

**INTERNATIONAL JOURNAL OF  
INNOVATIVE RESEARCH AND KNOWLEDGE**

ISSN-2213-1356

www.ijirk.com

**Effect of CEO Characteristics on Competitive Advantage of  
Listed Deposit Money Banks in Nigeria**

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**ABSTRACT**

*This study was on CEO Characteristics and competitive advantage of deposit money banks in Nigeria. The purpose was to determine how CEO attributes and their dimensions (education, tenure, gender, age, and compensation) influence the competitive advantage of deposit money banks in Nigeria. The survey research design was adopted and the population was 504 full-time top-management employees of the listed tier-one banks in Nigeria. The sample size was 442 and the proportional stratified sampling technique was used. A structured and validated questionnaire was used, with the response rate of 86.2%, and the Cronbach's alpha coefficients for the constructs ranged from 0.880 to 0.902. Data collected were analyzed using multiple linear regression analysis. The finding revealed that CEO Characteristics (education, compensation and gender) had a significant effect on the competitive advantage of listed deposit money banks in Nigeria. Findings revealed that CEO education ( $\beta = 0.586$ ,  $t = 12.831$ ,  $p < 0.05$  and CEO compensation ( $\beta = 0.397$ ,  $t = 8.853$ ,  $p < 0.05$ ) had a positive significant effect on competitive advantage while CEO gender ( $\beta = -0.629$ ,  $t = -2.880$ ,  $p < 0.05$ ) had a negative significant effect on the competitive advantage of listed deposit money banks in Nigeria. The study recommended that management of the deposit money banks in Nigeria should develop a policy to link CEO Characteristics ancillaries and departments to make the sector profitable and sustainable in the long run.*

**KEYWORDS:** CEO characteristics, CEO gender, CEO compensation, CEO education, Competitive advantage, Nigeria

## 1.0 INTRODUCTION

Globally, the performance of banks is crucial to the economic growth of any nation. The performance of the banking industry is fundamentally important because it ensures the seamless transmission of monetary policy in developed and developing countries, as banks are the primary source of financing for businesses and investors. The financial strength of any country depends on the efficient and successful performance of the banking industry over time. Despite the global roles performed by the banking industry, empirical evidence suggests that the world's financial markets, and the banking sector in particular, are facing significant challenges (Shabir, 2023). Due to the COVID-19 epidemic and related shutdowns, the global financial markets have been subjected to severe stress and volatility (Demir & Danisman, 2021; Samitas et al., 2022). Throughout the crisis, bank liquidity decreased (Bhatt et al., 2023). Banking institutions in some countries, including many regional banks in the US, the largest banks in Canada, and banks in Indonesia, Mexico, and India, are experiencing declining growth and reducing profitability, while others, including in Europe and China are similarly witnessing marked downturns. One of the notable effects of this downward trend in global bank performance is that the whole notion of “emerging markets in banking” is dead (Carletti et al., 2022a).

The Nigerian banking sector is currently confronted with numerous challenges that hinder its ability to efficiently fulfil its intermediation role in the nation's economy. Historically, the Nigerian banking market has been characterized by intense competition (Gololo, 2018). However, Kola-Oyenyin and Kuyoro (2020) pointed out that banking in Nigeria has encountered a difficult operating environment and faced escalating levels of competition, which pose significant obstacles for the sector and subsequent failures. Despite several amendments to banking regulations, the issue of failures persists, as noted by Obalade et al. (2021). According to the report by Economic Confidential (2023), the performance of the Nigerian banking sector in 2022 was disappointing, as five major banks experienced a decline in their value by 5.5%, from N2.57trillion in 2021 to N2.43trillion by the end of 2022. The Nigerian Exchange Limited data revealed that the firm value of all five banks, known as Tier-One banks, saw a decrease as their share prices declined compared to the previous year (Economic Confidential, 2023) while Capital Market analysts attributed the decline in the value of the share prices to a lack of foreign investors, who normally invest in banking equities due to the sector's strong regulatory environment. This shows that bank CEOs failed to attract investments and build confidence in the banking business, ultimately affecting the overall banking performance. Chief Executive Officers' (CEO) are often hailed as influential figures in the business world, credited with the ability to revitalize struggling companies and implant a renewed sense of vigour within them. As financial institutions focused on providing services to customers, CEOs must fulfil their roles effectively (Economic Confidential, 2023).

