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# THE INFLUENCE OF CEO CHARACTERISTICS ON FIRM GROWTH OPPORTUNITIES: EVIDENCE FROM NIGERIAN NON-FINANCIAL FIRMS

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**Article Info**

**Keywords:** CEO duality, CEO nationality, growth opportunities, emerging African economies, Nigeria, corporate governance, agency theory, succession planning, firm performance.

**Abstract**

This study investigates the impact of CEO duality and CEO nationality on growth opportunities of listed firms in emerging African economies, particularly Nigeria. It employs a robust methodology to examine the relationship between CEO duality and growth opportunities and to ascertain the influence of CEO nationality on growth opportunities. The research is guided by agency theory, which explains the principal-agent relationship between shareholders and company executives. The research gap on these topics is addressed to facilitate a better understanding of CEO dynamics from the perspective of emerging economies. Using 76 non-financial firms in Nigeria, data for the study was drawn from company financial statements and the Nigerian Exchange Group database. The study utilizes an ex-post facto quantitative research design due to the longitudinal secondary data utilized. The results show that CEO duality has no significant relationship with firms' growth opportunities, however, CEO nationality has a significant influence on growth opportunities. Specifically, CEO nationality is positively associated with firm growth opportunities. The research findings contribute to the literature on CEO dynamics and its implications on corporate governance and succession planning in the context of the Nigerian economic landscape.

## 1. Introduction

The essence of corporate governance (CG) is to structure a company in the area of policies and procedures for actualisation of goals and objectives. Good CG brings about increase in shareholders' wealth (Mohammed, 2004; Naciti, 2019; Oso & Semiu, 2012). Currently, there is contention in the literature on CEO characteristics as an aspect of CG. One of the highbrow debates is whether to separate the office of CEO and chairman of the board, a term described as CEO duality (Yang & Zhao, 2014). A major reason for this argument is that financial scandals have befallen many firms, arising from the enormous power and influence wielded by the CEO (Erkens, Hung, & Matos, 2012; Lew, Yu, & Park, 2018). As observed by Lew et al. (2018) corporate crises in many firms have made shareholders to consider the re-construction of their firms to reflect more effective CG system that will

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promote growth opportunities and enhance foreign investment. As a result, firms that have CEOs performing dual roles are reducing in number (Yang & Zhao, 2014).

Clearly, agency and stewardship theories are diametrically opposed to each other on the desirability or otherwise of CEO duality. Duality is favoured by stewardship theory in that accountability to stakeholders is enhanced (Kaur & Singh, 2019) while agency theory fears that it will affect the evaluation of CEO performance. Arising from this, different nature of relationships has been established between CEO duality and firms' growth and performance. For instance, Pham and Pham (2020) posited a positive relationship. On the other hand, Abdul et al. (2021) submitted a negative relationship, while an insignificant relationship was put forward by Vintila, Paunescu, and Gherghina (2015). Stock market reaction to CEO duality has also been examined. Marco, Farina, and Fattobene (2021) found that investors do not favorably perceive CEO duality because of the negative reaction by the stock market.

Another aspect of the empirical argument is whether the nationality of CEO matters in the determination of firms' performance (Jalbert, Chan, Jalbert, & Landry, 2007; Ogochukwu, 2020). The question of whether a firm's CEO should be a national or foreigner is important against the backdrop of stockholders sentiment and national culture. Local culture often hinders knowledge importation. Gray (1988) extension of Hofstede model on culture consequences revealed a link between a society's structures and societal values and hence business ownership. Masulis, Wang, and Fei (2007) state that foreign CEOs perform poorly compared to those of national origin due to lack of information about the environment and sentiments of shareholders. Kabbani (2018) added that there is low performance of foreign CEOs in capturing firms' growth opportunities. These argumentations need empirical validation especially from the perspective of developing economies with weak institutional framework and market microstructure. There is need for adequate understanding of the concepts of CEO duality, nationality, and growth opportunities as this will enable researchers to develop similar views on the concepts.

This study seeks to provide new evidence, using robust analytical methods, to close this research gap by examining the nexus of CEO duality and nationality on growth opportunities of listed firms in emerging African economies using quoted non-finance firms in Nigeria. The specific objectives of this study therefore, are to: (i) examine the relationship between CEO duality and growth opportunities, and (ii) ascertain the nature of the influence of CEO nationality on growth opportunities. The study is guided by the following hypotheses: $H_1$: CEO duality does not significantly relate with firms' growth opportunities. $H_2$: CEO nationality has no significant influence on firms' growth opportunities. It is hoped that the outcome of this investigation will facilitate the seamless construction of the literature on CEO dynamics from the perspective of emerging economies.

