



**CEO GENDER, EXPERIENCE AND FINANCIAL DISTRESS LIKELIHOOD
OF NIGERIAN LISTED DEPOSIT MONEY BANKS: MODERATED BY
RISK COMMITTEE GENDER***Idris Mohammed¹, Abdulrahman Abubakar², Mark Gregory Tagwai³*^{1,3}*Department of Accounting, Faculty of Management Sciences, Kaduna State University, Kaduna*²*Department of Accounting, ABU Business School, Ahmadu Bello University, Zaria**idrisu02@gmail.com¹; abtsauni@yahoo.com³*

Abstract

This study examines the moderating role of risk committee gender on the effect of CEO gender and experience on financial distress likelihood of listed deposit money banks in Nigeria during the periods of 2007 to 2021. In that regards, fourteen listed deposit money banks that formed the population of this study were all considered as sample of the study as census sampling technique. A correlational and ex-post factor research design is considered suitable for the study. A secondary source data was employed where an unbalanced panel data was extracted through annual audited financial statement of the sampled banks. A logistic regression technique was employed for measuring the dependent variable via Multi Discriminant Analysis approach of a modified Althman Z score model. Subsequently, a multiple regression model was employed as the parsimonious model for further analysis as far as the study is concern. It was discovered that CEO Gender revealed an insignificant influence on financial distress. However, CEO Experience shows a negative and significant influence on financial distress likelihood of listed DMBs in Nigeria. On the other hand, the interaction of risk committee gender on the effect of CEO gender and financial distress likelihood revealed an insignificant effect as far as the Nigerian listed DMBs are concern. However, the interaction of Risk Committee Gender on the effect of CEO experience and financial distress likelihood yields a significant positive effect. It is therefore recommended that board of the listed DMBs must give attention to years of CEO experience as very long experienced tenure of CEO can be associated with increased financial distress risk as their experience may lead to overconfidence or resistance to change particularly considering our dynamic and competitive environment.

Keywords: CEO age, experience, risk committee gender, financial distress likelihood

1. Introduction

The well-being and the sustainability of corporate entities are essential for the economic growth and development. Accordingly, the growth and survival trend of the organizations can be determined through effective utilization of resources that yields an optimum outcome, best on the established plans and targeted objective of the organisations. On the other hand, the permanent inability of an organization to finance its financial debts obligation as the need arises has often been considered as financial distress. Although, Chen and Liang (2022) termed financial distress as a situation where activities submerged debt profile of business operation, due to inability to settle the debt obligation as at when due. But, Hamza (2021) emphasized that financial distress is a permanent failure of a corporate entity attributable to poor management of resources.

It is imperative to note that the growth and sustainability of business operation can be attributed to the experience and the personality of the Chief Executive Office (CEO) such as gender among others as confirmed by some scholars (Gerasimova, 2021; Lawrence et al., 2021; Rezaee et al., 2021; Chowdhury & Doukas, 2022; & Yao, 2020). In that regards, organisations often engage in designing a



comprehensive policies and strategies based on their core values and objectives to ensure effective growth and survival of their businesses under the guide and support of experienced and purpose driven individual CEOs. Likewise, banks and other corporate organisations often designs robust policies based on the needs of their customers and business stakeholders, in lines with the CBN operational guide lines for Nigerian listed DMBs to ensure the sustainable growth and survival of their businesses.