Scholars' interest in the effect of CEO Characteristics (CEO education, CEO tenure, CEO gender, CEO age, CEO compensation) and competitive advantage has witnessed wide attention in the recent past in sectors other than banking. Some of these studies such as the work of Edi et al. (2020) examined CEO Characteristics and competitive advantage; Ogunkoya (2018a) investigated adaptive capabilities as predictors of sustainable competitive advantage among selected banks in Nigeria; while Onuoha and Olori (2017) provided an insight into the business strategies and sustainable competitive advantage of banks in Port Harcourt. Other researchers like Shehata (2018) surveyed exploiting market-oriented collective learning cycles to leverage competitive advantage at a foreign subsidiary in emerging markets. It presented a real example of aligning market orientation into a collective learning cycle directed toward achieving competitive advantages. However, scholars have not explored the effect of CEO Characteristics on competitive advantage to expand knowledge of critical areas such as CEO education, tenure, gender, age and compensation among the CEOs in Southwest Nigeria. Edi et al. (2020) made suggestions for the use of other dimensions of CEO Characteristics in future research and Shehata (2018) suggested the use of quantitative research design. Further gaps have emanated from the following scholars (Battisti et al., 2020; Bayon & Aguilera, 2020; Kalaitzi et al., 2019; Martínez & Duhamel, 2019). These suggested that the identified gap in CEO Characteristics as they influence competitive advantage is to be filled in this study involving Nigerian deposit money banks. Consequently, this study will therefore fill a gap in the

literature by examining the effect of CEO Characteristics (CEO education, CEO tenure, CEO gender, CEO age, CEO compensation) on the competitive advantage of listed deposit money banks in Nigeria. It also expands the body of existing literature by providing information on enlightening the competitive advantage of listed deposit money banks in Nigeria through the development of CEO Characteristics. This significance is to the management and board of listed deposit money banks; to the government, industry regulators and policymakers.

## **2. LITERATURE REVIEW**

### **2.1 CEO Characteristics**

CEO Characteristics have been defined ranging from the behaviours and decision processes to the recent definitions that bother on demographics, functionality and performance. Jensen and Meckling (1976) define CEO Characteristics as personal factors of CEOs that affect their behaviour and decision-making process which, ultimately, influence the performance of the firms they lead. Bouaziz et al. (2020) define CEO characteristics as associated CEO features such as the executive's age, experience, power, tenure and others that impact their decision-making ability and thus performance. According to Gustafsson and Uysal (2018), CEO characteristics display their ultimate responsibility for all aspects of the company and making the strategic choices that will determine the future and success of the business. To Subrahmanyam et al., (2020), CEO Characteristics define the CEO centrality and its impact on a firm's decision to engage in corporate political activity through political action committees. Notably, from the perspective of the upper echelon's theory, CEO Characteristics are attributes that affect the development of strategies of the organization (Hambrick & Mason, 1984). Furthermore, Hambrick (2007), as well as Huovinen and Pasanen (2010), posit that the way to understand a particular firm's performance in terms of its growth, strategy and innovation is to consider its fundamental dispositions and biases of the powerful actors, the top executives, as reflected in their characteristics.

According to Altarawneh et al. (2022), the current presumption is that demographic characteristics signify the CEO's values, experience, expertise, and dispositions, and all these are viewed as impacting the decisions that can crucially affect the organization. CEO Characteristics are chosen strategies that derive from the individual CEO opinions, which are a function of their personalities, demographics, experiences, and values (You et al, 2020). CEO Characteristics can also be considered from the Big 5 dimensions of personality (extraversion, emotional stability, agreeableness, conscientiousness, and openness to experience) that can influence firm performance (Gow et al., 2016; Kaplan et al., 2012).