## 2. Literature Review

### *2.1. Growth Opportunities*

Growth opportunity refers to the potential of growth for investments or projects that will significantly create profit for investors. Latif, Aslani, and Khodabakhshi (2014) viewed growth potential as the future ability of a firm to make more profits, increase its employees, and production capacity. Growth opportunity may be used to indicate a firm's effort to move into new markets, engage in market development or create new lines of product. Performance has remained an important indicator for determining a firm's growth (Jalbert et al., 2007) and can be assessed by growth rates of sales (Alfred, 2020).

The growth rate of sales is used to determine the rate at which a firm is able to raise revenue from sales during a given time frame. Similarly, average growth rate of sales is the ratio of difference of current period sales and prior period sales to prior period sales multiplied by 100 (Alfred, 2020). Pope (2019) approached growth potentials from employees' perspective. Based on this perspective, organizations that desire growth should consider an improvement in firm's characteristics. The value of growth opportunities is one aspect of the elements of share price which permits the understanding of corporate financial structure and capital budgeting decisions (Awan, Bhatti, Ali, & Qureshi, 2010). However, the analysis of the proportion of company value attributable to value of growth opportunities is scanty in the literature.

### *2.2. Chief Executive Officer*

In CG, the CEO occupies the highest ranking position in a company. The CEO has the responsibility of making decisions that will affect the entire company as well as that of maximizing company's value (Emestine &

Setyaningrum, 2019). For non-profit making organizations and public sectors, the CEOs ensure that the broad goals of the organization are achieved. The CEO manages the entire operations of the company and acts as the main link between the board of directors and corporate operations (Ghardallou, Borgi, & Alkhalifah, 2020). The CEO performs the following functions: (i) communication - he is the tie between the company, the shareholders, and the public. (ii) Leadership - he provides motivation and supervision for the company, and advises the BOD on strategic issues. (iii) Provision of strategic intent as he creates and implements the vision or mission of the company. (iv) Resource mobilization and allocation - the CEO ensures that all needed resources (financial and human resources) are acquired and utilized efficiently. (v) Supervision of top managers - he supervises all the executives in the company (Yang & Liu, 2017).

*2.3. Chief Executive Officer Duality*

The practice of a single individual serving as both CEO and board chair is a widely discussed CG phenomenon (Dalton, Hitt, Certo, & Dalton, 2007). CEO duality is used to describe the combination of roles of an individual as a CEO and the chairman at the same time (Chineme, 2019; Goergen, Limbach, & Scholz-Daneshgari, 2020; Yang & Zhao, 2014). It is the tendency whereby the chief executive plays a dual role in the company. CEO duality has remained a hot debate in Rashid (2010) observes as follows: "The CEO duality, which combines the executive function of the board with monitoring function, is commonly found in the one-tier board. In such a board there may be any combination of executive and non-executive directors"

The above suggests that CEO duality depends on how the CG system of a given firm is structured. Arguably, the combination of the roles might breed inefficiency in management (Yang & Zhao, 2014). It is also argued that it has the tendency of making the CEO more powerful in the board and this can cause agency problems (Goergen et al., 2020). However, empirical studies have not been consistent in the relationship between the duality of CEO and performance of business entities. Separation of the two offices generally seeks to reduce firm's agency costs. Kajola (2008) established a significant connection between performance and separation of the office of board chair and CEO. Similarly, Coles and Daniel (2008) confirmed that big and autonomous boards add to firm's value and the synthesis of the two offices unenthusiastically affects firm's performance, as the firm has a lesser amount of access to debt finance.

In Nigeria, the Central Bank clearly outlaws the fusion of the responsibility of the head of the board and that of the chief managerial officer to be one person. This is because it will create individuals with loose powers of decision-making not to be responsible for delegation of power. Furthermore, no two members of same extended family should occupy chairmanship, CEO, or managerial role at the same time. Doing otherwise is considered as improper as the board is expected to monitor the operations of the CEO and his management team. It is always argued that this role cannot be effectively performed if one person occupies the two positions (Omoye & Eriki, 2013). Some studies favor CEO duality, suggesting that it may improve corporate performance. Others differ by stating that it obstructs managerial performance and promote poor communication between board and CEO (Ahern & Dittmar, 2012).