Today, Nigerian banking industry have experienced persistent corporate distress amongst its listed Deposit Money Banks, despiteseries of reformed policies that are initiated by government in order to restructure and improve the operational standards of the banks in Nigeria. For instance, in an effort to evaluate the extend of the financial stability of listed DMBs in Nigeria, due to shocks and volatility of the world economic meltdown of 2008-2009, the Central Bank of Nigeria (CBN) under the leadership of the former governor-Mal. Sunusi Lamido exposed the status of Nine out of the Twenty-four banks, for been financially distressed due to lack of management efficiency that led to huge non-performing loans. Hence, they could not meet up with the 10% minimum capital adequacy ratio, and 25% liquidity ratio beside the higher non- performing which eventually led to the dismissal of the affected banks CEOs (Vanguard, 2009; Osaze & Anao, 1990; Sanusi, 2010). Moreover, Punch (2018) and Guardian (2018) reported how Diamond bank merged with Access bank, and how Skye bank was taken over by Skye bank sequel to the intervention of CBN. Accordingly, Premium Time (2022)revealed the taken over argument of Union banks by Titan trust and the CBN intervention to resolve the controversy. Oguntunde et al. (2024), CBN Press Release (2024) reported the board dissolution of Union bank, Key stone bank and Polaris banks respectively as initiated by CBN owing to corporate governance failures from the side of the management of the banks..

Nevertheless, few studies employed some classical models in an effort to predict the survival chance of firms such as Beaver (1966),Altman (1983), Andrade (1998),Asquith (1994), Chen (1997), Khan et al. (2020) and Sunday &Innocent (2021). Therefore, considering the divergence scholars views in relation to the subject matter as drawn from the related previous studies, this study deemed it necessary to examine the moderating role of risk committee gender on the effect of CEO tenure and experience on financial distress likelihood of listed DMBs in Nigeria for the periods between year 2007 to 2021. Where CEOs attributes is represented by(CEO gender and experience) as independent variable of the study. Whereas, the dependent variable is represented by financial distress that is measured with a modified Altman's Z score by (Ohlson , 1980), and both firms size and age are considered as control variables. Also, the study further employed multiple regression technique to analyse the parsimonious model of the study.

The study considered stakeholder's theory suitable for the study anchor the variables of the study and further serve as a contribution to knowledge which equally represent the gap (s) of the study. Similarly, the inclusion of risk committee gender as moderator serves as an additional knowledge gap as far as literature of accounting and finance are concern.

Considering the objectives of the study, the following null hypotheses are formulated as:

H₀₁: CEOs gender has no significant effect on financial distress likelihood of listed DMBs in Nigeria

H₀₂: CEOs experience has no significant effect on financial distress likelihood of listed DMBs in Nigeria

H₀₃: Risk committee gender has no significant effect on financial distress likelihood of listed DMBs in Nigeria

H₀₄: Risk committee gender has no significant effect on moderating CEOs gender on financial distress likelihood of listed DMBs in Nigeria

H₀₅: Risk committee gender has no significant effect on moderating CEOs experience on financial distress likelihood of listed DMBs in Nigeria.



The outcome of the work may be considered as the basis for further research. Also, the outcome could support the management of the banks in their decision-making process. The results of the study may be useful to the regulatory authorities like CBN, Security and Exchange Commission (SEC), Nigerian Deposit Insurance Corporation (NDIC) among others. Besides, the stakeholders of the banks and other financial institutions may find the results useful particular, in making financial decision.

2. Literature Review

The section concentrated on reviewing the concept of the variables used in the study (CEO tenure, experience and financial distress likelihood) as well as review of related studies.

Financial Distress

CEOs are often charged with responsibility for ensure effective financial planning monitoring and control is maintained, based on the established core values, policies and objectives of their organizations, in order to ensure the growth and survival of their business operations. Therefore, the concept of financial distress has been viewed by many scholars, financial authorities and financial experts. Accordingly, Beaver (1966) and Foster (1977) viewed financial distress as a situation by an entity became becomes insolvent due to huge debt generated from overdraft and bonds as well as unsettled preference dividend of shareholders. While, Hamza (2021) viewed financial distress as a corporate entities' failure in resource management and business strategic planning. But, Parker and Peter (2002) and Noor and Iskandar (2012) emphasized that financial distress is a normal failure of a business operation. But, Fich and Slezak (2008) and Kolias et al (2019) expressed that financial distress is the winding up of business operation attributable to failure in business management.