CEOs are entrusted with the high responsibility of managing the banks on behalf of the stakeholders and are obligated to assure that the bank performance harmonizes with the banks' long-term goals. (Gupta & Mahakud, 2020). CEO Characteristics have a significant effect on earnings management (Bouaziz et al., 2020). Furthermore, CEO Characteristics give power to the CEOs, and arguably even the obligation, to make the strategic choices and set the strategic direction of the firm (Warren et al., 2019). Also, it is captivating in finding a good fit between the characteristics of the company and an individual who will occupy the CEO position (Gupta & Mahakud, 2020). CEO Characteristics are personal behaviours through which they are responsible for corporate performance and they exercise authority over corporate decisions (Chou & Chan, 2018).

### **2.2 Competitive Advantage**

Competitive advantage, directly or indirectly, underpins business endeavours (Porter, 1985). A firm is said to have a continued competitive advantage when it is implementing a value-creating strategy not simultaneously being implemented by any or potential players. Porter (1990), in his definition, opines that competitive advantage is the heart of a company's performance. It reflects a company's capability to offer consumers greater value either by employing lowering prices or by providing greater benefits and services that justify higher prices. Ogunkoya (2018a) defines competitive advantage as the long-term performance of a bank over its closest rival in the banking industry in terms of profitability, market share, quality of employees and stakeholders' satisfaction, innovation and performance among others. He also considered a competitive advantage as the

ability to outperform competitors and achieve above-average profits in the pursuit and execution of an appropriate business strategy (Ogunkoya, 2018b).

Moreover, competitive advantage is the unique position of an organization against rivals due to the efficient usage of resources (Akingbade, 2015; Shahmansouri et al., 2013). Competitive advantage can be defined as the ability of a firm to design, produce and market products greater than those offered by competitors. In terms of matching resources with performance, Abel et al., (2021) opined that competitive advantage enables efficient resource allocation, brings balanced development in a country, enhances product innovation, enhances prospects of economic growth, improves efficient production of financial services and reduces credit risk. Twin and Anderson (2021) defined competitive advantage as factors that allow a company to produce goods or services better or more cheaply than its rivals. These factors allow the productive entity to generate more sales or superior margins compared to its market rivals. Competitive advantages, at their best, generate greater value for a firm and its shareholders because of certain strengths or conditions. The more sustainable the competitive advantage, the more difficult it is for competitors to neutralize the advantage. Competitive advantage is exhibited as a positional advantage greater than that of competitors in either marketing or technological know-how which translates into hard-to-imitate innovative products (Hwang et al., 2020).

### 2.3 Empirical Review of Literature

The effect of CEO Characteristics on competitive advantage has garnered a lot of attention from academics in recent years. These characteristics include education, tenure, gender, age, and compensation. Ogunkoya (2018a) investigated adaptive capabilities as predictors of sustainable competitive advantage among selected banks in Nigeria. Some of these studies, such as the work of Edi et al. (2020), examined CEO Characteristics and competitive advantage. Other studies, such as the work of Shehata (2018), investigated the process of utilizing market-oriented collective learning cycles to leverage competitive advantage at a foreign subsidiary operating in emerging markets. It demonstrated a real-world example of combining a company's focus on the market with a collective learning cycle that is geared toward attaining advantages over its competitors.

In their research, Gupta and Mahakud (2020) studied CEO qualities and bank performance: Evidence from India. They concluded that there is a positive and substantial association between the two in terms of performance. The findings of Zor et al. (2019) were identical to those of Gupta and Mahakud (2020), which showed that the attributes of the CEO had a positive correlation with the degree to which budgets were utilized in the companies that had adopted budgets. Additionally, Gustafsson and Uysal (2018) investigated the topic of "CEO? Or more along the lines of Risk CEO?" which is a cross-sectional examination of CEO traits and the degree to which companies take risks. The study's findings showed that a CEO's gender, age, or nationality did not have an impact on the amount of risk taken by the company. However, the study discovered that a CEO's early tenure was significantly associated with stock volatility, whereas later tenure had an impact on the leverage ratio. According to the findings of these studies, the qualities of the CEO play a substantial effect on both the performance and the risk-taking of banks.

