ANUK COLLEGE OF PRIVATE SECTOR Accounting Journal

VOL. 1 NO. 2 DECEMBER, 2024

A Publication of College of Private Sector Accounting
ANAN University Kwall, Plateau State, Nigeria.

Published December, 2024.

Web Address: https://www.anukpsaj.com, Email: anukpsaj@gmail.com

Printed by:
MUSSAB Printers,
NB, 9 Muri road by gwari road, Kaduna State, Nigeria.
Phone contact: 07038776658,
Email: meetsuleiman009@gmail.com

Structure of Manuscript

Manuscripts must be typed on A size paper with 12 font size (Times New Roman), not more than 15 pages, double-spaced, and in English. The file name should include the corresponding author's name and a keyword from the title.

Sequence of Manuscript

I. Title page
II. Abstract (150-250 words)
III. Keywords (3-5)
IV. Introduction
V. Literature Review
VI. Methodology
VII. Results and Discussion
VIII. Conclusion and Recommendations
IX. References (APA 7th Edition)
X. Appendices (if necessary)
XI. Author Biographies (optional)

Plagiarism Policy

ANUK is committed to maintaining high standards through an indept peer-review process with sound ethical policies. Any infringements of professional ethical codes, such as plagiarism; including self-plagiarism, fraudulent use of data, are seriously frowned at by the journal with zero tolerance.

ANUK implements the Code of Conduct of the Committee on Publication Ethics (COPE), and uses the COPE Flowcharts for Resolving cases of suspected plagiarism or any publication misconduct.

In order to avoid plagiarism cases with the ANUK, the following guidelines must be strictly adhered to by authors:

Authors should ensure that they have written entirely original works, and if authors have used the work and/or words of others that this has been appropriately cited or quoted.

An author should not, in general, publish manuscripts describing essentially the same research in more than one journal or primary publication. Submitting the same manuscript to more than one journal concurrently constitutes unethical publishing behavior and is unacceptable.

Proper acknowledgment of the work of others must always be adhered to. Authors should cite publications that have been influential in determining the nature of the reported work.

Editorial Team

TABLE OF CONTENT

ANUK College of Private Sector
Accounting Journal
Vol. 1 No.2 Dec, 2024 | Email: anukpsaj@gmail.com

A Publication of College of Private
Sector Accounting
ANAN University Kwall, Plateau State, Nigeria

EFFECT OF AUDITOR'S INDEPENDENCE ON CHIEF EXECUTIVE OFFICER'S CHARACTERISTICS AND ENVIRONMENTAL DISCLOSURE QUALITY OF LISTED OIL AND GAS FIRMS' IN NIGERIA.

Adama Maimunat Isah and **Musa Adeiza Farouk**

ABSTRACT

This study examine the effect of Chief Executive Officers characteristics on Environmental Disclosure Quality of listed oil and gas firms in Nigeria using Auditor's Independence as a control variable from 2013 to 2023. Adopting an ex-post facto research design and a census sample of seven listed oil and gas firms in Nigeria. Relying on secondary sources of data collection and utilizing Multiple Regression techniques for the purpose of analysis. The overall result of estimations shows the existence of a significant and positive relationship between Chief Executive Officers' Characteristics and Environmental Disclosure Quality of listed oil and gas firms in Nigeria controlled by Auditor's Independence. The study revealed that CEO Nationality, CEO Financial Expertise and CEO Control all have positive and significant effects on environmental disclosure quality, While CEO Experience and CEO Turnover shows a positive but insignificant effect on environmental disclosure quality. Consequently, it is conclude that Auditor's Independence effectively controls the relationship between CEO characteristics and environmental disclosure quality of listed oil and gas firms in Nigeria and recommended the implementation of institutional reforms aimed at fostering greater auditors independence among oil and gas companies in Nigeria, the need for strong governance structures and institutions to regulate managerial decisions and improved stakeholders demand for more corporate disclosure on the aspect of their activities that affects the environment.

1. Introduction

The snowballing pressures of worldwide economic development have intensified corporate responsibility for environmental safety, particularly in the light of issues like greenhouse gasses, global warming, and deforestation (Bansal & Clelland, 2004). These environmental challenges have prompted firms to discourse their effect in annual reports, focusing on how they present environmental issues and their effects on stakeholders (Angela & Handoyo, 2021).
Universally, environmental disclosure is critical for mitigating climate change through the adoption of sustainable strategies at corporate, national, and international levels (Brooks & Schopohl, 2019; Haque & Ntim, 2020; Gerged, Mehmood & Saleem, 2021). In Africa, this trend is influenced by regional factors, including international guidelines from organizations such as the United Nations Economic Commission for Africa (UNECA) and the African Development Bank (AfDB). In Nigeria, corporate governance standards from the Securities and Exchange Commission, sustainability reporting guidelines from the Nigerian Exchange Group (NGX), and regulations from the National Environmental Standards and Regulations Enforcement Agency (NESREA) drive the demand for environmental disclosure.

The oil and gas sector in Nigeria is particularly examined due to issues such as oil spills and gas flaring, which have led to conflicts with local communities (Igbekoyi, 2015). Hence, stakeholders are increasingly calling for corporate reforms to mitigate environmental impacts and highlighting the importance of integrating sustainability into corporate strategies to enhance waste management, energy efficiency, and carbon emissions reduction (Oware & Awunyo, 2021; Al-Shaer, Al-Shammari & Ghandour, 2022). Understanding CEOs role and characteristics is crucial as firms work towards inclusion in the global sustainable development agenda. CEOs are pivotal in corporate decision-making, operational management, and communication with the board of directors. Consequently, their leadership is essential for establishing a regulatory framework that supports effective environmental disclosure in Nigeria's oil and gas industry.