*2.4. Chief Executive Officer Nationality*

CEO nationality is used to explain the origin and wealth of knowledge of the CEO resulting from his exposure to cultures other than those operating in a given country (Jalbert et al., 2007; Saidu, 2019). Studies show that CEOs that have wide international exposure tend to have experience to manage employees of diversity in the organization and also have the ability to relate with various investors (Ogochukwu, 2020). Hillman, Nicholson, and Shropshire (2008) have provided evidence on the characteristics of firm with ethnic nationalities on board. Firms with women and foreign directors were examined and compared with firms without women and foreign directors. The study observed that board nationality and gender diversity provide managers with unique information and skill, allowing for better decision-making at the corporate level.

Furthermore, board gender and national diversity increase access to talent, as it sends positive signals to both product and labor markets. Maina (2005) states that heterogeneity in board of directors would improve the value of corporate result as board members are directly involved in introducing measures to enhance regulation, transparency, accountability and independence. Hence, board with diverse nationalities will improve performance by increasing board independence.

*2.5. Firm Age, Firm size, and Capital Adequacy*

These variables are used as control to capture firms' heterogeneity and uniqueness. Firm's age is the age of a legal entity. It is the observation year minus the registered start year of the legal entity. The extensive information on firms is unique and helps to access the age effect on growth performance (Parker, 2004). Some studies have indicated that firm's age significantly determine growth, with younger firms growing faster than older firms (Coad & Rao, 2008; Haltiwanger, Jarmin, & Miranda, 2013). Daunfeldt, Elert, and Johansson (2014) also indicated that high growth firms in general were younger than other firms, irrespective of the growth indicators used; whether employment, sales, labour, productivity or value added. Contrary to the foregoing submissions, Sørensen and Stuart (2000) and Chang, Gomes, and Schorfheide (2002) suggest that older firms may benefit from their greater business experience and therefore have a higher degree of growth persistence than younger firms.

Firm size is used to describe firms' market power and negotiating ability. Cuong, Tuong, and Binh (2021) found firm size, measured by total assets, to be a significant determinant of performance based on data of 190,499 Vietnamese private firms from 2009-2018. Similar submission was made by Kuncová, Hedija, and Fiala (2016) from data of 42 firms in Abertina CZ Gold Edition of 2013. However, Osazevbaru and Yahaya (2021) did not find firm size estimated by logarithm of total assets to significantly relate with performance in Nigerian financial firms. Capital adequacy refers to ability of a firm to weld against risk and reduce vulnerability to crises. Arekhandia and Hassan (2019) found capital adequacy to positively and significantly relate with firm performance using sample of ten banks in Nigeria for the period 2010-2017.

*2.6. Theoretical Review*

CG in many countries is underpinned on the twin theories of agency and stakeholders. The stakeholders' theory maintains that organizational performance is enhanced by close relationship between management and stakeholders. Conversely, agency theory asserts a fiduciary relationship between the company management and the shareholders that requires management to maximize the wealth of the shareholders (Momanyi, Ragama, & Kibati, 2018). This paper is anchored on agency theory.

The agency theory explains principal-agent relationship (Oso & Semiu, 2012). The principal (owner of resources) hires the agent (the manager or owner's representative) to manage his resources on his behalf. The agent is delegated with the responsibility of decision-making on principal's behalf. In CG, agency theory describes the relationship between shareholders (as principal) and company executives (as agent) (Panda & Leepsa, 2017). The theory assumes that directors should not be trusted to act in good faith towards the shareholders.

According to Lekaram (2014) "agency theory suggests that managers sometimes do not act in their principal's interest, but in their own interests". The issue is that the directors (agents) are more knowledgeable about the business affairs than the shareholders, and will not readily provide all such information to them. Whereas the shareholders are interested in all these information, but the directors often fail to disclose them. This brings about conflict of interest (Hastori, Siregar, Sembel, & Maulana, 2015)and the information asymmetry can hinder the assessment of the agent's ability to serve the principal's interest (Rashid, 2016). The major causes of the conflict in the agency relationship are goals incompatibility and risk aversion differences. For instance, the top management may want to adopt a long term strategy of market expansion, whereas the shareholders prefer an alternative short term strategy.

