

# CEO Characteristics and Financial Performance of Nigerian Consumer Goods Firms: Moderating Role of Research and Development Expenditure

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**Abstract:** Nigerian listed firms have become a major concern in recent years due to increasing competition, dynamic market conditions, and rising operational costs. Corporate leadership, particularly the attributes of Chief Executive Officers (CEOs), has been identified as a crucial factor influencing firm performance. This study examines the impact of CEO attributes on the profitability of listed companies in Nigeria, with particular emphasis on the moderating role of research and development (R&D) expenditure. The study focuses on key CEO attributes such as age, tenure, educational qualification, and experience, and evaluates how these characteristics influence firms' profitability outcomes. The study adopts a quantitative research approach and utilizes secondary data obtained from the annual reports and financial statements of selected listed firms over the study period. Profitability is measured using standard accounting-based indicators, while CEO attributes and research and development (R&D) expenditure are carefully extracted from corporate disclosures. Panel regression analysis is employed to examine both the direct effect of CEO attributes on profitability and the moderating effect of research and development expenditure on this relationship. The findings reveal that CEO attributes exert a significant influence on firm profitability, indicating that managerial characteristics play a vital role in shaping strategic decisions and financial outcomes.

**Keywords:** Financial Performance; Consumer Goods; Organizational Performance; Corporate Decision-Making; Managerial Capabilities; Operational Costs; Accounting-Based Indicators.

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## 1. Introduction

In recent years, the profitability performance of listed firms in Nigeria has attracted increasing concern from investors, regulators, and other stakeholders [7]. Firms now operate in a highly competitive, uncertain business environment characterized by rapid technological change, fluctuating economic conditions, and rising operational costs [11]. These challenges have placed

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greater emphasis on the quality of corporate leadership, particularly the role of top executives in shaping firm strategy and performance outcomes [15]. The Chief Executive Officer (CEO) occupies a central position in corporate decision-making and is largely responsible for formulating and implementing strategic policies that affect organizational performance. CEO attributes such as age, tenure, educational background, and professional experience influence managerial judgment, risk preferences, and strategic orientation. As a result, variations in these attributes may explain differences in firm profitability across organizations operating within the same economic environment [18]. In Nigeria, many listed firms continue to experience performance instability despite regulatory reforms and improvements in corporate governance frameworks. This has raised questions about whether firm-level performance challenges are linked not only to structural and environmental factors but also to the personal and professional characteristics of top executives [20]. Understanding how CEO attributes affect profitability is therefore essential for improving corporate governance practices and enhancing firm performance.

In addition to managerial characteristics, investment in research and development (R&D) has become increasingly important for firms seeking competitive advantage and long-term profitability [21]. Research and Development (R&D) expenditure supports innovation, improves operational efficiency, and enables firms to respond effectively to changing market demands. However, the effectiveness of research and development (R&D) investment may depend on the CEO's strategic orientation and capabilities, suggesting that research and development (R&D) expenditure may interact with CEO attributes to influence profitability outcomes [22]. Despite the relevance of these issues, empirical evidence on the combined effect of CEO attributes and research and development expenditure on firm profitability in Nigeria remains limited. Most existing studies have examined CEO characteristics or innovation investment in isolation, with little attention given to the moderating role of research and development (R&D) expenditure. This gap limits the understanding of how managerial characteristics and innovation strategies jointly influence firm performance [23]. This study, therefore, examines the effect of CEO attributes on the profitability of listed firms in Nigeria and assesses the moderating role of research and development expenditure. By focusing on CEO age, tenure, educational qualification, and experience, the study provides insight into how executive characteristics shape profitability outcomes within the Nigerian corporate context. The findings of this study are expected to contribute to the corporate governance literature and to provide practical guidance for boards, investors, and policymakers on improving executive selection and strategic investment decisions [24].

