okeke, 2022). This allows the CEO to measure his position and actions in the company. The growth of information asymmetry, particularly when it is not equal to the disposition of top management and shareholders, has definitely placed top management in a position of information advantage, while shareholders are in a position of inferiority in comparison. According to Jensen and Meckling's (1976) agency theory, when managers control a considerable fraction of a company's shares, their interests will become more aligned with those of outside shareholders. This is the argument that the agency theory makes. We conclude that managerial shareholdings have a substantial role in decreasing agency concerns, as demonstrated by Agrawal and Knoeber (2021), who demonstrate that the stocks and options held by managers have an impact on the decisions that corporations make regarding investments and financing.

Long Term Solvency of Firms

An institution is considered to be solvent if it is able to fulfil all of its financial responsibilities, including those that are short-term, middle-term, and long-term. On the other hand, long-term solvency refers to the capacity of a company to fulfil its long-term financial commitments. The ability of a firm to meet all of its obligations, both in the short term and the long term, is what is meant by the phrase "solvency." Therefore, according to the definition of Ranti (2013), solvency is defined as the capacity to fulfil long-term financial obligations. According to the findings of Mavlutova et al. (2021), a solvent corporation is able to maintain its activities going forward into the foreseeable future. If a company's current assets are greater than or equal to its total obligations, then the company is regarded to be solvent. Nevertheless, if the entire assets of the company are less than the present liabilities of the company, the company is at risk of becoming bankrupt and will be unable to pay its debts (Nyabwanga et al., 2013). Generally speaking, ratios are used to measure solvency. A company's capacity to successfully receive loans, funding, and investment capital is influenced by its level of solvency. This is due to the fact that solvency is a measure of a company's present and long-term financial health and stability.

Theoretical review

The Upper Echelon Theory: The upper echelon theory explains and provide evidence for the ways in which the characteristics of senior decision makers influence the performance and survival of organisations. According to Hambrick and Mason (1984), the psychological foundation of decision making is founded on the cognitive foundation and personal values of the top decision maker. These factors can be evaluated by observing the demographic features of the upper echelon. According to Odubuasi, Anene and Okeke, (2022), the upper echelon theory asserts that the performance of a company is directly related to the characteristics of its superiors, precisely managers. It is because chief executive officers and the other members of the executive management team are in charge of directing the strategic decisions that the firm makes, which in turn has an effect on the performance of the organisation. According to Hambrick and Mason (1984), the upper echelon hypothesis contends that the decisions that are made by the management team are impacted by the qualities of the members of the team, such as their personality, values, and experience. They are influenced by their cognitive foundations and personality qualities, which in turn influence their perception and interpretation, which in turn influences how they respond to strategic challenges that they encounter (Hambrick, 2007).

Empirical review

Huang et al. (2024) examined the influence of powerful female CEOs on the capital structure of 418 CEOs from publicly traded companies in the United States, excluding the financial sector, during the period from 2007 to 2015. Data were collected from the annual reports of the sampled companies, utilising the framework established by Finkelstein (1992). The findings indicate that the leverage of companies led by female CEOs is similar to that of companies led by male CEOs. Additionally, a transition from male to female CEOs was associated with an increase in the company's debt levels. The authority exercised by CEOs is influenced by gender. Debt utilisation is more prevalent among prominent female CEOs possessing structural power, indicated by infrequent board meetings, and prestige power, demonstrated by their education from prestigious universities, compared to their male counterparts.

From 2011 to 2021, Ukavwe and Jeroh (2024) analysed the characteristics of chief executive officers (CEOs) and their impact on the value of publicly traded non-financial service companies in Nigeria. The study employed economic value added to moderate the relationship between the dependent and independent variables. This study employed an ex post facto research design and sourcing data secondarily. The regression result reveals that CEO ownership, tenure, nationality, and gender significantly influence the value of publicly traded companies in Nigeria.

Ismaila and Tanko (2023) investigated the influence of chief executive officer characteristics on the firm value of publicly listed insurance companies in Nigeria from 2013 to 2022, as documented in the financial year reports. This study focused exclusively on CEO qualities, namely CEO tenure and CEO duality, while utilising ROA as a proxy for business value. The study's sample size comprised twenty-three insurance companies listed on the Nigeria Exchange Group. Secondary data were obtained from the annual reports of the companies for the periods under investigation.

Panel regression estimates indicate that the duration of a CEO's tenure positively correlates with the firm value of listed insurance companies in Nigeria. Conversely, the concurrent presence of two CEOs negatively affects the firm value of these companies.