On the other hand, Altunbas et al. (2018) and Jingsi Leng et al (2021) sees financial distress as a financial crisis situation essentially in a business operation. Moreover, Miglani and Ahmed (2020) financial distress is considered as a turnaround in a business operation as a result of failure in managing financial. Lawrence et al. (2021) defines financial distress as situation where business financial cash inflow takes care of the debt obligation in a particular business operation. Although, Chen and Liang (2022) describes financial distress of business as a period where debt obligations are not settled. However, this study considered financial distress as a period where an organization could not finance it business debt obligation as at when due.

CEO Gender

Gender is seen as one of the attributes of CEOs in a corporate organisation. Therefore, several scholars have different perspectives on the term CEO gender, such as Byrnes et al. (1999) and Jianakoplos, and Bernasek (1998) defines CEO gender as a female representation in capacity of CEO of an organisation. Therefore, it is pertinent that female tend to be conservative as far as risk management decision is concern. Catalyst (2004) in his study amongst 500 fortune firms in UK, emphasized that the presence of female at the position of CEOs of an organisation can have great influence on the organization's performance financially.

While, Francoeur et al. (2008) expressed that a female chief executive makes a substantial contribution to a business organization particularly in a complex environment. While, Fondas and Sassalos (2000) opined that female CEOs are less committed as compared to the male as far as the competitive business environment is concern. Peni and Vähämaa (2010) considered female CEOs to be more pessimistic and conservative in dealing with business earning and risk management decision than their male counter parts. But, Zhang and Qu (2016) affirmed that CEO gender influences the performance of an organization. Although, Alqatamin (2017) considered CEO gender as a sex category representation in a corporate organization settings.



CEO Experience

CEOs gained their experiences and expose through various organisations of various sectors. According to Kariuki et al. (2015) CEOs experience has a connection with effective management decision in an organization. Barno (2017) in his study asserts that well experienced CEOs have much propensity to effectively address issues in an organisation than non-experienced CEOs. Also, Dauda and Hawa (2016) expressed that the work and personal experience of CEO can influence the financial decision of business entities. But, Malmendier et al. (2011) argued that the CEO experiences influences the organisations operational and financial output as its all relate to the performance of the organisation. Also, Also, Peni (2014) in his study states that CEO experience influences the growth and survival of an organisation. Custódio and Metzger (2014) highlighted that experience of the CEO can be sensitive to a good decision making in an organisation. However, Custódio and Metzger (2014) emphasized that the experienced CEOs often proffer better solution to their organisations. Moreover, Schrand and Zechman (2012) stated that CEOs with experience shows high optimism in running the affairs of their organisations. But, Gounopoulos and Pham (2018) opines that CEOs with all relevant skills and experiences are more rational in their decision making than CEO without experience. This study viewed CEOs experience as the years of experience an individual spends in capacity of CEO from within and outside the organization.

Risk Committee Gender

Risk Committee Gender (RCG) is considered as one of the essential elements of corporate governance attributes in management that are responsible for risk management of an organization based on the policies and objectives of an organisation. It is essential to highlight that this study focuses on the RCG which deals with the participation or inclusion of female in discharging such functional administrative role towards effective risk management of an organization. Lamidi et al. (2022) considered RCG as female member's responsibility in discharging the risk administrative functions of an organisation. On the other hand, Khlif and Achek (2017) termed the risk committee female members as conservative and pessimistic than their male counter parts as far as risk management is concern. Although, Jia (2019) discovered that female often exhibit high professional competency in carrying out their duties as appropriate. Furthermore, Yao et al. (2011) studied risk tolerance on the perspective of gender diversity, and it was discovered that female tends to be more critical in area of risk assessment and control as compared to their male counter parts. Finally, the study viewed RCG as a female representation in risk management committee of a board of an organization.

CEO Gender and Financial Distress

It is important to note that the functionalities of the CEO gender in relation to administration of business resources and financial management have attracted the attention of some scholars from different part of the world, for instance, in Kenya a study was conducted by Rono (2018) about the effect of CEOs attributes on financial distress of commercial banks in 2016, and it was found that CEO gender has an insignificant positive relationship with financial distress. Although, another similar study conducted from UK on 3,692 SMEs by Dewandono (2018), where it was established that there is significant negative connection between CEOs gender and financial distress, using multivariate regression based on Altman Z Score approach on the secondary data extracted from financial records of the sampled SMEs. Should a similarly, work be done in Nigeria, particularly in the financial institutions in recent time the outcome of the study would have been different.