Existing literature reveals significant gaps in environmental disclosure reporting standards in Nigeria, particularly regarding aligning with global best practices. This has sparked research interest in corporate sustainability reporting. One critical gap this study addresses is the influence of CEO characteristics on sustainability reporting design, particularly in reducing information asymmetry related to corporate pollution (Hassan & Guo, 2017; Shahab, Ntim & Ullah 2020; Romito & Vurro, 2020; Oware & Awunyo, 2021; Christensen, Morsing & Thyssen, 2021; Usman & Yahaya, 2023). Similarly, with previous studies primarily focusing on corporate characteristics such as firm size, performance, age, reputation, and industry membership as determinants of environmental disclosure, overlooking the potential impact of specific CEO characteristics. This study seeks to fill this gap by examining the roles of CEO characteristics (experience, nationality, turnover, control, and financial expertise controlled by auditor independence) in influencing environmental disclosure quality within Nigeria's oil and gas sector (Haniffa & Cooke, 2005; Brammer & Pavelin, 2006; Michelon & Parbonetti, 2012).

More so, by focusing exclusively on listed oil and gas firms in Nigeria over the period 2013 to 2023, this study contribute to addressing the lack of industry specific reporting index for environmental disclosures in the country. In achieving this, the study raises several questions, including whether CEO experience, nationality, turnover, control, and financial expertise significantly affect environmental disclosure quality, and how auditor independence control this relationship.

To guide this investigation, the following null hypotheses are stated: H01: CEO experience has no significant effect on environmental disclosure quality of listed oil and gas firms in Nigeria. H02: CEO nationality has no significant effect on environmental disclosure quality of listed oil and gas firms in Nigeria. H03: CEO turnover has no significant effect on environmental disclosure quality of listed oil and gas firms in Nigeria. H04: CEO control has no significant effect on environmental disclosure quality of listed oil and gas firms in Nigeria. H05: CEO financial expertise has no significant effect on environmental disclosure quality of listed oil and gas firms in Nigeria. H06: Auditor independence has no significant control on CEO characteristics and environmental disclosure quality of listed oil and gas firms in Nigeria.

2.0 Literature Review and Theoretical Framework

2.1 Concept of Environmental Disclosure

Environmental disclosure is a key aspect of corporate responsibility, reflecting firm's accountability for its activities that may negatively impact the environment. It provides crucial information to stakeholders about company's environmental performance and sustainability practices (Okudo & Amahalu, 2023). According to Clarkson, Overell, and Chapple (2011), environmental disclosure encompasses an analysis of a company's environmental conduct and the economic consequences of its actions. The quality of this disclosure is measured by the accuracy, transparency, relevance, and reliability of the information provided, which should comprehensively cover the impact of corporate activities on the environment (Ane, 2012; Ismail & Rahman, 2016; Wang & Zhang, 2019). Hallgren and Johansson (2016) categorize these qualities of environmental disclosure as adequate when it meets minimum standards, fair when it is moderate, and full when it significantly influences users' judgments and decisions.

2.2 Concept of CEO Characteristics

The Chief Executive Officer (CEO) plays a vital role in shaping an organization's strategy and achieving corporate goals (Yukl, 2013; Finkelstein, Hambrick & Cannella, 2009). As a strategic leader, the CEO is pivotal in making major corporate decisions, managing overall operations, and acting as a liaison between the board of directors and corporate activities. Though existing literatures suggests that CEO characteristics significantly influence corporate governance, stakeholder relations and organizational performance (Crossland, Zyung, Hiller & Hambrick 2014; Liu, Wei & Xie 2018; You, Wang & Zhang 2020). Highlighting on some of this characteristics, CEO experience encompasses the skills and knowledge acquired through prior executive roles. Nevertheless literature connecting CEO experience to environmental disclosure is limited, Upper Echelons Theory posits that a CEO's decision-making abilities are shaped by their past experiences and understanding of specific situations (Hambrick, 2007; Hambrick, Finkelstein, & Mooney, 2005). CEO nationality affects organizational dynamics, influencing managerial behaviors, decision-making styles, and risk preferences due to cultural differences (Gomez-Mejia, Wiseman & Cardona, 2007). This diversity enriches leadership approaches and impacts stakeholder perceptions. CEO turnover refers to the rate change in leadership within an organization due to factors like retirement, dismissal, or succession occurs and how it can significantly impact firm's strategic direction and overall governance (Huson, Maltesta & Parrino 2004; Clayton, Hartzell & Rosenberg 2005; Zhang & Rajagopalan, 2010). CEO control pertains to the influence a CEO holds over decision-making processes within a company and how such authority affects board composition, organizational performance, and the extent of environmental disclosure (Bebchuk & Fried, 2003; Muttakin, Monem & Khan 2018; Walls & Berron, 2017). CEO financial expertise on the other hand includes skills in management and financial accounting that facilitate effective leadership, particularly in industries where financial decisions are critical. This expertise enables CEOs to interpret financial data accurately and communicate effectively with stakeholders, ultimately guiding firms toward financial success (Brigham & Houston, 2018; Kaplan & Norton, 2000).

The fundamentals of auditor's independence in ensuring the integrity and objectivity of the audit process and letting auditors assess company's financial health without undue influence from the management underscores the controlling impact of auditor's independence on the over bearing role and influence of CEOs on corporate decisions. Perhaps, because it is essential for maintaining stakeholder trust and enhancing the credibility of financial statements (Francis, 2004; Knechel & Vanstraelen, 2007). This study emphasizes the need for understanding the interplay between CEO characteristics and environmental disclosure quality controlled by auditor independence, is vital in promoting corporate responsibility and sustainability reporting especially in an emerging economy like Nigeria and particular the oil and gas sector.