Mohammed et al. (2023) conducted a study examining the moderating role of risk committee gender on the impact of CEO age and gender on the probability of financial distress in listed deposit money banks in Nigeria, covering a fifteen-year period from 2007 to the 2021 financial year. The study employed a correlational research design to analyse secondary data extracted from the annual audited financial statements of the banks. The research involved fourteen deposit money banks listed on the Nigeria Exchange Group. The findings demonstrate that the CEO's age, the CEO's gender, and the gender of the risk committee significantly and negatively affect the likelihood of financial distress. Again the composition of the risk committee by gender significantly reduced the impact of the CEO's age and gender on the probability of facing financial difficulties.

Obarolo et al. (2023) examined how the traits of chief executive officers influence the tax avoidance strategies of publicly traded non-financial firms in Nigeria from the fiscal years 2012 to 2021. This study aimed to examine the influence of chief executive officers' tenure, ownership, gender, and nationality on the adoption of tax avoidance strategies by non-financial companies listed on the Nigeria Exchange Group during the analysed periods. Descriptive statistics and regression estimation methods were employed to analyse the data obtained from the companies' annual reports. This analysis indicates that increased ownership rights held by the chief executive officer correlate with reduced tax evasion in listed non-financial corporations in Nigeria. The gender and nationality of the CEO positively and significantly influence the tax avoidance behaviour of non-financial companies in Nigeria. The CEO's term does not significantly influence the tax avoidance behaviour of the sampled companies.

Uwaifo and Igbinoba (2023) conducted a literature review examining the relationship between chief executive officer characteristics and firm performance, emphasising previously published research on the topic. The review of the research archive was conducted using a qualitative methodology. The study utilised information sourced from previously published articles and publications. The study concluded that substantial research exists on CEO attributes and firm performance, while neglecting non-financial performance indicators. This conclusion was derived from the subsequent review conducted. The study's findings indicate that financial metrics alone are insufficient for assessing a company's performance. The research identified a lack of relevant literature concerning the impact of CEO culture and nationality on firm success in Nigeria.

From 2013 to 2022, Ja'afar et al. (2023) investigated the moderating role of corporate tax in the relationship between CEO characteristics and the financial performance of publicly traded consumer goods firms in Nigeria. The study was shaped by socio-economic instability, particularly in the context of the Post-Covid-19 pandemic, which compelled corporate entities to confront significant challenges related to profit maximisation, alongside various legal and regulatory practices. The study employed an ex post facto research approach, utilising quantitative data obtained from the annual reports of eighteen companies selected from the twenty-seven consumer goods companies listed on the Nigeria Exchange Group as of December 31, 2023. The regression estimation techniques results indicate that CEO tenure, CEO financial expertise, CEO gender, CEO turnover, and CEO age have significantly affect the financial performance of listed consumer goods companies in Nigeria as represented in Model 1 of the study. After integrating the moderator, defined as the corporate income tax, into the second model of the study, it was found that the CEO's tenure, financial expertise, and age significantly influenced the financial performance of listed consumer goods firms in Nigeria. Neither the gender of the CEO nor the CEO turnover rate influences the financial performance of the sampled companies.

Odubuasi, Anene and Okeke (2022) examined the influence of Chief Executive Officer (CEO) characteristics including education, experience, and gender on the performance and market value of manufacturing firms listed on the Nigeria Exchange Group from 2013 to 2021. Anchored on upper echelon theory which posits that organisations reflect the cognitive behaviours of their Chief Executive Officers. An ex post facto research design was employed, utilising secondary data obtained from the annual reports of the companies from 2013 to 2021. A non-probability filtering method was employed to select thirty-six distinct companies. Descriptive statistics, correlation analysis, and panel regression analysis were employed the result indicate that the educational qualifications of the chief executive officer (CEO) significantly influence both company performance and value, assessed through Return on Equity (ROEQ) and Tobin's Q (TOBNQ), respectively. Furthermore, the appointment of a female CEO should not be viewed as a mere achievement; rather, it should be based on her possession of complementary traits that are crucial for steering the organisation towards enhanced performance and value.

Supriyanto and Kho (2022) assessed the mediating role of capital structure in the relationship between CEO characteristics and the performance of manufacturing firms listed on Bursa Efek Indonesia during the 2016 to 2019 financial years. Data for the study was obtained from published financial accounts, employing descriptive statistics and regression analysis for the examination. The empirical research concludes that CEO tenure significantly influences company performance positively. The age, gender, and education level of the CEO demonstrate a positive yet marginal influence on company performance. The capital structure, indicated by the debt-to-equity ratio, does not act as a mediating variable in the relationship between CEO characteristics and company performance. This represents an additional critical consideration.