## **2. Literature Review and Theoretical Framework**

### **2.1. Conceptual Review**

The concept of Chief Executive Officer (CEO) attributes has been widely discussed in corporate governance literature as a major determinant of firm performance. CEO attributes refer to the personal and professional characteristics of top executives that influence managerial behavior, strategic decision-making, and organizational outcomes. In this study, CEO attributes include age, tenure, educational qualifications, and professional experience, all of which are considered critical to shaping leadership effectiveness and profitability. CEO age reflects the stage of managerial maturity and risk orientation. Older CEOs are generally associated with experience, caution, and strategic stability, while younger CEOs may exhibit greater innovation, aggressiveness, and risk-taking. These differences in managerial orientation can influence how firms pursue profitability objectives. CEO tenure represents the length of time a CEO has held office within an organization. A longer tenure is associated with deeper firm-specific knowledge, a better understanding of internal operations, and stronger control over strategic implementation. However, prolonged tenure may also result in managerial entrenchment, which could negatively affect firm performance if not properly monitored.

Educational qualifications refer to the CEO's formal academic background and are viewed as proxies for managerial competence and analytical capacity. CEOs with higher educational attainment are expected to possess superior problem-solving skills, strategic insight, and decision-making abilities, thereby enhancing firm profitability. Professional experience provides CEOs with cumulative exposure to managerial and industry roles, enabling them to manage resources and respond to business challenges effectively. Profitability, as the dependent variable of the study, reflects a firm's ability to generate earnings from its assets and operations. It is a key indicator of firm performance and sustainability. Profitability remains a central objective of listed firms, as it determines shareholder value and long-term growth prospects. Research and Development (R&D) expenditure is conceptualized as investment in innovation-related activities aimed at improving product quality, operational efficiency, and competitive advantage. In this study, research and development (R&D) expenditure is viewed as a moderating variable that enhances the effectiveness of CEO attributes in influencing profitability. The interaction between managerial capabilities and innovation investment is considered essential for achieving superior financial performance.

### **2.2. Empirical Review**

Several empirical studies have examined the relationship between CEO characteristics and firm performance, with particular emphasis on how managerial attributes influence profitability and overall organizational outcomes. The findings from these

studies remain mixed, suggesting that the effect of CEO characteristics on firm performance may depend on firm-, industry-, and environmental-specific factors. Garcia-Blandon et al. [2] investigated the role of managerial leadership and board effectiveness in influencing firm performance. Their study provided empirical evidence that CEO attributes, particularly experience and leadership capacity, play a significant role in shaping strategic decisions that affect firm profitability. However, the authors noted that the impact of CEO characteristics may weaken when governance mechanisms are ineffective. Saidu [3] empirically examined the relationship between CEO characteristics and firm outcomes, focusing on managerial experience and decision-making behaviour. Their findings revealed that firms managed by CEOs with strong professional backgrounds tend to perform better, although performance outcomes were sensitive to economic conditions and firm size.

Kontes [4] analyzed the impact of CEO characteristics on firm performance and found that managerial competence and tenure significantly influence profitability. The study concluded that firms benefit from CEOs with longer tenure due to accumulated firm-specific knowledge, which enhances operational efficiency and strategic consistency. Rashid [5] examined the relationship between CEO characteristics and firm performance in listed firms and found that managerial experience and expertise positively affect firm profitability. However, the study observed that excessive CEO dominance may negatively affect performance if not balanced by effective corporate governance structures. Maulidya et al. [6] studied the influence of CEO power and characteristics on firm risk and performance. Their results indicated that CEO attributes such as experience and tenure significantly affect firm performance, with stronger CEOs contributing positively to profitability but potentially increasing risk exposure if not adequately monitored. Samborska et al. [8] investigated the relationship between managerial characteristics and firm performance in emerging markets. The study found that managerial expertise and leadership quality positively influence firm performance, particularly in environments characterized by institutional weaknesses and market volatility. Salehi et al. [10] examined threshold effects in the relationship between managerial characteristics and firm performance.