2.3 Empirical Literature Review

Research on the impact of CEO characteristics on environmental disclosure quality has revealed inconclusive and mixed results. This overview provide an insights as follows:

Cho, Cho and Lee (2019). In a study focusing on Managerial attributes, consumer proximity, and corporate environmental performance. Adopting a quantitative techniques and collecting data from 49 companies in the textile and apparel industry. Utilizing a multiple regression techniques, the study found that longer CEO tenure positively affects corporate environmental performance and that firm's proximity to consumers enhances firm's commitment to environmentally sustainable practices. It was also found that other attributes like education, background, and leadership style influences how CEOs prioritize environmental issues in their companies. However, due to differences in geographical location and domain, their findings may not apply in the context of this study. Masulis, Wang and Xie (2012) in a study "globalizing the board room: *the effects of foreign directors on corporate governance and firm performance". Adopting a* multiple regression models t*hey* found that foreign CEOs might face difficulties in understanding local market conditions and cultural differences which can negatively impact firm's performance particularly in industries that are domestically oriented. Meng, Zeng, Tam and Xu (2013) examining the relationship between CEO turnover and environmental disclosure in China. Using a sample of 782 manufacturing listed firms over a period of three years. Using a panel data regression analysis, their findings indicates a negative relationship between CEO turnover (due to dismissal, health issues, resignation, or death) and environmental disclosure practices. However, it identified a positive association between CEO turnover and the improvement of corporate governance mechanisms within the organizations. Safiya and Yahaya (2023) examining CEO power and sustainability reporting of listed firms in Nigeria from 2012-2021. Adopting a logit regression for the purpose of analysis, the result of their findings shows that CEO power: gender, education, tenure, turnover, ownership, nationality has a significant impact on sustainability reporting of listed firms in Nigeria. Hussain, Zhang and Anwar (2022) examining the impact of CEO ability on corporate environmental sustainability information disclosure. Using samples of Chinese A-share listed companies from 2010 to 2019 and adopting Ordinary Least Square (OLS) as baseline regression model for the purpose of analysis. Their findings showed a positive association between CEO ability and corporate environmental sustainability information disclosure. It also showed a significant negative interaction coefficient between CEO ability and CEO career concerns. Ofoegbu, Odoemelam and Okafor (2018) examined the impact of audit committee independence on environmental disclosure quality in both Nigeria and South Africa. Adopting a content analysis and the utilization of ordinary least square for the purpose of data analysis. The result of estimation showed that, audit committee independence has no significant impact on environmental disclosure of listed companies in Nigeria and South Africa.

2.4 Theoretical Frameworks

This study primarily relies on stakeholder theory, given its focus in aligning corporate policies with stakeholder interests and its relevance in understanding the dynamics between businesses and their environment. Stakeholders Theory framework suggests that organizations must consider stakeholder interests in their operations and disclosures (Freeman, Wicks & Parmar, 2004). This theory in exploring the dynamics of CEO characteristics and environmental disclosure quality emphasizes on the need for organizations policies and procedures to be made and implemented in a manner that reflects stakeholders' interest in order to gain support of all connected to it operations and existence. Thus, corporate entities are expected to disclose adverse effects of their activities on the environment, state adopted administrative strategies and intermittent environmental performance from time to time. Challenging traditional shareholder dominance model because it focuses solely on maximizing shareholder value, arguing that sustainable success in business can only be achieved when all stakeholders' interests are aligned and addressed (Jones & Wicks, 1999). However, it is criticized for not providing clarity on who should be considered a stakeholder and balancing conflicting Stakeholder Interests, its complexity and costly nature when it comes to the practical implementation of the theory (Freeman et al., 2004).

3.0 Research Methodology

This study adopts an ex-post facto research design to investigate the effect of auditor independence on the relationship between CEO characteristics and the quality of environmental disclosure (EDQ) among listed oil and gas firms in Nigeria. The study's population includes major oil and gas firms such as Conoil Plc, Eterna Plc, Seplat Petroleum Development Company Plc, MRS Oil Nigeria Plc, Oando Plc, Total Energies Marketing Nigeria Plc, and Japaul Oil and Maritime Services Limited selected using a census sampling technique and secondary source of data spanning through 2013 to 2023.

Model Specification

To test the hypotheses, the study utilizes a multiple regression model represented as follows in both general and econometric forms: EDQ = f (CEOE, CEON, CEOT, CEOC, CEOFINEX, AI)…(1)
$EDQ=\beta o + \beta_1 CEOE + \beta_2 CEON + \beta_3 CEOT + \beta_4 CEOC + \beta_5 CEOFINEX + \beta_6 AI+\varepsilon$ … (2), where: βo is the intercept of the regression. β_1, β_2, β_3, β_4, β_5 are the coefficients of the regression

2.5.2 Table1: Variables Definition and Measurement

Variables	Definitions	Measurement	Sources/References
EDQ1	Environmental Disclosure Quality (Unweighted)	Score of 1 for disclosed items, 0 otherwise	Wiseman (1982); Deegan & Gordon (1996); Uwigbe (2011)
EDQ2	Environmental Disclosure Quality (Weighted)	Score based on monetary (3), quantitative (2), etc.	Wiseman (1982); Toms (2002); Al-Tuwaijri et al. (2004)
CEOE	CEO Experience	Number of years in the company	Marshall et al. (2011); Bao & Carol (2012)
CEON	CEO Nationality	Dummy variable (1 for foreign, 0 otherwise)	Ashraf & Qian (2021); Huang (2013)
CEOT	CEO Turnover	Dummy variable (1 for turnover within 1 year, 0 otherwise)	Beneish et al. (2017)
CEOC	CEO Control	Number of shares/stakes held by CEO	Quan & Wu (2010)
CEOFINEX	CEO Financial Expertise	Score of 1 for finance/accounting qualifications	Ason et al. (2021); Jiang et al. (2013)
Auditors' Independence	Degree of independence of auditors	Measured by auditors' remuneration	Francis & Wang (2008)