De Silva and Banda (2022) investigated the impact of chief executive officer attributes on the capital structure of non-financial listed corporations in the Sri Lankan stock market. The study employed multistage cluster sampling to select a sample of 123 non-financial enterprises from a population of 289 non-financial firms listed on the Colombo Stock Exchange for the financial years 2012 to 2019. The tools used for data analysis included descriptive statistics, correlation analysis, and panel regression analysis. The study's findings indicate that the capital structure of the investigated companies is positively influenced by the CEO's gender, age, and company size. The capital structure of non-financial companies listed on the Colombo stock market during the examined periods shows that CEO tenure and company age exert a negative and statistically insignificant influence on capital structure. Conversely, CEO duality, CEO ownership, CEO education, and growth opportunity exhibit a positive effect and no significant impact on capital structure.

3. METHODOLOGY

Ex-post facto research design was adopted by the study to investigate the cause and effect relationship on the variables on the ground that the events had already happened and the researcher has no intention to manipulate the data. Firms listed on the Nigeria exchange group as at 31st December 2024 were chosen with specific attention on the twenty (20) consumer goods sector listed. Eighteen (18) of the consumer goods firms were selected for the study on the basis of convenience, their financial statements available on the internets for the ten years of the study ranging from 2014-2023 financial years. Secondary source of data were used and was extracted from the annual reports of the selected firms, which was analysed with the help of descriptive statistics, correlation and panel regression estimation technique. The three hypotheses were tested at 5% error margin upon which null hypothesis was accepted when the computed value is less than critical value of 5%, otherwise alternate hypothesis was accepted.

Model specification

The study adapted model from the study of by Odubuasi, Anene and Okeke (2022) as presented below;

ROEQit = β0 + β1 CEDUit + β2 CEXPit + β3 CGENDit + β4 FSIZit + β5 FLEVit + μ ---equ 1

The model was modified to suit our study thus;

$LTS_{it} = \beta_0 + \beta_1 CEO.ACTEXP_{it} + \beta_3 CEO.GENDER_{it} + \beta_4 CEO.OWNERSHIP_{it} + \varepsilon_{it}$ equ (2)

Where; LTS = Long Term Solvency of firm *i* in year *t*; CEO.OWNERSHIP= CEO ownership of shares of the firm *i* in year *t*; CEO.ACCTEXP= CEO account expertise of firm *i* in year *t*; CEO.GENDER= Gender of CEO for firm *i* in year *t*; ε_{it} = Stochastic variable; β_0 = Intercept/ Constant; $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5,$ = Parameters or coefficients of determination

Table 3.2 Operationalisation of variables

Variables/ specifications	Appriori Expectation	Measurements	Authors
DEPENDENT VARIABLE			
Long Term solvency		Long term debt divide by equity	Supriyanto and Kho (2022)
INDEPENDENT VARIABLE			
CEO.OWNERSHIP	+	The percentage of stocks owned by the CEO at the beginning of the year	Odubuasi, Anene and Okeke (2022)
CEO.ACTEXP	+	‘1’ If the CEO have Accounting educational background, otherwise ‘0’	Orekhova, Kudin and Kupera (2019)
CEO.GENDER	-	‘1’ if the CEO is a female, otherwise ‘0’.	Odubuasi, Anene and Okeke (2022)

Source: Authors compilation (2025)

4. DATA ANALYSIS AND INTERPRETATION

4.1 Data analysis

The data generated for the study, effect of CEO attributes on the long term solvency of consumer goods firms listed on Nigeria Exchange Group Plc were analysed with the following tools;

Table 4.1 Descriptive Statistics

stats	CEOOWN~P	CEOGEN~R	CEOACC~P	LTS
mean	.8705	.0335196	.6777778	1.407778
p50	0	0	1	.36
max	15.31	1	1	48.67
min	0	0	0	-1.58
sd	3.184021	.1804937	.4686311	5.559495
N	180	179	180	180

Source: Authors' Compilation (2025)

Table 4.1 illustrates that our proportion of long term solvency possesses a mean value of 1.408, accompanied by a standard deviation of 5.6%. The minimum value recorded is -1.58, while the maximum reaches 48.56. The standard deviation of 5.6% indicates that the data deviates from the mean value on both sides by 5.6%, suggesting a close dispersion of the data around the mean. The table also illustrates that CEO ownership (CEOOWNERSHIP) possesses a mean value of 0.87% with a standard deviation of 3.18%, alongside minimum and maximum values of 0.0% and 15.31% respectively. This indicates that the data is typically dispersed around the mean in the given samples. The summary of descriptive statistics presented in Table 4.1 indicates a mean value of 0.03% for CEO gender diversity (CEOGENDER). This indicates that the primary cohort of the consumer goods firms we examined has an average of 0.03% female CEO during the review period, with a standard deviation of 1.18%. The minimum and maximum values of CEOGENDER are 0.0 and 1 respectively. Table 4.1 further illustrates that the mean values of our CEO account expertise is 0.67& and a standard deviation of 0.47%, which shows that the data did not have wide dispersion around the mean.