*2.7. Empirical Review*

*2.7.1. CEO Duality and Growth Opportunities*

Abdullah (2004) analyzed the relation between board of directors' duality and company performance and reported insignificant relationship. Yu (2008) reported similar result for Chinese firms for 2000-2001. Negative relationship between CEO duality and performance was found by Lam and Lee (2008) for Hong Kong family businesses, Ehikioya (2009) for Nigeria, Rashid (2010) for Bangladesh, Ujunwa (2012) for 122 listed Nigerian firms for the period 1991-2008. Negative relationship has also been reported by Aygun, Ic, and Sayim (2014). Chineme (2019) used data of 22 listed banks in Nigeria from 2000-2016 to investigate duality and profitability. The regression results revealed a negative relationship. Abdul et al. (2021) unraveled the intricate link between CEO characteristics and performance of 200 Pakistani listed firms over the period 2010 to 2019. Financial performance measures of ROA, ROE, and Tobin Q were used. The study found CEO duality to be negative and

insignificant implying that it adversely affects financial performance. On their part, Vintila et al. (2015) investigated the effect of corporate governance on company performance using 90 U.S companies. No statistically significant relation was found between duality and indicators of company performance.

On the other hand, some studies have submitted positive link of CEO duality with growth and performance. Such studies include, but not limited to, Ramdani and Witteloostuijn (2010) for companies in Indonesia, Malaysia, South Korea and Thailand, Gill and Mathur (2011a) and Gill and Mathur (2011b) for Canadian manufacturing and service companies respectively. Other studies that have reported positive relationship between CEO duality and company performance are those of Amarjit and Neil (2011);Yildiz and Doğan (2012) and Mirza, Malik, and Mahmood (2020). Yang and Zhao (2014) investigated CEO duality and performance. The study used the 1989 exogenous shock of Canada-United States Free Trade Agreement and found that firms that practice duality outperform those who are non-duality firm by an average of 3- 4 percent. The paper concluded that duality has benefits as it makes decision-taking quicker and saves information cost. Lew et al. (2018) examined CEO duality on performance in the Chinese post-institutional transition era. Manufacturing firms registered with Shanghai and Shenzhen Stock Exchanges since 2010 were sampled. It was revealed that separation of the position of CEO from the chairman promotes efficiency in firms' operations and performance.

*2.7.2. CEO Nationality and Growth Opportunities*

Jalbert et al. (2007) conducted a study on CEO nationality, financial management, compensation, and performance. Nationality was measured by cultural background. Data for the study was drawn from 800 CEOs in United States for the period 1991-1997. CEO nationality was found to have a non- significant influence on firm performance. Ogochukwu (2020) carried out a study on CEO characteristics and capital structure of Sub-Saharan African firms. CEO characteristic was proxy by CEO international experience. Twenty-three (23) CEOs were examined for the period 2012 to 2016. The results showed a significant link between CEO international experience and capital structure.

Kumshe, Anaso, and Gulani (2020) conducted a study on CEO characteristics and dividend payout in SubSaharan African. CEO characteristics were approximated by tenure, nationality, gender, and share ownership. The study utilized data from 2012-2016. The regression results revealed that CEO nationality have a significant relationship with dividend payout. Other studies such as those of Ujunwa (2012) and Badru and Raji (2016) found positive link between CEO nationality and firm growth performance, while Abdul et al. (2021) reported negative insignificant relationship.

## 3. Research Methods

This study adopts an ex-post facto quantitative research design because of the longitudinal secondary data utilized. Quantitative research has the aim of determining the relationship between independent and dependent variables in a population of study. The population of the study comprises non-financial firms in the Nigerian Stock Exchange. A total of 76 firms which have complete data from the period 2010 to 2019 constituted the sample which was used for the study. The data were sourced from company financial statements and the Nigerian Exchange Group database.

*3.1. Measurement and Operationalization of Variables*

The variable used for the study are operationalized and measured as presented in Table 1.