The environmental reporting score is calculated using a 60-item disclosure index based on the ISO 14031 benchmark. Each item is scored as follows: 1 for disclosed, 2 for non-monetary but quantitative, 3 for detailed numerical support. The final EDQ value is derived by multiplying the score by the highest ranked disclosure index score, normalizing it to reflect the monetary commitment to environmental disclosure by the firms. The firms are categorized into small and large based on total shares relative to industry averages, facilitating a nuanced analysis of environmental disclosure practices.

4.0 Results and Discussion

Table 2. Descriptive statistic

Variables	Mean	Std. Dev.	Min.	Max.	Swilk(Prob>Z)
EDQ	0.1503	0.0566	0.00556	0.25	0.00871
CEOE	3.9145	3.0654	0.25	13	0.00002
CEON	0.4156	0.4961	0	1	0.96490
CEOT	0.1948	0.3986	0	1	0.00023
CEOC	7.6207	8.3524	0	19.3376	0.00001
CEOFINEX	0.0259	0.1601	0	1	0.00000
AI	17.7470	1.2890	15.6073	20.2612	0.00017

Stata 13 Output,2024

Table 2 highlights key descriptive statistics regarding environmental disclosure quality (EDQ) and selected CEO characteristics within listed oil and gas firms in Nigeria. Environmental disclosure quality showed a minimum of 0.0056 and a maximum of 0.25, indicating that firms reported only 1-25% of disclosure index items. The mean EDQ of 0.1503 reveals that firm's disclosed only 15% of environmental index items, highlighting significant variability and limited reporting in this sector. The Shapiro-Wilk (p = 0.00871) indicates a non-normal distribution for EDQ data.

CEO tenures ranged from 4 months to 13 years, with a mean tenure of approximately 3 years and 9 months (SD = 3.0654), reflects heterogeneous range of experiences among these firms. Data for CEOE was non-normally distributed (p = 0.00002). CEO nationality (CEON) data indicated that 41.56% of CEOs were non-Nigerians, with nationality data been normally distributed (p = 0.96490) Unlike CEO experience. Whereas the average CEO turnover rate was low, with a mean value of 0.1948, suggesting minimal turnover beyond one year. The CEOT data displayed a non-normal distribution (p = 0.00023). CEO control varied significantly with shareholdings ranging from N0 to N250 million and an average of N7.62 million, indicating diverse levels of control among CEOs. The mean financial expertise among CEOs was only 0.0260, suggesting that merely 3% of CEOs possessed relevant financial qualifications. The distribution for this variable was also non-normal. Auditor independence (AI) measured by auditor's remuneration, with a ranged from N6 million to N630 million and a mean of N17.75 million, indicates a moderate independence across firms. The AI data was non-normally distributed (p = 0.00017). Overall, these findings illustrate considerable variability in both environmental disclosure quality and CEO characteristics, with several metrics deviating from normal distributions. This underscores the unique profiles and disclosure practices prevalent in Nigeria's oil and gas sector.

Correlation Matrix Analysis

Table 3. Correlation Matrix Results

	EDQ	CEOE	CEON	CEOT	CEOC	CEOFINEX	AI
EDQ	1						
CEOE	0.1914	1					
CEON	0.1740	-0.5356*	1				
CEOT	-0.0613	-0.6875*	0.3780*	1			
CEOC	0.3889*	0.5449*	-0.5494*	-0.3079*	1		
CEOFINEX	0.1196	-0.1491	0.2160	0.1258	-0.1441	1	
AI	0.7580*	0.3004*	-0.0103	-0.1837	0.4178*	-0.0220	1

Stata 13 Output,2024

Spearman Correlation results presented in table 4.2 above indicates that **Auditor Independence (AI=0.7580*)** has a stronger and positive correlation as a control variable on the nexus between CEO characteristics and Environmental Disclosure Quality **(EDQ)**. The table 3 also suggest that a positive but an insignificant relationship exist between Environmental Disclosure Quality (EDQ) and Chief Executive Officers Experience (CEOE). While Chief executive Officers' Nationality (CEON) is found to have an insignificant relationship with environmental disclosure quality. Similarly, an insignificant and inverse correlation is shown between Chief Executive Officers' Turnover (CEOT) and Environmental Disclosure Quality (EDQ). Environmental Disclosure Quality (EDQ) and Chief Executive Officers Control (CEOC=0.3889*) also showed that a positive and significant relationship exist between the two variables. Furthermore, Chief Executive Officers' Financial Expertise (CEOFINEX) and Environmental Disclosure Quality (EDQ) indicates a positive but an insignificant relation between the variables.

The correlation matrix also shows how the explanatory variables of the study interacts with each other and the extent of their interaction with the dependent variable. The correlation between CEO Experience (CEOE) indicates that a significant but negative relation exist between CEON (-0.5356*), CEOT (-0.6875*) and CEOC (0.5449*) while it is insignificantly related with CEOFINEX but these relationships is effectively controlled by AI (0.3004*). CEO Nationality (CEON) coefficients indicates that it is positively and significantly correlated with CEOT (0.3780*), negatively and significantly related with CEOC (-0.5494*). It also shows an insignificant relationship with CEOFINEX. Chief Executive Officers Turnover coefficients indicates a negative and significant relationship with CEOC (-0.3079*) and insignificantly related with CEOFINEX while AI has a negative and insignificant control in the relationship between the variables. CEO Control coefficients indicates that AI (0.4178*) has a positive and significant controlling effect in the relationship between CEOC and other CEOs characteristics but CEOFINEX is however insignificant and negatively correlated with CEOC. CEOFINEX also showed a negative and insignificant relationship with AI used as a controlled variable.