4.2 Test of normality

Normality test of the data was conducted with Shapiro-wik w test as presented in the table below; Shapiro-Wilk W test for normal data

Variable	Obs	W	V	z	Prob>z
CEOOWNERSHIP	180	0.50502	67.388	9.636	0.00000
CEOGENDER	179	0.74893	34.017	8.069	0.00000
CEOACCTEXP	180	0.99328	0.916	-0.202	0.58002
LTS	180	0.23510	104.137	10.632	0.00000

Source: Authors' Computation (2025)

The table 4.2 above shows that the probability value of CEO ownership;, CEO gender and loan to debt ratio are statistically significant at 1% and are not normally distributed since their probability value are less than the critical value of 5%. Whereas the value of CEO account expertise is normality having probability value higher than 5% critical level. Therefore this study will engage non-parametric test of using spearman rho correlation

4.3 Correlation Analysis

In examining the relationship between our dependent and independent variable we employed the correlation coefficient and the result is presented in table 4.3 below.

Table 4.3 Correlation matrix

	LTS	CEOOWN~P	CEOGEN~R	CEOACC~P
LTS	1.0000			
CEOOWNERSHIP	0.0746	1.0000		
CEOGENDER	0.0375	-0.0895	1.0000	
CEOACCTEXP	0.0545	-0.1443	0.0626	1.0000

Note: *** p<0.01; ** p<0.05; * p<0.1
Source: Authors' Computation (2025)

The correlation matrix displayed in Table 4.3 illustrates the degree of statistical relationships among the variables. The observation indicates a weak and positive relationship between all the independent variables (CEO ownership, CEO gender, CEO account expertise) and long term solvency of the consumer goods sampled, while CEO ownership has weak and negative relationship with CEO gender diversity and CEO account expertise at a coefficient of -0.089 and -0.144 respectively. Finally, CEO gender has weak and positive relationship with CEO account expertise at a coefficient 0-06.

4.4 Multicollinearity test

Variable	VIF	1/VIF
CEOACCTEXP	1.01	0.986487
CEOOWNERSHIP	1.01	0.987773
CEOGENDER	1.01	0.994044
Mean VIF	1.01	

Source: Authors' Computation (2025)

From the table 4.4 above, it is shown that the mean VIF is 1.01. It is however, the rule of VIF to place a benchmark mean of 10 for acceptance level. Indicating that any result that produces mean VIF above 10 has high correlation among the independent variables. Since our result is 1.01, which is smaller than acceptable level of 10, we uphold no presence of multicollinearity in our data.

4.5 Constant variance of error term

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of LTS

chi2(1) = 22.69
Prob > chi2 = 0.0000

Source: Authors' Computation (2025)

Heteroscedasticity test has a decision rule that there is no heteroscedasticity if the probability value is more than 5%. Table 4.5 above shows probability value of 0.00 is less than the critical value of 0.05. which constitutes heteroscedasticity problem, and indicates that error term is not constant. Therefore robust regression would have to be computed for making inferences.

4.6 OLS regression result

Robust regression Number of obs = 179
F(3, 175) = 9.59
Prob > F = 0.0230

LTS	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
CEOOWNERSHIP	.0091449	.0080773	2.13	0.002	-.0067966	.0250863
CEOGENDER	-.0244137	.1424069	-0.17	0.864	-.3054697	.2566422
CEOACCTEXP	.0428971	.0549769	1.78	0.036	-.065606	.1514001
_cons	.333673	.0462715	7.21	0.000	.242351	.4249951

Source: Authors' Computation (2025)
Note: *** p<0.01; ** p<0.05; * p<0.1

Test of hypotheses and result discussion

The model diagnostics indicate that the R-squared value of 21% reflects the proportion of variation in the outcome variable that can be attributed to the independent variables. The F-statistic of 9.59 with its probability value of 0.02, indicates that CEO attribute variables used in this model are statistically significant at the 5% level in explaining long term solvency of the sampled consumer goods firms. Furthermore, the detailed results from our explanatory variable derived from the robustness check are presented below.