Another study on CEO Characteristics, firm reputation and firm performance after a merger and acquisition by Edi et al. (2020) also indicated that CEO Characteristics and reputation were empirically proven to have a significant positive effect on company performance. This was the case even though the study focused on the effects of mergers and acquisitions. The findings of You et al. (2020) on how "CEO/CMO characteristics affect innovation and stock returns: Findings and future directions" were similar in that they indicated that CEO/CMO characteristics had a positive and significant effect on innovation and stock returns. This was determined through the use of meta-analysis of secondary data, which is a systematic review of the various kinds of literature that are currently available. This study contributed to empirical research by merging previous research on several characteristics of CEOs and how those attributes drive innovation and affect the stock return. In addition to this, it expanded actual knowledge regarding how CMO concerns should be approached within the company.

In addition to this, the research found that there is a trade-off between rewards and risks, and it found that this affects judgments about innovation and business value.

In addition, Phuong (2020) carried out research on the impact of organizational characteristics, CEO education, and firm ownership on the adoption and efficiency of high-performance work systems in Vietnam. The study was titled "Impact of Organizational Characteristics, CEO Education, and Firm Ownership." According to the findings of the study, the amount of firm capital, the age of the firm, and the educational level of the CEO are all factors that have a significant positive influence on ability-enhancing practices, motivation-enhancing practices, and the opportunity-enhancing practices of the implementation of a High-Performance Work System (HPWS). Therefore, the features of a CEO have the potential to boost a company's edge over its competitors. The positive effects of CEO Characteristics on the competitive advantage of firms were also shown by Ogunkoya (2018a), who studied adaptive capabilities as predictors of sustainable competitive advantage among selected banks in Nigeria. Ogunkoya found that the banks with the most adaptive capabilities had the greatest likelihood of maintaining their advantage over their competitors. The research led to the discovery that a bank's adaptive capabilities have a considerable impact on the innovativeness of its product offerings. In a similar vein, Onour et al. (2019), who investigated the relationship between bank size and competitive advantage in the United Kingdom banking industry, discovered that larger banks exhibit greater profit volatility in comparison to their smaller counterparts. In addition, the data demonstrated a positive and statistically significant correlation between rising Return To Scale (RTS) and increasing profitability, as determined by the ROA, over the course of the study period of three years (2014-2016).

However, Garvia-Blandon, et al. (2019) evaluated the association between CEO qualities and business success using a sample created by the best-performing CEOs in the world according to the Harvard Business Review. Their findings suggested that there is a positive correlation between the two. The data indicated that there was a significant inverse connection between financial performance and the Economic, Social and Governance (ESG) performance. In a similar vein, the research that was conducted by Kamila and Vinicius (2021) focused on the connection that exists between CEO traits and the decisions that Brazilian businesses make about mergers and acquisitions (M&As). The majority of the empirical research that was conducted on CEO Characteristics and competitive advantage found that the positive effect of CEO education, CEO tenure, CEO gender, CEO age, and CEO compensation had a significant positive influence on the competitive advantage of enterprises.

Ho: CEO Characteristics have no significant effect on the competitive advantage.