Their findings suggested that CEO attributes influence firm performance differently at varying performance levels, indicating that the effectiveness of managerial characteristics is not linear. Emadeldeen et al. [9] assessed the effects of ownership, control, and managerial influence on firm outcomes. Their study concluded that managerial characteristics significantly affect firm performance when aligned with effective governance mechanisms. Overall, the empirical evidence presented in the work demonstrates that CEO characteristics are important determinants of firm performance, particularly profitability. However, the findings also reveal that the magnitude and direction of this relationship vary across studies, supporting the need for further empirical investigation within the Nigerian context, as undertaken in the present study. The research design adopted for this study is correlational, as it is appropriate for examining the statistical relationship between two or more variables without manipulating them. This design enables the study to determine the extent to which the independent variables are associated with the dependent variable within its context.

### 3. Methodology and Model Specification

The research design used for this study is a combination of correlational and ex post facto designs. This design is selected because it is best suited for examining the statistical relationship between Chief Executive Officers' attributes and firm profitability. In this study, CEO characteristics (Tenure, Experience, and Financial Expertise) are independent variables, while Profitability (proxied by Return on Assets) is the dependent variable. Additionally, Research and Development (R&D) expenditure is incorporated as a moderate variable. The population of this study comprises all twenty (20) listed consumer goods firms on the Nigerian Exchange Group (NGX) from 2014 to 2023. A census sampling approach was adopted, selecting seventeen (17) banks that provided consistent and complete financial data over the ten years. Data for this study were obtained from secondary sources, specifically the annual financial statements audited and reports of the sampled firms. To analyze the data, the study employed multiple regression analysis, specifically a panel-corrected regression model, to estimate the relationship between CEO attributes and profitability while accounting for the moderating effect of research and development (R&D). The summary of the variables used in the study and their operational definitions is presented in Table 1.

**Table 1:** Summary of variables and their measurement

Variable Type	Variable Name	Measurement	Source
DV	Profitability	Return on Assets (ROA): Profit before Interest and Tax / Total Assets	Suardana et al. [16] and Damodaran [19]
IV	CEO Tenure	Number of years an individual has served in the CEO role	Hambrick and Mason [12] and Schaedler et al. [13]
IV	CEO Experience	Breadth/depth of professional exposure (prior executive roles/industry background)	Bonazzi and Islam [14]
IV	CEO Financial Expertise	Professional certification or educational background in accounting or finance	Suardana et al. [16] and Chen [17]

IV	Research and Development	Expenditure on innovation and product improvement	Damodaran [19] and Lai et al. [1]
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Source: Author Compilation, 2025.

The study utilizes the following panel regression equations to test the direct and moderating effects [6]:

**Model 1:** Direct Effects

$$ROA_{it} = \beta_0 + \beta_1 CEOTEN_{it} + \beta_2 CEOFE_{it} + \beta_3 CEO_{it}$$

**Model 2:** Moderating Effects

$$ROA_{it} = \beta_0 + \beta_1 CEOTEN_{it} + \beta_2 CEOFE_{it} + \beta_3 CEO_{it}$$

Where:

ROA = Return on Assets (Profitability):

- CEOTEN = CEO Tenure
- CEOFE = CEO Professional Qualification (Financial Expertise)
- CEOE = CEO Experience
- R&D = Research and Development Expenditure
- $\beta_0$  = Intercept coefficient;  $\beta_1 - \beta_7$  = Parameters to be estimated
- $\epsilon$  = Error term; i = Firm; t = Time period (2014–2023)

**4. Result and Discussion**

The descriptive statistics in Table 2 provide an observation value of 170, representing 17 listed consumer goods firms’ data for over 10 years from 2014 to 2023. Table 2 shows a mean return on assets of 0.0186, indicating that, on average, consumer goods firms in Nigeria generate a modest 1.86% profit relative to their total assets. The standard deviation of 0.156 is higher than the mean, suggesting wide variations in performance across consumer goods firms. This is further substantiated by the minimum ROA of -0.9824, indicating that some consumer goods firms have experienced significant losses. In contrast, the maximum ROA was 0.4633, indicating that other firms achieved returns of up to 46.3%. This profitability distribution reflects both managerial effectiveness and the broader economic challenges within Nigeria’s consumer goods sector.