Hypothesis one - CEO gender does not have significant effect on the long term solvency of consumer goods firms listed on Nigeria Exchange Group**;**

Based on the coefficient of -0.244 and t statistics of -0.17, CEO gender diversity appears to have an insignificant positive effect on long term solvency of consumer goods firms listed. This implies that for every one unit increase in female CEO, long term solvency is likely to decrease by 0.17 units, if other variables are held constant. Therefore CEO gender diversity increase the chances of weakened long term liquidity of consumer goods firms in Nigeria. This discoveries corroborates are in line with that of Odubuasi et al. (2022) who disclosed female CEO has no significant effect on Nigerian manufacturing firms performance. Again, this outcome is in accordance with that of Huang et al. (2024) who disclosed that leverage of companies led by female CEO in United States of America does not differ from that of companies let by male CEO.

Hypothesis two - CEO account expertise has no significant effect on the long term solvency of consumer goods firms listed on Nigeria Exchange Group.

The table above presents a report that CEO account expertise has positive and statistical significant effect on long term solvency of consumer goods firms listed in Nigeria at 5% level, shown at a coefficient of 0.0428 and P-value of 0.036. The result shows that more CEO having accounting knowledge gives them the opportunity of reducing the chances of consumer goods firms sliding into long term solvency issue. In effect, the study accepts alternate hypothesis and uphold that CEO account expertise has positive and statistical significant effect on long term solvency of consumer goods firms in Nigeria. this result corroborates with the finding of Odubuasi et al. (2022) that found accounting educational qualifications of the chief executive officer (CEO) significantly influencing both Nigeria manufacturing company's performance and value, assessed through Return on Equity (ROEQ) and Tobin's Q (TOBNQ), respectively.

Hypothesis three - CEO share ownership does not have any significant effect on the long term solvency of consumer goods firms listed on Nigeria Exchange Group. CEO share ownership has coefficient of 0.01 and P statistics of 0.002 which indicates a positive and statistical association on long term solvency of the consumer goods firms sampled. Specifically, this implies that increase in CEO share ownership by the CEO would help on efficient management of long term solvency of the consumer goods firms. This finding is likewise in accordance with the consequence of Ukavwe and Jeroh (2024) that found CEO ownership to significantly influencing the value of publicly traded companies in Nigeria. We subsequently reject null hypothesis and accept alternate which expressed that there is statistical significant effect of board gender diversity on long term solvency of consumer goods firms listed on Nigeria exchange group ltd.

Section five - Conclusion and Recommendation

5.1 Conclusion

This study critically examined the effect of CEO attributes on the long term solvency of consumer goods firms listed on Nigeria exchange group. The investigation was conducted utilizing data derived from the annual reports of the sampled consumer goods firms. The study made a strategic choice of ordinary least square regression estimation technique for the data so generated that span through 2014 to 2023. The upper echelon theory establishes a foundation for recognition of cognitive behaviour of the CEOs to streamline the solvency of consumer goods firms listed on Nigeria exchange group. The research, through its empirical findings, concluded that CEO attributes especially CEO share ownerships and CEO accounting knowledge provided empirical evidence of being strong determinants of changes in long terms solvency of consumer goods firms listed on Nigeria Exchange Group.

5.2 Recommendation

Pursuant to the findings made by the study, the following recommendations were made;

1. Shareholders may not rely their basis of appointing CEO on gender matter, rather appoint whoever that is duly potent possessing the required qualities needed. No special attention should be given to female gender during the choice of CEO selection since their leadership raises more propensity for the firms to encounter long term solvency dilemma as was empirically proven in this investigation.
2. Shareholders should try to consider persons with knowledge of accounting as the potential candidates for appointment to CEO, because CEOs with accounting background have more required accounting and finance skills to manage the affairs of the enterprise especially the long term solvency of the firms.
3. The board of directors should ensure that CEO holds substantial portion of the firm's share to make him have the sense of ownership that will drive him initiate right decisions to adequate wealth creation and lessen the chances of long term insolvency for the firm.

5.3 Implication of the study

This study has successfully investigated the effect of CEO attributes on the long term solvency of consumer goods firms listed on Nigeria exchange group. Sequel to the study findings, it becomes critical to buttress that the board of directors should not downplay on ensuring that CEOs have reasonable amount of shares of the company and possess sound accounting Knowledge before entrusting him with the leadership of the company, otherwise, he may wrongly direct the affairs of the firms in a way that insolvency may set in.

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