## 2.4 Theoretical Framework

This study employed the upper echelons and resource dependence theories because organizational success is the primary financial objective of a business. The hypothesis of the upper echelons indicates that individual qualities are significant. Upper echelons theory contends that executives' distinctive experiences influence their perceptions of strategic decision-making situations and, consequently, their strategic decisions and performance levels. Upper echelons theory predicts that individual variations among executives will be most pronounced when decision-making situations are complicated and ambiguous, as is the case with banking organizations. In addition, the performance of a bank is somewhat impacted by observable managerial traits, such as formal education and experience (Carpenter & Sanders, 2004; Hambrick & Mason, 1984; Holger et al., 2009). As a member of the top management team, the demographic profiles of the CEO are connected with improved firm performance (Buyl et al., 2011; Hambrick & Mason, 1984; Holger et al., 2009; Li & Tang, 2010; Louis et al., 2010; Ng & Sears, 2012; Troy et al., 2011). CEO education and experience are useful in strategic decision-making since they serve as performance metrics for the company (Hambrick & Mason, 1984; Ng & Sears, 2012). Wahidahwati (2018) conducted a study to have a better understanding of how characteristics of management teams affect the success of deposit money banks and concluded that upper echelons (board) qualities have a major impact on bank performance.

According to the resource dependence theory, banks that lack crucial resources to meet their business goals must develop partnerships with other banks to obtain them; and the theory also indicates that social-legal apparatus defines and constrain the interaction between an organization and its surroundings (Pfeffer & Salancit, 1978; Singh et al., 2011). Power and reliance explain inter-organizational connections and the bank with resources has the upper hand (Malatesta & Smith, 2014). If a resource is more important, stakeholders and CEOs can exert more control over banks by refusing to provide it. Thus, if an organization doesn't regularly evaluate its resources, it cannot accomplish its goal, provide public value, or adapt to environmental changes (Frączkiewicz-Wronka, & Szymaniec, 2012). Thus, if the bank can convey its resources well, it can gain a competitive advantage by securing resources that are accessible in the environment but owned by stakeholders (Frączkiewicz-Wronka, & Szymaniec, 2012).

### 3. METHODOLOGY

This research uses a quantitative approach because this study aims to investigate the relationship between independent variables, CEO Characteristics (education, tenure, gender, age, and compensation), with the dependent variable as a competitive advantage. This study employed a survey research design. The adoption of this design is consistent with related studies of Cortes-Mejia et al. (2021), Hoffmann and Meusburger (2018), Mouta and Meneses (2021), Phuong (2020), Tuwey and Ngeno (2019), Zor et al. (2019). The population of the study was 504 full-time top-management employees of the listed tier-one banks in Nigeria. These banks are Access Bank Plc, First Bank of Nigeria Limited (FBN Holdings Plc), Guaranty Trust Bank Plc (Guaranty Trust Holding Company Plc), United Bank for Africa Plc and Zenith Bank Plc. These banks, often referred to as FUGAZ, an acronym of their names, are also referred to as Domestic-Systemically Important Banks (D-SIBs) by the Central Bank of Nigeria (CBN), 2014; Yusuf & Tijani, 2019). These banks are among six domestic systemically-important banks (D-SIBs), having N25.19trillion or 62.5% of the total assets of the banking industry, 65.9% (N15.87trillion) of total industry deposits and 64.3% (N9.60 trillion) of aggregate industry credits. The sampling unit for this study comprised full-time top management employees in the categories of Assistant General Manager, Deputy General Manager, General Manager and Executive Directors working in the listed tier-one banks in Nigeria. The top management staff of these banks were selected as the sampling unit for the study because of their wealth of knowledge and experience which assisted them to provide the quality of information needed to enhance the originality of this study. The selection of the categories of staff as sampling units was specifically considered because of their involvement in the management of the banks and their designation as the top management team by the Central Bank of Nigeria (CBN, 2014).

Krejcie and Morgan's (1970) table of sample size determination was used to derive a sample size of 340 while an attrition rate of 30% was added to arrive at 442 as used by Israel (2018) and Zikmund (2020). A proportional stratified sampling technique was used to ascertain the number of top management employee that was sampled among the tier-one banks by applying the sample size as determined by Krejcie and Morgan's (1970) table. A simple random sampling technique was thereafter adopted to select the respondents so that every staff across the four cadres (Assistant General Managers, Deputy General Managers, General Managers and Executive Directors) had an equal chance of being selected from each of the deposit money banks.