Accordingly, Lawrence et al. (2021) studied 59 listed Nigerian manufacturing firms during 2010-2019 with the aim of examining the effect of the CEOs attributes in relation to likelihood of financial distress. Using a logistic regression technique of analysis and discovered that CEO s gender has a significant negative effect on financial distress likelihood in the Nigerian manufacturing firms. Therefore, there is need to further conduct another similar study in a different sector under different



periods. But, to Gerasimova (2021), who conducted a study on 121 commercial banks across three different continents namely: American, Asian and European about the effect of CEOs characteristics in relation to risk-taking financially within the periods of 2014-2018. The study employed multiple regressions as a technique of analysis, and discovered that there is significant positive relationship between CEOs attributes and financial distress likelihood of the banks.

Following the outcome of the previous studies, it is observed that the outcomes of the previous studies were mixed. Hence, there is need to further to conduct a similar study that could moderate the effect of the CEO gender in relation to likelihood of the financial distress of the organisations in Nigerian, particularly in Nigerian banking sector, using logistics regression technique on the basis of MDA approached.

CEO Experience and Financial distress

According to Noor and Iskandar (2012), in their study on corporate governance and financial distress, during 2005 to 2011. Using multivariate discriminant analysis, it was established that CEOs experience has an insignificant effect on financial distress. This study covers only 2005-2011. Hence a more recent study would be needed. However, Rono (2018) in his study on CEO attributes and financial distress of Kenya during year 2016 amongst commercial banks in Kenya, based on secondary data using Altman Z score model in the prediction of financial distress and multivariate discriminants techniques of analysis. It was stated that CEO experience has no significant influence on financial distress. This result cannot be generalized since is related to 2016 results of Kenya commercial banks.

Yao (2020) in his study on effect of CEO characteristics on financial distress, with mediating role of government subsidiaries 316 non-financial firms in China during 2002- 2018. Using multiple regression technique analyse of a panel data extracted through the financial statement of the sampled firm, and discovered that there is a significant positive correlation between CEO experience and financial distress. With the period covered by the study, the outcome is not enough to be generalized. Contrariwise, Rezaee et al. (2021) ascertained the relationship between CEOs experience and financial expertise of some listed firm during the periods of 2008-2017. Using multivariate discriminants analyses in predicting the likelihood of the financial distress based on an Altman Z Score model. And found that CEO experience significantly influences financial distress positively. Chowdhury and Doukas (2022) in their study conducted between CEO experience and financial distress of 990 US firms during the periods of 1980-2016. It was established that CEO has a positive and significant relationship with financial failure likelihood of the firms. Hence, there is need to conduct a more recent similar study, in Nigerian banking sector.

Risk Committee Gender and Financial Distress

Yousaf et al. (2020) found that there is a positive link between board diversity been represented by female members and the likelihood of financial distress of 42 listed Chinese firms during 2007-2016, using a machine learning model based on regression analysis. Then, Farag and Mallin (2016) examined the effect of female representation and financial crisis vulnerability of 99 EU's banks that comprises of Belgium, Austria, France, Finland, Germany, Cyprus, Greece, Denmark, Italy, Ireland, Poland, Portugal, Spain, Netherlands, Sweden, Switzerland and UK. But, While, Donker and Santen (2009) in their study amongst listed Netherlands companies between 1993-2003, discovered that no significant influence between diverse risk committee and the firm's financial distress likelihood. Using a logistic regression technique. However, Jia (2019) studied risk committee gender and distress financially, using 300 Australia non listed firms during 2007-2014. And discovered a significant negative relationship between the variables of the study amongst, based on a multiple regression analysis of the extracted panel data. Following the divergence views of the previous studies, there need



to further considered RCG as moderating variable on examining the effect of CEO attribute and financial distress likelihood in a recent similar study in Nigerian banking sector and to be anchored by organizational life cycle theory.