Diagnostic Analysis

The Shapiro-Wilk W test for normality of data shows that the variables are not normally distributed. The results of Breush-Pagan/ Cook-Weisberg test for heteroscedasticity also shows the absence of heteroscedasticity given a P-value of 0.9813 and Chi^2 0.00. While the test for multicollinearity indicates non-existence of multicollinearity using the tolerance and variance inflation factor values of less than 10 and greater than 0.10 for all the variables (see appendix).

4. Summary of Regression Results

This section presents discussion on the effect of CEO characteristics on Environmental disclosure quality of listed oil and gas firms in Nigeria controlled by auditor's independence.

Table 4. Robust Linear Regression Results

EDQ	coef.	t	p>/t/	
CEOE	0.0001139	0.07	0.942	
CEON	0.0349693	3..22	0.002	
CEOT	0.0050155	0.37	0.711	
CEOC	0.0014976	2.07	0.042	
CEOFIN EX	0.0386859	4.02	0.000	
AI	0.0273033	7.72	0.000	
Constant	-0.3626374	-6.16	0.000	
R^2				0.6088
F-statistic				26.29
P- Value				0.0000
Root MSE				0.03686

Stata 13 Output, 2024

The robust linear regression analysis in Table 4 indicates that the model explains approximately 61% of the variance in environmental disclosure quality (EDQ) in Nigerian oil and gas firms ($R^2 = 0.6088$). With an F-statistic of 26.29 and a Chi² probability of 0.0000, the model demonstrates strong predictive validity, supporting its robustness and reliability at a 1% significance level. This suggests that the explanatory variables are significantly associated with EDQ, providing insights into how CEO characteristics influence environmental reporting practices. The analysis reveals the following findings:

CEO Experience (CEOE) has a positive but statistically insignificant effect on EDQ, with a coefficient of 0.0001 (p = 0.942), suggesting that while experienced CEOs may positively influence disclosure, the impact is limited and potentially influenced by governance and market-specific conditions. Thus, the null hypotheses is accepted. Consistent with Bertrand and Schoar (2003) but contradicts Kor (2006). CEO Nationality (CEON) shows a positive and significant effect on EDQ (coefficient = 0.035; p = 0.002), implying that diverse backgrounds and broader perspectives contribute to stronger environmental disclosure quality. This may stem from diverse cultural, political, and economic understandings influencing CEOs' decision-making. Consequently, the null hypotheses is rejected. Consistent with Li et al. (2018) but contradicts Crossland and Hambrick (2011); Masulis, Wang and Xie (2012). More so, CEO Turnover (CEOT) correlates positively but insignificantly with EDQ (coefficient = 0.005; p = 0.711), suggesting minimal impact on environmental disclosure following a CEO turnover, as the transition often aims to bring new strategic perspectives without substantial immediate effects on EDQ. Therefore, the null hypotheses is accepted. Consistent with Khurana (2002); and Rauf et al. (2020) but contradicts findings from Huson et al. (2004); and Kim and Lyon (2015). CEO Control (CEOC) has a positive, significant effect on EDQ (coefficient = 0.042; p = 0.042), indicating that greater control enables CEOs to make swift, decisive choices, potentially enhancing disclosure quality through reduced bureaucratic barriers. Thus, the null hypotheses is rejected. Consistent with Braga et al. (2015) and Hasan et al. (2020) but contradicts Bebchuk (2004) and Ojeka et al. (2019). Similarly, CEO Financial Expertise (CEOFINEX) also shows a positive, significant relationship with EDQ (coefficient = 0.039; p = 0.000), highlighting that CEOs with financial expertise are better equipped to navigate complex financial landscapes, resulting in improved environmental disclosure quality. As a result, the null hypotheses is rejected. Consistent with Clarkson et al. (2008); Custódio and Metzger (2013); and Hussain et al. (2022) but contradicts Malmendier and Tate (2005); Fahlenbrach and Stulz (2011).

Auditor Independence (AI) as a control variable exhibits a strong positive effect on EDQ (coefficient = 0.027; p = 0.000). This underscores the critical role of auditor independence in enhancing disclosure quality, aligning with corporate governance theories that stress the importance of external oversight in mitigating agency issues and reinforcing stakeholder confidence. Consistent with the works of Francis (2004), Kuzey & Uyar (2016), and Mohamed et al. (2023), but conflicting with Carey & Simnett (2006) and Mamman et al. (2021).

5.0 Conclusion and Recommendation

Conclusion

The overall regression analysis suggest that auditor independence used as a control variable revealed a positive and significant effect of CEO characteristics on environmental disclosure quality (EDQ) of listed oil and gas firms in Nigeria. It further suggests that CEO nationality, CEO control and CEO financial expertise positively and significantly impact environmental disclosure quality of listed oil and gas firms' in Nigeria. While CEO experience and CEO turnover do not appear to have significant effects on environmental disclosure quality of listed oil and gas firms' in Nigeria.