**Table 2:** Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Roa	170	0.018601	0.156106	-0.98245	0.463332
Ceoxp	170	4.917647	2.334266	2	15
Ceoten	170	0.405882	0.492513	0	1
Ceofex	170	0.182353	0.387276	0	1
Rd	170	6.611765	1.03311	5	9

Source: STATA OUTPUT, 2025.

Also, Table 5 indicates the mean CEO experience at approximately 5. This suggests that CEOs typically assume their current role after already holding around 5 executive positions elsewhere. This experience suggests exposure to diverse organizational settings, structures, and decision-making environments, which enrich strategic perspectives. The standard deviation of 2.33 shows significant variation, with some CEOs having held as few as two (2) positions and others as many as fifteen (15). This indicates a leadership landscape that includes both relatively less seasoned executives with limited exposure and highly mobile executives who have accumulated extensive leadership capital across firms.

The latter group may bring broader technical skills and networks that influence consumer goods firms’ outcomes. Further, the CEO tenure has a mean of 0.406, indicating that only about 40.6% of CEOs in the sample are retained over the observation period. The corresponding standard deviation of 0.493 confirms a moderate variation between firms with leadership continuity and those experiencing turnover. The minimum value of 0 tenure indicates the presence of firms led by newly appointed CEOs, while the maximum value of 1 shows that some firms benefit from both leadership stabilities.

Similarly, the descriptive results for CEO financial expertise reveal a mean value of 0.182, indicating that only 18.2% of CEOs possess specialized financial knowledge. The standard deviation was 0.387, indicating a high level of variance in members' financial knowledge. The minimum value of 0 for financial expertise indicates that some CEOs lack a formal financial background, underscoring the variability in leadership profiles. A value of 1 indicates that some CEOs in consumer goods firms possessed financial knowledge during the period under study. Nonetheless, the research and development (R&D) expenditure, with a mean of 6.61 on a 5–9 scale, reflects a moderate commitment to innovation among consumer goods firms. The standard deviation of 1.03 indicates considerable variation, with some firms making significant research and development (R&D) investments while others operate closer to the minimum threshold. The minimum value of 5 indicates that no firm entirely neglects research and development (R&D). In contrast, the maximum value of 9 indicates firms that heavily prioritize innovation and product development, positioning themselves for competitive advantage (Table 3).

**Table 3:** Normality test

Variable	Obs	W	V	Z	Prob>z
Roa	170	0.82741	22.365	7.091	0.000
Ceoexp	170	0.99962	0.049	-6.899	1.000
Ceoten	170	0.99616	0.498	-1.592	0.94433
Ceofex	170	0.95867	5.355	3.829	0.00006
Rd	170	0.96305	4.788	3.573	0.00018

Source: STATA OUTPUT, 2025.

Normality tests are essential diagnostics in quantitative research because most inferential statistical procedures, including regression, correlation, and hypothesis testing, assume that the data are normally distributed. In this study, the Shapiro-Wilk test (reported through the W statistic, V statistic, z-values, and probability scores) was employed to assess whether the variables under consideration conform to a normal distribution, thereby ensuring the reliability of the subsequent econometric estimations. Table 5 presents the profitability (ROA). The Shapiro-Wilk statistic returned a W value of 0.82741 and a corresponding p-value of 0.000. Given that this probability is less than the conventional significance thresholds of 0.05, the null hypothesis of normality is rejected. This implies that the profitability distribution of consumer goods firms in Nigeria departs significantly from normality. However, for CEO experience (ceoxp), the test produced a W value of 0.99962 and a p-value of 1.000. This strongly suggests that CEO experience, measured as the number of prior executive positions held, is normally distributed within the sample. The implication is that the spread of CEO experience across the firms is even, without extreme outliers or irregular clustering. Similarly, the results for CEO tenure (ceoten) show a W statistic of 0.99616 with a p-value of 0.94433. Since this probability is greater than 0.05, the data on CEO tenure do not violate the assumption of normality.