3. Methodology

Correlational research design was employed considering the objective of the study. While the population of the study consists of fourteen (14) listed DMBs in Nigeria as shown in table 1.

Table 1

Population and Sample Size of the Study

S/N	Study Population (14)	Sample Selected (14)	Date of Listing
1	Access Bank Nig Plc.	Access Bank Nig Plc.	1998
2	Eco Bank of Nig Plc.	Eco Bank of Nig Plc.	2006
3	First City Monument Bank Nigeria Plc	First City Monument Bank Nigeria Plc	2004
4	Fidelity Bank Nig Plc.	Fidelity Bank Nig Plc.	2005
5	First Bank Nig Plc.	First Bank Nig Plc.	1971
6	Guarantee Trust Bank Plc.	Guarantee Trust Bank Plc.	1996
7	Stanbic IBTC.	Stanbic IBTC.	2012
8	Sterling Bank Nig Plc.	Sterling Bank Nig Plc.	1993
9	Union Bank of Nig Plc.	Union Bank of Nig Plc.	1971
10	Unity Bank of Nigeria Plc.	Unity Bank of Nigeria Plc.	1971
11	United Bank for Africa Plc.	United Bank for Africa Plc.	1970
12	Wema Bank Nig Plc.	Wema Bank Nig Plc.	1990
13	Zenith Bank Nig Plc.	Zenith Bank Nig Plc.	2004
14	Jaiz Bank Nig Plc.	Jaiz Bank Nig Plc.	2012

Source: Field Work (2024)

The study considered the whole 14 banks by adopting a census sampling technique. Secondary source of data is considered suitable, and the data were extracted from the annual audited financial statement of the banks via Nigerian Exchange Group website as at 31st December 2023. Also, the study employed a logistic regression technique based on approach in a modified Althman Z score model to measure the dependent variable of the study and further used a multiple regression model to examine the parsimonious model of the study with the aid of STATA version 13 as a tool of analysis.

Model Specifications

This study basically adapted the modified Althman Z score model of (Ohlson, 1980a) in measuring the dependent variable (financial distress) of the parsimonious model, with aid of a logistic regression technique. The use of the logistic regression technique is necessary due to the dichotomous nature ("0" and "1") of the data measuring the dependent variable where; Z value of the model is generated through prediction of the absolute residuals of the model. Although the binary representations are determined through the outcome of a probability drawn from the model as; (1-estimated total value of the independent variables). And where the probability is > 0.5 the observation is considered as distressed. Then, if the predicted value of the probability is < 0.5 the observation is considered non-distressed. Nevertheless, some scholars such as (Shumway, 2001; Hillegeist et al., 2004; Dechow et al., 1995; Soon et al., 2012; Collins et al., 2017) have employed same technique in their various studies.



The modified model is shown below as:

$$P_i E(y = 1/X_{1i}, X_{2i}, X_{3i}) = \frac{1}{1 + e^{-Z_i}}$$

Whereas: P_i = Probability of distressed for firm; $Y = 1$ distressed company; $E(Y)$ = cumulative probability function that take value between 0 and 1; e = exponent; and

$$Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu_i$$

Where: β_0 = Constant; $\beta_1, \beta_2, \beta_3$ = Coefficients of parameters; X_1 = Retained earnings/total assets; X_2 = Earnings before interest and taxes/total assets; X_3 = Equity value/ total debt; μ = error term = discriminant residuals = corporate failure CF

Having explained how FD is measured, via the absolute residual value of the modified Altman's Z score model, as a dependent variable of the direct relationship model as well as the parsimonious model respectively. Therefore, the study considered a multiple regression model suitable in analyzing the variables of the direct relationship model which encapsulated the relationship between the explanatory and explained variables as shown below:

$$FD_{it} = \beta_0 + \beta_1 CGN_{it} + \beta_2 CEP_{it} + \beta_3 RCG_{it} + \beta_4 SZ_{it} + \beta_5 FAG_{it} + \mu_{it} \dots \dots \dots (i)$$