An adapted and structured questionnaire was used to gather information from respondents. The questionnaire followed the 6-point Likert-type scale. The options as indicated in the research instrument range from Very High, High, Moderately High, Moderately Low, Low, to Very Low with scale ratings from 6 to 1 respectively. The instrument Cronbach's Alpha reliability coefficients for the constructs are CEO Education (0.880), CEO Compensation (0.877) and Competitive Advantage (0.902) The hypothesis was tested by multiple linear regression using Statistical Package for Social Sciences (SPSS) version 27. The following is the regression equation of this study:

$$CAD_i = \beta_0 + \beta_1 CED_i + \beta_2 CTE_i + \beta_3 CGE_i + \beta_4 CAG_i + \beta_5 CCO_i + \varepsilon_i \dots\dots\dots (3.1)$$

Where (CAD = Competitive Advantage; CED = CEO Education; CTE = CEO Tenure; CAG = CEO Age; CCO = CEO Compensation;  $\beta_0$  = Constant coefficient of regression.  $\beta_1$ - $\beta_5$  = coefficients of the Independent variables;  $\epsilon_i$  = Error term

#### 4. RESULTS AND DISCUSSION

The study collected data on top management employees in the categories of Assistant General Manager, Deputy General Manager, General Manager and Executive Directors working in tier-one banks in Nigeria. The researchers distributed a total of 442 copies of the questionnaire to the respondents, out of which 381 copies were rightly filled and returned to the researcher. Therefore, the response rate of the participants to the questionnaire administered was 86.2%. The analysis was conducted by using the multiple regression analysis at a 5% level of significance and the results of the analysis are presented in Table 4.1.

**Table 4.1: Summary of Multiple Regression Analysis for the Effect of CEO Characteristics on Competitive Advantage of Listed Deposit Money Banks in Nigeria**

N	Model	B	T	Sig.	ANOVA (Sig.)	R	Adjusted R <sup>2</sup>	F (5, 375)
381	(Constant)	1.649	2.537	.012	0.000 <sup>b</sup>	0.918 <sup>a</sup>	0.840	400.572
	CEO Education	.586	12.831	.000				
	CEO Tenure	-.108	-.814	.416				
	CEO Gender	-.629	-2.880	.004				
	CEO Age	.158	.978	.329				
	CEO Compensation	.397	8.853	.000				
a. Dependent Variable: Competitive Advantage								
b. Predictors: (Constant), CEO Compensation, CEO Age, CEO Gender, CEO Tenure, CEO Education								

Source: Researcher’s Field Survey, 2023

Table 4.1 showed the multiple regression analysis results for the effect of CEO Characteristics on the competitive advantage of listed deposit money banks in Nigeria. The results showed that CEO education ( $\beta = 0.586, t = 12.831, p < 0.05$ ) and CEO compensation ( $\beta = 0.397, t = 8.853, p < 0.05$ ) both have positive and significant effects on the competitive advantage of listed deposit money banks in Nigeria, while CEO gender ( $\beta = -0.629, t = -2.880, p < 0.05$ ) has a negative and significant effect on the competitive advantage of listed deposit money banks in Nigeria. On the other hand, CEO tenure ( $\beta = -0.108, t = -0.814, p > 0.05$ ) has a negative and insignificant effect on the competitive advantage of listed deposit money banks in Nigeria while CEO Age ( $\beta = 0.158, t = 0.978, p > 0.05$ ) has a positive and insignificant effect on the competitive advantage of listed deposit money banks in Nigeria. The results of the analysis revealed that three dimensions of CEO characteristics (CEO education, CEO compensation and CEO gender) have a significant effect on the competitive advantage of listed deposit money banks in Nigeria. This implies that CEO education, CEO compensation and CEO gender are important predictors of competitive advantage listed deposit money banks in Nigeria.