Recommendation

The study offers several recommendations based on its findings with the aim of balancing CEO characteristics and corporate governance mechanisms to enhance environmental disclosure quality and sustainable business practices.

i. Institutional reforms are recommended to strengthen auditor independence in the oil and gas sector in Nigeria, promoting better corporate governance and environmental disclosure.
ii. While experienced CEOs are often better equipped to navigate industry complexities, the study advises caution, as experience alone may not guarantee effective adaptation, especially in rapidly changing sectors.
iii. Robust governance and regulatory frameworks are advised to limit the influence of CEO nationality on decision-making, ensuring that leadership discretion is aligned with firm performance and goals.
iv. The study encourages careful consideration of CEO turnover, as leadership changes can bring fresh perspectives but may also lead to disruption if frequent or contentious.
v. Limiting excessive CEO control is advised to prevent potential self-serving decisions, protecting long-term firm value and

shareholder interests.

vi. While CEOs with financial expertise bring value in capital and risk management, the study recommends caution due to potential overconfidence that may lead to risky or suboptimal decisions.

vii. Further studies are recommended through collaborations among regulators, shareholders, enterprises, academia, and institutions to deepen understanding and improve sustainability reporting practices in Nigeria.

Limitation of the Study

The study acknowledges its sector-specific focus on listed oil and gas firms in Nigeria, noting that CEO characteristics may vary across industries. As such, findings and recommendations are primarily applicable to this sector. This limitation, however, does not undermine the study's conclusions. For broader applicability, future research could expand to include different CEO characteristics and sectors, enhancing generalizability. Additionally, the study recommends exploring other variables and environmental disclosure index items, potentially categorizing findings by firm size within the Nigerian exchange group for a more granular analysis.

References

Al-Shaer, H., Al-Shammari, M., & Ghandour, A. (2022). The role of stakeholders in the corporate governance of sustainability: A systematic review. *Sustainability*, 14(1), 86.

Al-Tuwaijri, S. A., Christensen, T. E., & Hughes, K. E. (2004). The relations among environmental disclosure, environmental performance, and economic performance: A simultaneous equations approach. *Accounting, Organizations and Society*, 29(5-6), 447-471.

Ane, P. (2012). An Assessment of the Quality of Environmental Information Disclosure of Corporation in China. *Systems Engineering Procedia*, 5, 420–426.

Angela, Y. Y. E., & Handoyo, S. (2021). Environmental disclosure and firm value: Evidence from Indonesia. *Journal of Accounting and Investment*, 22(2), 253-270.

Asante-Appiah, E. (2020). Auditor Independence, Corporate Governance and Financial Reporting Quality in Ghana. *Journal of Finance and Accounting Research*, 2(1), 76-88.

Ashraf, B. N., & Qian, N. (2021). The Impact of Board Internationalization on Real Earnings Management: Evidence from China. *SAGE Open*, 11(3), 215824402110326.

Ason, A. J., Tunde, A., & Asogwa, A. (2021). Corporate Governance and Corporate Social Responsibility Disclosure: A study of listed firms in Nigeria. *International Journal of Accounting and Financial Reporting*, 11(1), 168-182.

Bansal, P., & Clelland, I. (2004). Talking trash: Legitimacy, impression management, and unsystematic risk in the context of the natural environment. *Academy of Management Journal*, 47(1), 93-103.

Bao, Y., & Carol, M. (2012). Corporate Social Responsibility Reporting and its Relationship with Financial Performance: Evidence from China. *International Journal of Accounting and Financial Reporting*, 2(1), 195-205.

Bebchuk, L. A., & Fried, J. M. (2003). Executive compensation as an agency problem. *Journal of Economic Perspectives*, 17(3), 71-92.

Bebchuk, L. A., & Fried, J. M. (2004). *Pay Without Performance: The Unfulfilled Promise of Executive Compensation.* Harvard University Press.

Beneish, M. D., Marshall, C. D. and Yang, J. (2017). Explaining CEO retention in misreporting firms. *Journal of finance and economics,* Vol. 123, pp512-535.

Bertrand, M., & Schoar, A. (2003). *Managing with Style: The Effect of Managers on Firm Policies. The Quarterly Journal of Economics,* 118(4), 1169–1208.

Brammer, S., & Pavelin, S. (2008). Factors Influencing the Quality of Corporate Environmental Disclosure. *Business Strategy and the Environment, 17*(2), 120-136.

Brigham, E. F., & Houston, J. F. (2018). Fundamentals of Financial Management. *Cengage Learning*.

Brooks, C., & Schopohl, L. (2019). Faith, hope and (lack of) charity: An empirical analysis of hedge funds and sustainable investment. *Journal of Business Ethics*, 157(3), 615-633.

Carey, P., & Simnett, R. (2006). Is non-audit service provision by auditors associated with the quality of audit? *The Accounting Review*, 81(3), 433-454.

Cho, C. K., Cho, T. S., & Lee, J. (2019). Managerial attributes, consumer proximity, and corporate environmental performance. *Corporate Social Responsibility and Environmental Management*, 26(1), 159–169.

Christensen, L. J., Morsing, M., & Thyssen, O. (2021). The Role of the CEO in Environmental Sustainability: A Study of CEO Succession Events. *Business Strategy and the Environment*, 30(3), 1524-1535.

Clarkson, P. M., Li, Y., Richardson, G. D., & Vasvari, F. P. (2008). Revisiting the relation between environmental performance and environmental disclosure: An empirical analysis. *Accounting, Organizations and Society*, 33(4-5), 303-327.

Clarkson, P., Overell, M., & Chapple, L. (2011). Environmental Reporting and its Relation to Corporate Environmental Performance. *Abacus*, 47(1), 27-60.

Clayton, M. J., Hartzell, J. C., & Rosenberg, J. V. (2005). The impact of CEO turnover on equity volatility. *The Journal of Business*, 78(5), 1779-1808.