**Table 1.** Measurement of variables.

| Variable | Operationalization | Source |
|---|---|---|
| Dependent variable | | |
| Growth opportunity (REVG) | Measured by the average growth rate of sales, it is the ratio of difference of current period sales and prior period sales to prior period sales multiplied by 100 | Alfred (2020) |
| Independent variables | | |
| CEO duality (CEOD) | The situation in which the titles of both the board Chair and CEO go to one individual; measured as a dummy variable with 1 for companies that have a | Chineme (2019) |

| | | |
|---|---|---|
| | CEO that is separated from chairman and zero otherwise | |
| CEO nationality (CEON) | The origin of the CEO resulting from his exposure to cultures other than those operating in a given country; measured as a dummy variable computed as 1 for firms that have foreign CEOs and zero otherwise | Jalbert et al. (2007);Elsharkawy, Paterson, and Sherif (2018) |
| Control variables | | |
| Firm Age (FIRA) | The observation year minus the registered start year of the legal entity | Parker (2004) |
| Firm Size (FSIZ) | Measured as natural logarithm of total assets | Osazevbaru and Yahaya (2021) |
| Capital Adequacy (CAPD) | A proxy for asset structure, measured as total equity divided by total assets | Arekhandia and Hassan (2019) |

*3.2. Model Specification*

A panel data fixed effect and random effect models are specified for this study. This estimation technique is more robust than the normal ordinary least square as it permits within firm analysis, between firm analysis, and overall analysis. Generally, the fixed effect (FE) model and random effect (RE) model are captured respectively by Equations 1 and 2.

$$Y_{it} = \alpha_i + \beta_1 X_{1it} + \ldots + \beta_4 X_{4it} + u_{it} \quad (1)$$

$$Y_{it} = \beta X_{it} + \alpha_i + u_{it} + \varepsilon_{it} \quad (2)$$

Where,

$Y_{it}$ = firm's growth opportunity (REVG).

$X_{it}$ = explanatory and control variables (CEOD, CEON, FIRA, FSIZ,CAPD). i = $i^{th}$ firm (i = 1…76). t = time period.

$\alpha_i$ = intercept for each entity (n entity-specific intercepts). β = coefficient for the variables.

$\varepsilon_{it}$ = within entity error. $u_{it}$ = between entity error.

To determine the suitable model for analysis, the Hausman test is carried out. Where the result of the test suggests the rejection of the null hypothesis, then the FE model is more appropriate; otherwise, the RE model is chosen.

**Table 2.** Descriptive statistics.

| Variable | Obs. | Mean | Std. Dev. | Min. | Max. |
|---|---|---|---|---|---|
| REVG | 760 | 9.8698 | 65.0447 | -100 | 1354.255 |
| CEOD | 760 | 0.9697 | 0.1714 | 0 | 1 |
| CEON | 760 | 0.2553 | 0.4363 | 0 | 1 |
| FIRA | 760 | 25.9540 | 13.3401 | 1 | 55 |
| FSIZ | 760 | 7.0382 | 0.8792 | 4.6201 | 9.2409 |
| CAPD | 760 | 36.8041 | 35.1487 | -295.4504 | 94.9327 |

## 4. Results and Discussion

*4.1. Analysis of Descriptive Statistics and Diagnostic Tests*

*4.1.1. Descriptive Statistics*

To illuminate the data, some distributional features are presented in Table 2.

Table 2 shows the average values of the variables. For instance, the mean for REVG is 9.8698 which show that growth opportunities for the firms under study is 9.87 percent annually. CEOD has a mean value of 0.9697. This value is close to unity showing that on the average the firms under investigation, and for the period under

consideration, have CEO separated from the chairman. The mean of CEON is 0.02553. This implies that on the average, the sampled firms cluster around not having foreign CEOs. The mean age of sampled firms is 26 years (FIRA, 25.9540), while FSIZ and CAPD have 7.0382 and 36.8041 respectively as mean. The descriptive statistics also show the standard deviation values of the variables. REVG has a value of 65.0447, while CEOD and CEON have 0.1714 and 0.4365 respectively. The standard deviation values for the control variables are: FIRA (13.3401), FSIZ (0.8792), and CAPD (35.1487). The values for REVG, FIRA, and CAPD are quite high implying that they exhibit volatility and are far away from their mean. The minimum and maximum values of the variables are also displayed.

*4.2. Analysis of Pearson Correlation*

The correlation coefficient for the dependent and independent variables of the model are presented in Table 3. From the result, CEOD, CEON, and FIRA have negative correlation with the dependent variable (REVG), while FSIZ and CAPD have positive correlation. Accordingly, the variables with negative correlation coefficients have the tendency to move in opposite direction with the dependent variable, while the positive correlations move in the same direction. Interestingly, the correlation coefficients for the independent variables are all less than 0.9 implying that there is no multicollinearity problem (Dimitrios & Hall, 2015). The VIF as a diagnostic test for model suitability was computed and the result is presented in Table 4.