The correlation R-value of 0.918<sup>a</sup> supports this result and it indicated that CEO Characteristics have a strong and positive effect on the competitive advantage of listed Deposit Money Banks in Nigeria. The coefficient of multiple determination Adj.  $R^2 = 0.840$  indicates that about 84% of the variance in the competitive advantage of listed Deposit Money Banks in Nigeria can be accounted for by the dimensions of CEO Characteristics while the remaining 16% of changes that occurs is accounted for by other variables not captured in the model.

The predictive and prescriptive multiple regression models generated from this analysis are thus expressed:  
 $CAD = 1.649 + 0.586CED - 0.108CTE - 0.629CGE + 0.158CAG + 0.397CCO + U_i$ -----Eqn i (Predictive Model)

$CAD = 1.649 + 0.586CED - 0.629CGE + 0.397CCO + U_i$ ----Eqn i (Prescriptive Model)

Where: CAD = Competitive Advantage; CED = CEO Education; CTE = CEO Tenure; CGE = CEO Gender; CAG = CEO Age; CCO = CEO Compensation

The regression model indicated that if CEO Characteristics were held constant at zero, the competitive advantage of listed deposit money banks in Nigeria would be 1.649. This suggests that in addition to CEO characteristics, other factors may also be influencing competitive advantage. From the predictive model, three dimensions of the CEO characteristics (CEO Education, CEO Gender, and CEO Compensation) have a significant effect on the competitive advantage of listed deposit money banks in Nigeria, whereas CEO Tenure and CEO Age were not contributing to competitive advantage, thus, were excluded from the prescriptive model for prediction. The results of the multiple regression analysis as seen in the prescriptive model indicate that when CEO Education and CEO Compensation are improved by one unit, the competitive advantage would also increase by 0.586 and 0.397 respectively. An improvement in CEO gender in favour of male CEOs will lead to a decrease in the competitive advantage of listed deposit money banks in Nigeria by 0.629 units. The *F*-statistics ( $df = 5, 375$ ) = 400.572 at  $p < 0.05$ ) indicated that the overall model is significant for predicting the effect of CEO Characteristics on competitive advantage. This implies that the regression model is a good fit for forecasting the effect of CEO Characteristics on the competitive advantage of Nigerian listed deposit money banks. This means that the variables included in the model (CEO Education, CEO Gender, and CEO Compensation) are all significant in explaining the variability in competitive advantage. Therefore, the model can be used to make accurate predictions about the impact of changes in these variables on competitive advantage. This information can be useful for decision-makers in the banking industry, as it provides insights on which CEO Characteristics to prioritize to enhance their bank's competitive advantage. Therefore, the null hypothesis ( $H_0$ ) which states that CEO Characteristics have no significant effect on the competitive advantage was rejected.

## Discussion of Findings

This study revealed that CEO Characteristics, specifically education and compensation, play an important role in determining competitive advantage among the listed deposit money banks in Nigeria. To increase their competitiveness, listed deposit money banks in Nigeria should prioritize investing in the education and compensation of their CEOs. The gender of the CEO was also discovered to be a major determinant, with the presence of more male CEOs having a negative effect on competitive advantage. The analysis also revealed that the gender of the CEO is also a significant factor, with the presence of more male CEOs having a negative effect on competitive advantage. This emphasizes the need for increased gender diversity in leadership positions to enhance competitive advantage. The findings are in line with a study conducted by Phuong (2020) who indicates that CEO Characteristics have a significant positive influence on ability-enhancing practices, motivation-enhancing practices, and the opportunity-enhancing practices of the implementation of HPWS. Also, the findings are consistent with sentiments echoed by Garvia-Blandon, et al. (2019) who found that there is a positive correlation between the two CEO Characteristics with competitive advantage. The findings of You et al. (2020) are consistent with the study in that they indicated that CEO/CMO characteristics had a positive and significant effect on innovation and stock returns. Also, the findings of this study are similar to that of Shehata (2018), which investigated the process of utilizing market-oriented collective learning cycles to leverage competitive advantage at a foreign subsidiary operating in emerging markets. It demonstrated a real-world example of combining a company's focus on the market with a collective learning cycle that is geared toward attaining advantages over its competitors. The findings however contradict those of Barno (2017) who established that CEO age has a negative but statistically significant influence on capital structure while tenure