Crossland, C., Zyung, J. D., Hiller, N. J., & Hambrick, D. C. (2014). CEO career variety: Effects on firm-level strategic and social novelty. *Academy of Management Journal*, 57(3), 652-674.

Cubilla-Montilla, M., Muñoz-Colomina, C. I., & Ortas, E. (2020). CEO characteristics and environmental disclosure quality in environmentally sensitive firms: The moderating role of the board of directors. *Sustainability*, 12(8), 3209.

Custódio, C., & Metzger, D. (2013). *Financial Expert CEOs: CEO's Work Experience and Firm's Financial Policies. Journal of Financial Economics*, 108(3), 471-492.

Deegan, C., & Gordon, B. (1996). A study of the environmental disclosure practices of Australian corporations. *Accounting and Business Research*, 26(3), 187-199.

Fahlenbrach, R., & Stulz, R. M. (2011). *Bank CEO Incentives and the Credit Crisis. Journal of Financial Economics,* 99(1), 11-26.

Finkelstein, S., Hambrick, D. C., & Cannella, A. A. (2009). *Strategic Leadership: Theory and Research on Executives, Top Management Teams, and Boards*. Oxford University Press.

Francis, J. R. (2004). What do you know about Audit Quality? *The Accounting Review*, 36(4), 345-368.

Francis, J. R., & Wang, D. (2008). *The effects of auditor fees on audit quality: A meta-analysis. Journal of Accounting Literature*, 27, 78-110.

Freeman, R. E., Wicks, A. C., & Parmar, B. (2004). Stakeholder Theory and 'The Corporate Objective Revisited'. *Organization Science, 15*(3), 364-369.

Gerged, A. M., Mehmood, A., & Saleem, F. (2021). The influence of green innovation on corporate social responsibility and firm performance: A study of the hotel industry in Saudi Arabia. *Sustainability*, 13(4), 2178.

Gomez-Mejia, L. R., Wiseman, R. M., & Cardona, P. (2007). The effect of internationalization on CEO pay. *Journal of International Business Studies*, 38(2), 352-371.

Hallgren, A., & Johansson, J. (2016). Determinants of Disclosure Quality*: A Study on the Relationship between Disclosure Quality and Corporate Characteristics*. Master's Thesis, *University of Gothenburg*, School of Business, Economics, and Law.

Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of Management Review,* 32(2), 334–343.

Haniffa, R. M., & Cooke, T. E. (2005). The Impact of Culture and Governance on Corporate Social Reporting. *Journal of Accounting and Public Policy*, 24(5), 391-430.

Haque, F., & Ntim, C. G. (2020). Environmental policy, sustainable development, governance mechanisms and environmental performance. *Business Strategy and the Environment*, 29(1), 193-202.

Hassan, A., & Guo, X. (2017). The relationships between reporting format, environmental disclosure and environmental performance: an empirical study. *Journal of Applied Accounting Research,* 18(4), 425–444.

Hassan, A., Goh, Y. N., & Rahman, R. A. (2020). The Influence of Sustainability Reporting on Stakeholder Engagement: Evidence from the Banking Sector. *Sustainability*, 12(4), 1585.

Huang, S. K. (2013). The impact of CEO characteristics on corporate sustainable development. *Corporate Social Responsibility and Environmental Management,* 20(4), 234–244.

Huson, M. R., Maltesta, P. H., & Parrino, R. (2004). Managerial succession and firm performance. *Journal of Financial Economics*, 74(2), 237-275.

Hussain, A., Zhang, H., & Anwar, Z. (2022). CEO ability and corporate environmental sustainability information disclosure: Evidence from China. *Journal of Business Ethics*, 183(3), 123-135.

Igbekoyi, A. (2015). The Nexus between Environmental Degradation and Community Conflict in the Niger Delta Region of Nigeria. *African Journal of Environmental Science and Technology*, 9(3), 157-164.

Ismail, A. H., & Rahman, A. A. (2016). The Quality of Environmental Disclosure in various Reporting Media of Oil and Gas Companies in Developing Countries. *Corporate Ownership and Control*, 14(1), 203–218.

Jiang, G., Zhao, S., & Liu, Y. (2013). Corporate social responsibility and financial performance: A comprehensive review of the literature. *Journal of Business Ethics*, 118(4), 763-777.

Jones, T. M., & Wicks, A. C. (1999). Convergent stakeholder theory. *Academy of Management Review*, 24(2), 206-221.

Kaplan, R. S., & Norton, D. P. (2000). The Strategy-Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment. *Harvard Business Press*.

Khurana, R. (2002). Searching for a Corporate Saviour: The Irrational Quest for Charismatic CEOs. *Princeton University Press*.

Kim, H., & Lyon, T. P. (2015). The effect of CEO turnover on corporate social responsibility: Evidence from environmental disclosure. *Business Ethics Quarterly*, 25(1), 59-89.

Knechel, W. R., & Vanstraelen, A. (2007). The Relationship between Auditor Independence and Audit Quality: A Review of the Literature. *International Journal of Auditing*, 11(2), 107-122.

Kor, Y. Y. (2006). Direct and interaction effects of top management team and board compositions on R&D investment strategy. *Strategic Management Journal*, 27(11), 1081–1099.

Kuzey, C., & Uyar, A. (2016). *Determinants of sustainability reporting and its impact on firm value: Evidence from Turkey.* Journal of Cleaner Production, 143, 112-122.

Liu, Y., Wei, Z., & Xie, F. (2018). CFOs vs. CEOs: Equity incentives and corporate tax avoidance. *Journal of Corporate Finance*, 52, 194-223.