This indicates a stable distribution of CEO tenure among consumer goods firms, reflecting a consistent pattern in the length of service of CEOs across the sector. In contrast, CEO financial expertise (ceofex) presents a W value of 0.95867 and a highly significant p-value of 0.00006, indicating a rejection of the null hypothesis of normality. This suggests that the distribution of financial expertise among CEOs is unbalanced, possibly due to the concentration of certain professional qualifications among a subset of CEOs, while others lack such expertise entirely. Lastly, research and development (R&D) expenditure (rd) yielded a W value of 0.96305 and a p-value of 0.00018, again rejecting normality. The skewness here may reflect the uneven distribution of research and development spending, with a few firms committing substantial resources to innovation. In contrast, others either underinvest or invest in none. This pattern is common in emerging markets such as Nigeria, where structural challenges limit consistent research and development (R&D) outlays across the industry. Therefore, the normality test results reveal that while CEO experience and CEO tenure follow normal distributions, ROA, CEO financial expertise, and research and development (R&D) expenditure do not. The implications are twofold: first, the violation of normality for certain variables necessitates the consideration of robust statistical methods to avoid biased inferences; second, the divergence itself is meaningful, reflecting the heterogeneity and unevenness in firm performance, executive expertise, and strategic investments across Nigeria's consumer goods sector (Table 4).

**Table 4:** Correlation analysis

Correlation Values	Roa	Ceoexp	Ceoten	Ceofex	Rd
Roa	1	-	-	-	-
Ceoexp	0.0349	1	-	-	-
Ceoten	-0.2618	-0.3669	1	-	-
Ceofex	-0.3804	0.0346	-0.0801	1	-
Rd	-0.2882	0.0196	0.0831	0.1332	1

Source: STATA OUTPUT, 2025.

The correlation results present how CEO characteristics interact with profitability among listed consumer goods firms in Nigeria. This offers a diagnostic lens through which the strength and direction of associations can be appreciated before advancing into regression estimations. First, the correlation between CEO experience and profitability (ROA) is positive but weak at 0.0349. Statistically, the value is close to zero, suggesting no meaningful relationship and implying insignificance at conventional levels. While the positive sign aligns with theoretical expectations that experienced CEOs may leverage accumulated managerial wisdom to enhance firm outcomes, the strength suggests that experience, when measured merely by the number of executive roles previously held, is not a decisive driver of profitability in this industry. This weak association highlights that managerial depth in terms of past positions may not necessarily translate into competitive advantage; contextual adaptability and industry-specific competencies may matter more than generic career exposure. In contrast, CEO tenure shows a weak negative relationship with profitability (- 0.2618). The negative coefficient implies that longer-serving CEOs are associated with reduced profitability. This implies that prolonged tenure can diminish leadership dynamism, curtail innovation, and foster complacency. In the Nigerian consumer goods sector, where market turbulence demands continuous strategic repositioning, excessive tenure can constrain responsiveness, leading to adverse performance outcomes.

Thus, boards may need to balance the benefits of leadership continuity with the risks of diminishing returns from prolonged tenures. Moreover, the CEO's Financial Expertise and Profitability demonstrate a moderate negative correlation (- 0.3804), the strongest relationship among the independent variables. This indicates that CEOs with strong financial backgrounds prioritize conservative financial strategies, compliance, and accounting prudence, which could constrain risk-taking and reduce short-term profitability. Alternatively, it may reflect a governance imbalance, in which CEOs with financial expertise dominate decision-making processes that undermine operational flexibility. The moderate strength suggests this is a non-trivial relationship that boards cannot ignore, underscoring the need to balance financial acumen with broader strategic vision in CEO appointments. Finally, research and development expenditure also shows a weak negative association with profitability (- 0.2882). The negative direction suggests that research and development (R&D) commitments impose immediate financial costs that depress short-term profitability, a pattern consistent with the view that innovation investments typically require gestation before yielding commercial returns. Within Nigerian consumer goods firms, this effect may be exacerbated by structural bottlenecks such as limited financing channels, weak intellectual property enforcement, and fragile innovation ecosystems, which prevent research and development (R&D) outlays from maturing into sustained profitability.