needed to be elongated for the CEO to gain a deeper understanding of the company business. The mixed results may partially be attributed to the research context used in the study. Age may signify the influence of risk tolerance of individual ability and willingness to bear risk. Bhaiyat and Garrow (2015) maintain that one of the characteristics that have captured a lot of attention is the age of a CEO. The findings of this study furnish support for the upper echelon theory (UET) that elaborates that senior executives' behaviours are influenced by their functional background and demographic profile, which includes age, gender, education, and ethnic orientation (Hambrick, 2007). The upper echelon's idea focuses on the collective features of the top management team (TMT), which is thought to provide better results than the efforts of individual CEOs. Managerial traits, according to upper echelons theory, also influence organizational outcomes (Hambrick & Mason, 1984; Hambrick, 2007; Quigley & Hambrick, 2014). The UET has consistently advanced the view that the top management characteristics and the characteristics of an organization will determine the firm strategic choices. Hambrick (2007) suggests that upon selecting an employee with certain demographic characteristics to be at the helm of the organization, then the chances of the organization achieving its goals are achieved. From the findings of this study, it is clear that CEO Characteristics have great potential to be a source of competitiveness in deposit money banks and that the characteristics of top leaders of the banks will determine the banks' strategic directions the banks follow, thereby adding to the competitive advantage.

## 5. CONCLUSIONS AND RECOMMENDATIONS

From the findings of this study, it can be concluded that CEO Characteristics through CEO Compensation, CEO Gender, and CEO Education have a significant effect on the competitive advantage of Nigerian listed deposit money banks. The regression model found that CEO Tenure and CEO Age were not contributing to competitive advantage and were excluded from the prescriptive model. The study concludes that these factors may not significantly influence a bank's competitive advantage. This leaves the Board of Directors with the question of which characteristics of the CEO matter to enhance firm performance given today's challenges in the business world. This research work would guide the Board of Directors of deposit money banks in Nigeria on the strategies required for CEO Characteristics to be competitive in the banking sector and formulate optimal employment strategies. CEO tenure was found to be negative and statistically insignificant in determining competitive advantage. The findings suggest that the CEO tenure should not be too long as a long period could encourage laxity and accountability problems which may lead to the lack of competitiveness of the banks. The researchers thus recommended that the management of Deposit Money Banks in Nigeria should develop a policy to link CEO Characteristics ancillaries and departments to make the sector profitable and sustainable in the long run. Such a policy would be the anchor of actions adopted by or proposed by the firms in matters about market dominance. Further, deposit money banks in Nigeria should promote the involvement of female CEOs in the helms of affairs and corporate decision-making since its male CEOs has been established to negatively influenced bank competitiveness suggesting that the inclusion of female in leadership positions could influence decision-making.

## 6. SUGGESTIONS FOR FURTHER RESEARCH

The study only examined five specific dimensions of CEO Characteristics namely: CEO education, CEO tenure, CEO gender, CEO age and CEO compensation. Other dimensions of CEO Characteristics such as CEO functional background and CEO narcissism, that are not covered within the context of this study may also enhance the organizational performance of listed deposit money banks. The researchers suggest that additional studies should be undertaken to examine the impact of these identified dimensions of CEOs on organizational performance across diverse sectors of the economy.

Also, the fact that this study only concentrated on listed deposit money banks in Nigeria limits the generalizability of its findings. The researchers therefore recommend that the study be replicated in other sectors of the economy beginning with the private institutions and other service organizations to enable the

generalization of findings. Conducting further research in this area will provide valuable insights into the influence of CEO Characteristics on firms' competitiveness and performance.

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