Lu, J., & Herremans, I. M. (2019). Board gender diversity and environmental performance: An industries perspective. *Business Strategy and the Environment*, 28(7), 1449-1464.

Malmendier, U., & Tate, G. (2005). CEO Overconfidence and corporate investment. *The Journal of Finance*, 60(6), 2661-2700.

Mamman, D., Mustapha, I. Y., & Ajape, M. K. (2021). Audit committee size, independence, and environmental disclosure in non-financial service companies in Nigeria: The moderating role of share ownership. *Journal of Business and Management Review,* 12(3), 1-18.

Marshall, R. S., Brown, D., & Aderinokun, O. (2011). The role of social and environmental disclosure in building corporate reputation: Evidence from UK firms. *Corporate Social Responsibility and Environmental Management*, 18(6), 348-360.

Masulis, R. W., Wang, C., & Xie, F. (2012). *Globalizing the boardroom: The effects of foreign directors on corporate governance and firm performance. Journal of Accounting and Economics*, 53(3), 527-554.

Meng, X., Zeng, S., Tam, C. M., & Xu, X. (2013). Whether top executives' turnover influences environmental responsibility: from the perspective of environmental information disclosure. *Journal of Business Ethics,* 114(2), 341–353.

Michelon, G., & Parbonetti, A. (2012). The effect of corporate governance on sustainability disclosure. *Journal of Management & Governance*, 16(3), 477-509.

Milne, M. J., & Patten, D. M. (2002). Securing organizational legitimacy: An experimental decision case examining the impact of environmental disclosures. *Accounting, Auditing & Accountability Journal*, 15(3), 372-405.

Muttakin, M. B., Monem, R. M., & Khan, A. (2018). Corporate governance and social and environmental disclosure: Evidence from listed firms in Bangladesh. *Journal of Business Ethics*, 151(2), 1115–1130.

Ofoegbu, G. N., Odoemelam, N., & Okafor, R. G. (2018). *Impact of audit committee independence on environmental disclosure quality in Nigeria and South Africa.* Journal of Global Responsibility, 9(1), 21-37.

Onoja, M. I., Ojeka, S. A., Ikpor, I. M., & Modebe, N. J. (2021). Sustainability Reporting and Firm Performance in Nigeria: The Mediating Role of Stakeholder Engagement. *Cogent Business & Management*, 8(1), 1892749.

Onwumere, J. U. J. (2009). *Business and Economic Research Methods*. Enugu: Vougasen Limited.

Oware, K., & Awunyo, V. (2021). CEO characteristics and environmental disclosure of listed firms in an emerging economy: Does sustainability reporting format matter? *International Journal of Business Governance and Ethics*, 15(4), 393-408.

Quan, X. & Wu, S. (2010). CEO power, information disclosure quality and corporate performance variability: Empirical evidence from the listed companies in SZSE. *Nankai Business Review*, 13, pp. 142-153.

Rauf, F., Ahmad, M., & Akram, S. (2020). The impact of executive turnover on corporate social responsibility disclosure quality: A longitudinal study of global firms. *Journal of Business Ethics*, 164(2), 281–299.

Romito, S., & Vurro, C. (2020). Non-financial disclosure and information asymmetry: A stakeholder perspective. *Business Strategy and the Environment*, 29(6), 2525-2537.

Safiya, M. A., & Yahaya, M. (2023). The impact of corporate governance on sustainability reporting: Evidence from Nigeria. *Corporate Governance: The International Journal of Business in Society*, 23(2), 157-179.

Shahab, Y., Ntim, C. G., & Ullah, F. (2020). CEO Attributes and Environmental Performance of U.S. Listed Companies: The Moderating Role of Stakeholder Influence. *Business Strategy and the Environment*, 29(3), 1345-1357.

Sovacool, B. K., Griffiths, S., Kim, J., & Bazilian, M. (2021). Climate Change and Energy Transitions in the Middle-East and North Africa. *Nature Energy*, 6(8), 749-754.

Tilling, M. V., & Tilt, C. A. (2010). The edge of legitimacy: Voluntary social and environmental reporting in Rothmans' 1956-1999 annual reports. *Accounting, Auditing & Accountability Journal*, 23(1), 55-81.

Toms, J. S. (2002). Firm resources, quality signals and the determinants of corporate environmental reputation: Some UK evidence. *British Accounting Review*, 34(3), 257-282.

Usman, S. O., & Yahaya, O. A. (2023). The CEO power and sustainability reporting of listed firms in Nigeria. *Journal of Business*

Management and Accounting, 13(7) July, 106-125.

Uwigbe, U. (2011). Corporate environmental reporting in Nigeria: A study of listed companies. *African Research Review*, 5(5), 186-196.

Walls, J. L., & Berrone, P. (2017). The power of CEO over corporate sustainability: The moderating role of firm size. *Business & Society*, 56(2), 169-203.

Wang, J., & Zhang, B. (2019). Quality of Environmental Information Disclosure and Enterprise Characteristics. Management of Environmental Quality. *An International Journal*, 30(2), 324-342.

Wiseman, J. (1982). An evaluation of environmental disclosures made in corporate annual reports. *Accounting, Organizations and Society*, 7(1), 53-63.

You, J., Wang, H., & Zhang, W. (2020). The Dark Side of CEO Power: Evidence from Corporate Governance, Risk-Taking and Firm's Performance. *Journal of Business Research*, 118, 436-450.

Yukl, G. (2013). *Leadership in Organizations* (8th ed.). Pearson Education.

Zhang, Y., & Rajagopalan, N. (2010). CEO Succession Planning: Finally at the Center Stage of the Boardroom. *Business Horizons*, 53(5), 455-462.