Where: FD = Financial distress (Dependent variable); i = firm; t = time; β_0 = Constant; $\beta_1 - \beta_5$ = Coefficient; CGN = CEO gender (Independent variable); CEP = CEO experience (Independent variable); RCG = Risk committee gender (Moderating variable); FSZ = Firm size (Control variable); FAG = Firm age (Control variable); μ = error term

Accordingly, a multiple regression technique is employed to analyzing the variables the second model being the parsimonious that encapsulated the interaction of moderating variable on the explanatory and explained variables of the study as shown below:

$$FD_{it} = \beta_0 + \beta_1 CGN_{it} + \beta_2 CEP_{it} + \beta_3 RCG_{it} + \beta_4 CGN * RCG_{it} + \beta_5 CEP * RCG_{it} + \beta_6 SZ_{it} + \beta_7 FAG_{it} + \mu_{it} \dots \dots \dots (ii)$$

Where: FD = Financial distress (Dependent variable); i = firm; t = time; β_0 = Constant; $\beta_1 - \beta_7$ = Coefficient of the parameters; CGN = CEO gender (Independent variable); CEP = CEO experience (Independent variable); RCG = Risk committee gender (Moderating variable); $CGN * RCG$ = CEO gender as moderated by risk committee gender; $CEP * RCG$ = CEO experience as moderated by risk committee gender; FSZ = Firm size (Control variable); FAG = Firm age (Control variable); μ = error term.

Table. 2

Variables Definition and Measurement

<i>Variables</i>	<i>Definitions</i>	<i>Measurement</i>	<i>Sources</i>	<i>Significant</i>
Dependent Variable				
Financial Distress (FD)	The inability of a firm to finance its debt obligation as at when due	Probability function of 1 and 0 drawn from retained earnings ratio, earnings b/4 interest & tax ratio and equity to debt ratio based on logistic regression technique	Ohlson (1980a)	



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<i>Variables</i>	<i>Definitions</i>	<i>Measurement</i>	<i>Sources</i>	<i>Significant</i>
Independent Variables				
CEOs Gender (CGN)	The category of the CEOs' sex	Value of 1 if CEO is male and 0 if female	Alqatamin (2017)	-
CEOs Experience (CEP)	The years of CEO's relevant skill, and job experience from within and outside the organization	Number of years worked	Kariuki, Namusonge and Orwa (2015)	-
Moderating Variable				
Risk Committee Gender (RCG)	Female concentration in the Board Risk Committee	Number of female directors in the committee	Jia (2019b)	-
Control Variable				
Firm Size (FSZ)	The measure of firm capacity based on its total assets	Natural logarithm of total assets	Opoku, Adu and Anarfi (2013) Rajha and Alslehat (2014)	
Firm Age (FAG)	The measure of firm duration based on its date of incorporation	Difference between the year of incorporation and present year of operation.	Opoku, Adu and Anarfi (2013) Rajha and Alslehat (2014)	

Sources: Field Work (2023)

4. Results and Discussions

This focuses on descriptive statistics, correlation matrix result, interpretation of the summarized regression results, policy implications and recommendations based on the findings.

Descriptive Statistics

This describes the character of the data obtained based on the variables of the study. Below is the outcome shown in the descriptive statistics table.

Table 3

Descriptive statistics Results

Variable	Min	Max	Mean	Std. Dev.
FD	-12.922	5.173	-0.021	1.140
CGN	1	0	0.912	0.284
CEP	1	34	22.4	6.772
RCG	0	6	0.180	0.168
FAG	1	127	44.463	31.106
FSZ	0.013	0.136	0.097	0.022

Source: STATA Output (2023)