The implication is that while research and development (R&D) is strategically important for long-run competitiveness, its short-term impact is profit-dilutive, necessitating careful alignment between innovation budgets and firm cash flow realities. Further, Table 5 reveals that CEO experience and tenure are moderately negatively correlated, suggesting that highly experienced CEOs with multiple prior executive positions tend not to remain in a single firm for long. In contrast, long-tenured CEOs are less likely to have broad external exposure. CEO experience and financial expertise, as well as experience and research and development (R&D), show virtually no association, indicating that managerial breadth is independent of both technical and financial skills and innovation orientation. Similarly, CEO tenure and financial expertise are only weakly negatively correlated, suggesting that financially skilled CEOs do not necessarily enjoy longer tenures. On the other hand, both tenure and financial expertise exhibit weak positive correlations with research and development (R&D), suggesting that stability in leadership and financial literacy may encourage innovative investments, albeit marginally. Overall, these results highlight that CEO attributes operate as distinct, non-overlapping dimensions, with experience trading off against tenure. At the same time, financial expertise, though weakly aligned, is more closely associated with strategic innovation choices.

**Table 5:** Regression analysis

<b>Panel-corrected</b>				
<b>Model 1</b>				
<b>Roa</b>	<b>Coef.</b>	<b>Std. Err.</b>	<b>Z</b>	<b>P&gt;z</b>
CEOEXP	-0.30756	0.304546	-1.01	0.313
CEOTEN	-1.64294	0.221593	-7.41	0.000
CEOFEX	-2.65015	0.350039	-7.57	0.000
Rd	-0.57681	0.171349	-3.37	0.001
_cons	7.70647	1.174143	6.56	0.000
R sq	0.2787	-	-	-
Wald chi2(4)	99.14	-	-	-
Prob>chi2	0.000	-	-	-
<b>Model 2</b>				
<b>Roa</b>	<b>Coef.</b>	<b>Std. Err.</b>	<b>Z</b>	<b>P&gt;z</b>
CEOEXP	3.189743	2.401678	1.33	0.184
CEOTEN	5.692939	2.401128	2.37	0.018

CEOEX	-13.4474	2.516361	-5.34	0.000
Rd	-0.08404	0.377171	-0.22	0.824
CEOEX*R&D	-0.53015	0.355716	-1.49	0.136
CEOTEN *R&D	-1.1479	0.351935	-3.26	0.001
CEOEX *R&D	1.609069	0.35384	4.55	0.000
_cons	4.550957	2.594825	1.75	0.079
R sq	0.3413	-	-	-
Wald chi2(4)	158.23	-	-	-
Prob>chi2	0.000	-	-	-

Source: STATA OUTPUT, 2025.

This study examined how CEO characteristics influence the profitability of listed consumer goods firms in Nigeria and further assessed whether research and development (R&D) expenditure moderates these relationships. The analysis was conducted on 170 firm-year observations, using a panel-corrected regression model. The first baseline model included only CEO characteristics and research and development (R&D), while the second model incorporated the interaction terms to capture the moderating effects. Model diagnostics show strong explanatory power, with Wald chi<sup>2</sup> = 99.14 (p < 0.001) in Model 1 and Wald chi<sup>2</sup> = 158.23 (p < 0.001) in Model 2, confirming overall model significance. The explanatory strength improves from R<sup>2</sup> = 0.2787 in Model 1 to R<sup>2</sup> = 0.3413 in Model 2, indicating that introducing the moderation component explains more variation in profitability (ROA). Furthermore, due to the availability of heteroskedasticity and the results of the Hausman test attached to Appendix 1, it is revealed that the panel corrected regression model is best suited for explaining the relationship of this study; thus, the model of the study is provided below:

$$ROA = \beta_0 + \beta_1(CEOEXP) + \beta_2(CEOTEN) + \beta_3(CEOEX) + \beta_4(RD) + \beta_5(CEOEXP \times RD) + \beta_6(CEOTEN \times RD) + \beta_7(CEOEX \times RD) + \epsilon$$