**Table 3.**Pearson correlation matrix.

| Variable | REVG | CEOD | CEON | FIRA | FSIZ | CAPD |
|---|---|---|---|---|---|---|
| REVG | 1.0000 | | | | | |
| CEOD | -0.0605 | 1.0000 | | | | |
| CEON | -0.0306 | 0.1034 | 1.0000 | | | |
| FIRA | -0.0258 | 0.0777 | 0.3092 | 1.0000 | | |
| FSIZ | 0.0587 | -0.0045 | 0.2370 | 0.1186 | 1.0000 | |
| CAPD | 0.0465 | 0.0670 | 0.0511 | -0.0115 | 0.0331 | 1.0000 |

**Table 4.**VIF test result.

| Variable | VIF | 1/VIF |
|---|---|---|
| CEOD | 1.02 | 0.9816 |
| CEON | 1.17 | 0.8551 |
| FIRA | 1.16 | 0.8990 |
| FSIZ | 1.06 | 0.9400 |
| CAPD | 1.01 | 0.9919 |
| Mean VIF | 1.07 | |

*4.3. Variance Inflation Factor (VIF) Test*

The VIF for each variable, as well as the mean VIF are below the benchmark value of 10. Implicitly, there is no problem of multicollinearity among the independent and control variables. They are therefore suitable for estimation.

*4.4. Unit Root Test*

To ascertain the stationarity of the data, the unit root test was computed and result presented in Table 5.

**Table 5.** Panel data unit root test.

| Variable | At Level | | |
|---|---|---|---|
| | Im-Pesaran-Shin Test | | Hadri LM Test |
| | t-bar | t-tilde-bar | z-stat |

| | | | |
|---|---|---|---|
| REVG | -8.6301*** (0.0000) | -6.0737***(0.0000) | 2.1116 (0.0174) |
| CEOD | -8.7325*** (0.0000) | -6.1822***(0.0000) | -0.8299 (0.7967) |
| CEON | -8.0538*** (0.0000) | -5.8858***(0.0000) | 1.0160 (0.1548) |
| FIRA | -8.8347*** (0.0000) | -6.1836*** (0.0000) | -0.3190 (0.6251) |
| FSIZ | -8.9631*** (0.0000) | -6.2260*** (0.0000) | -1.0375 (0.8502) |
| CAPD | -8.7373*** (0.0000) | -6.1473*** (0.0000) | -2.0739 (0.9810) |

**Note:***** indicates significance at 1% and values in bracket shows probability values.

Table 5 presents results of the unit root test of the data using Im-Pesaran-Shin test and Hadri LM test. The null hypothesis for the Im-Pesaran-Shin test is that all panels have unit roots. The results of the two t-values judging from the probability values are statistically significant at 1% suggesting that the null hypothesis should be rejected. Therefore, the panels are stationary. Similarly, the Hadri LM test was conducted to confirm the results of the Im-Pesaran-Shin test. The null hypothesis for this test is that all panels are stationary. The probability values of the z-stat for all variables are greater than 0.01 indicating that the null hypothesis cannot be rejected at the 1% level. Accordingly, the data is stationary. In Table 5, only the results at level were presented. First difference results were not presented because the outcome is not different from the results obtained at level.

*4.5. Empirical Results and Discussion*

Table 6 presents the panel regression results for test of the hypotheses raised in the study.