## 5. Conclusion and Recommendation

### 5.1. Conclusion

This paper aimed to explore how experience, tenure, and financial expertise, as measures of chief executive officer (CEO) qualities, affect the profitability of listed consumer goods companies in Nigeria, and how research and development (R&D) investments moderate these effects. The results are a subtle demonstration with significant practice implications. First, although they found that CEO experience is positively correlated with profitability, the effect was not statistically significant. This implies that previous jobs and experience, although important, do not necessarily indicate better performance in a rapidly changing consumer goods market where tradition and innovation are poorly valued. Secondly, the CEO tenure had a significant positive impact on profitability, demonstrating that stability, familiarity with the company over a prolonged period, and continuity in leadership can lead to improved performance.

The study, however, also found that when research and development (R&D) expenditure is taken into account, the effects of tenure weaken. This points out a problem: seasoned CEOs may not be able to adopt disruptive innovation, and companies therefore risk management being too firm in a dynamic market. Thirdly, CEO financial expertise was also observed to decrease profitability per se, suggesting that CEOs with financial training are overly conservative or profit-sensitive. However, financial expertise has become a potent asset when combined with research and development (R&D) spending, thereby improving the company's financial performance. It implies that financially competent CEOs can help ensure that, when asked to put their knowledge to bear to finance innovation, they can assist companies in finding the right balance between financial discipline and growth-oriented risk-taking.

### 5.2. Recommendation

In line with the study's findings on the relationship between CEO characteristics and profitability, the following recommendations are provided to consumer goods firms. Boards are to ensure that the CEO's experience is not generalized and is industry-specific. Recruitment and succession planning should focus on potential employees with prior experience in consumer goods operations and the supply chain, and an innovative-minded mindset. up. This will ensure that the experience gained is translated into implementable practices that increase profitability. In addition, boards of directors should implement tenure evaluation mechanisms, as longer CEO tenure could impair the utilization of research and development (R&D). This may take the form of mid-term performance appraisals based on the outcomes of innovations, so that older CEOs are not made rigid and resistant to innovations and new market needs. Furthermore, companies ought to leverage CEOs with financial skills and have them work closely with research and development (R&D). The boards should not tolerate financial leaders who focus

on costs but fail to apply their financial judgment to leading innovation investments, so that research and development (R&D) becomes an avenue for long-term value creation and profitability.

### 5.3. Frontier for Further Studies

Whereas Model 2 of this paper had an explanatory capacity of 34.13 percent ( $R^2 = 0.3413$ ), the results imply a correlation between CEO traits and research and development (R&D) spending, as well as between these and the profitability of consumer goods companies, but this explanation is not comprehensive. What this analysis leaves unexplained is almost 65 percent of the variance, indicating that other vital determinants of firm performance remain. Further studies may then expand the model and include other firm-level factors, such as board diversity, ownership structure, the quality of corporate governance, and firm size, which, in other studies, have been found to have a significant impact on profitability. Such variables would allow a better picture of the dynamics of performance in the consumer goods market. In addition, given that this study focused mainly on CEO experience, tenure, and financial knowledge, further research should address a broader set of CEO traits, including educational background, age, gender, and risk-taking propensity. These dimensions, when analyzed alongside research and development (R&D) expenditure, may reveal subtler moderate relations and enhance understanding of the leadership innovation profitability nexus. Doing so would enhance explanatory power and increase the robustness and generalizability of findings, providing policymakers, boards, and investors with a broader evidence base to inform decision-making in Nigeria's dynamic consumer goods market.

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