**Table 6.** Panel regression results.

| **Model/ Variables** | **Model 1 (FE Model)** | | | **Model 2 (RE Model)** | | |
|---|---|---|---|---|---|---|
| | **Coeff** | **t-value** | **Prob** | **Coeff** | **z-value** | **Prob** |
| CONST | -5.0360 | -0.21 | 0.836 | -3.9021 | -0.16 | 0.870 |
| CEOD | -22.0573 | -1.57 | 0.116 | -22.1048 | -1.59 | 0.111 |
| CEON | -5.6715 | -0.94 | 0.346 | -5.6641 | -0.97 | 0.332 |
| FIRA | -0.0654 | -0.34 | 0.734 | -0.0828 | -0.44 | 0.657 |
| FSIZ | 5.1327 | 1.84 | 0.066 | 5.0306 | 1.82 | 0.069 |
| CAPD | 0.0901 | 1.33 | 0.185 | 0.0923 | 1.37 | 0.170 |
| R-squared within | 0.0114 | | | 0.0114 | | |
| R-squared between | 0.0471 | | | 0.0563 | | |
| R-squared overall | 0.0114 | | | 0.0114 | | |
| Prob > F | 1.71 | | 0.1288 | | | |
| Wald chi(2) | | | | 8.73 | | 0.1204 |
| Hausman test | Chi2 = 0.42 | Pro.= 0.995 | | | | |

Table 6 shows the results for the panel data FE model and RE model. The result that is appropriate for interpretation is determined by the result of Hausman test. The chi-square value for the Hausman test is 0.42 with

a probability value of 0.9946. The probability value is greater than the 0.05 level of significance hence the null hypothesis is not rejected. Therefore, the random effect model is appropriate.

The result of the RE model shows the coefficient for CEOD to be -22.1048 and that of CEON to be -5.6641. The coefficients of the control variables used to capture firms' heterogeneity are; FIRA (-0.0828), FSIZ (5.0306), and CAPD (0.0923). Of the control variables, FSIZ and CAPD are positive, meaning they could influence growth opportunities. However, this influence is not significant as the probability value of 0.995 is greater than 0.05. The within firm coefficient of determination ($R^2$ within) is 0.0114, between firm $R^2$ is 0.0563, and overall $R^2$ is 0.0114. These values show that the explanatory variables explain an infinitesimal proportion of any negative variation in firm growth opportunities. The joint statistical significance of the explanatory variables measured by the Wald chi (2) has a value of 8.73 and probability of 0.1204. Given that the probability is greater than 0.05 level of significance, there is no significant effect of the explanators on the negative variation in the explained variable.

To take decision on the study's hypotheses, the sign as well as the statistical significance of the estimates of the independent variables need to be considered. CEOD (-22.1048) is negatively related to firm growth. This means that when same individual serves simultaneously as CEO and chair of a board, it reduces the growth of the firm. This is because it gives opportunity to the CEO to pursue personal interest rather than group interest. Nevertheless, this result is not statistically significant as the probability value of the z-statistics (0.111) is greater than 5% level of significance; hence the null hypothesis cannot be rejected. Therefore, no significant negative relationship exists between CEO duality and firms' growth opportunities. Implicitly, growth opportunities are not significantly reduced by CEO duality.

For the second hypothesis, CEON has a coefficient of -5.6641 which shows a negative influence on firms' growth opportunities. The implication of this is that the nationality of a CEO can reduce growth opportunities. Nonetheless, this estimate is not significant statistically because the probability value of the z statistics (0.332) is greater than level of significance of the test which is 5%. Accordingly, the null hypothesis is not rejected. Clearly, no significant negative relationship exists between the origin of a CEO, or wealth of knowledge arising from exposure to other countries culture and the growth opportunities of the firm. Nationality is not significant in reducing growth opportunities. The finding that CEON is not significant is consistent with the findings of Jalbert et al. (2007) and Abdul et al. (2021). Also the finding that CEOD is not significant is consistent with the findings of Rashid (2010) and Chineme (2019) but inconsistent with that of Yang and Zhao (2014) and Lew et al. (2018).

## 5. Conclusion

This study has attempted an examination of the influence of duality and nationality of CEO on the growth opportunities of firms. Essentially, the research focused on whether these attributes impact on firm's growth. To address this, 76 non-financial firms were investigated using data from 2010-2019. The result of the analysis of data found CEO duality to have negative association with growth opportunities, but this was not significant. Also, negative and insignificant relationship was found between the nationality of CEO and growth opportunities. Implicitly, that a CEO is both the board chair and chief executive or that CEO has a foreign background do not significantly diminish firm's growth opportunities in the Nigerian context of non-financial firms.

The policy implication of this study cannot be overemphasized. It will guide policy makers and regulators in selecting attributes of chief executives to target particular CG activities of listed firms. This study is not without limitation. It is limited by the size and span of data as well as number of CEO attributes studied. Further studies should increase the number of CEO variables and use a different analytical model, perhaps non-linear to accommodate the intricate links between explanatory and explained variables.

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