Table 3 shows the descriptive statistic results which comprise of the Financial Distress (FD) as the dependent variable, CEO Gender (CGN) and CEO Experience (CEP) as independent variables, Risk Committee Gender (RCG) as moderating variable, firm age (FAG) and firm size (FSZ) being the control variables. Therefore, the table revealed that FD which maintains the minimum and maximum value of -12.922 and 5.173 respectively, while the average value stood at -0.21 with a corresponding standard deviation value of 1.140. On the other hand, CGN maintained an average or mean value of 0.912 with a corresponding standards deviation of 0.284, and further ranged between the minimum and maximum value of 0 and 1 respectively. Where 1 represents male gender and 0 represents female gender. It can be noticed that CEP maintains a minimum and maximum values of 1 and 34 respectively, as the mean and standards deviation values stood at 22.4 and 6.772. This signifies those highest CEOs years of experienced is 34 and the minimum is 1 as far as the scope of this study is concern. It is further observed that RCG maintains the minimum value of 0 and the maximum value of 6 respectively, while the average and stand deviation values are represented by 0.180 and 0.168 respectively. This implies that the highest number of females in the risk committee is 6 and the least is 0 as far as the scope of the study is concern.

Correlation Matrix

This deals with the correlation between dependent variable Financial Distress (FD) and other variables that comprise of the proxies of the independent variables; CEO Age (CAG) and CEO Gender (CGN) as well as control variables firms' Age (FAG) and firms' Size (FSZ) respectively.

Table. 4

Correlation Matrix

Variables	1	2	3	4	5	6
1. FD	1					
2. CGN	0.1986 0.0043*	1				
3. CEP	-0.1254 0.0731	0.1934*	1			
4. RCG	0.0485 0.4894	-0.1143 0.1028	0.0007 0.9919	1		
5. FAG	-0.0822 0.2413	0.0602 0.3914	0.0045 0.9485	0.1531* 0.0284	1	
6. FSZ	-0.0621 0.3768	0.1409* 0.0438	-0.0026 0.9701	0.1195 0.0879	0.0970 0.1666	1

Source: STATA output (2023)

Table 4 discloses that the correlations between FD with CGN and RCG were positively weak at coefficient value of 0.1986, and 0.0485 respectively. Except that the correlation between FD and RCG is no significant. But FD maintained a weak negative and significant correlation with CEP at 10%. On the other hand, FD has a weak negative but insignificant correlation with FAG and FSZ respectively. Consequently, the correlations amongst the independent variables were relatively weak. As such there is no indication or a sign of multicollinearity effect amongst the independent variables as far as the study is concern.



Table 5
Robust OLS Regression Results

Models Variables	Coefficient	Model 2 T- value	P-values	Coefficient	Model 3 T- value	P-values	VIF	Tolerance Value
CGN	0.059	5.12	0.000	3.4045	1.21	0.228	1.09	0.921
CEP	-0.000	-0.68	0.497	-0.0383	-1.84	0.071	1.04	0.961
RCG	0.043	2.14	0.034	-12.7774	-1.27	0.206	1.06	0.9453
CGR				10.8589	1.14	0.255		
CER				0.0882	1.79	0.074		
R ²								0.20
Adj R ²			0.049					0.17
F- Start			8.79					6.94
F- Sig			0.000					0.000
Hetest Chi 2			0.000					0.000
Hausman Chi2			0.765					0.897
Breusch Pagan			1.000					1.000

Source: STATA Output (2023)

Table 5, revealed the summary of the robust ordinary least square post regression results of model 2 and Model 3 respectively. The results were used in interpreting the result of study based on linear unbiased estimators “BLUE” to ensure valid inferences. Accordingly, Chi2 values of 0.000 were generated through heteroskedasticity tests from both models, which indicate evidence of unequal spread of data from the direct and the parsimonious model of the study respectively. Meanwhile, it was corrected by using robust OLS to ensure the “BLUE”, which has been determined through the Hausman specification tests of; Chi 2 value of 0.765 and 0.897. And the outcome of the two models suggested for Breusch and Pagan Lagrangian Multiplier Tests (L.M-Test) which revealed a P- value of 1.00 from both models. Hence, robust OLS regressions test was considered the last option to be used in interpreting both model of the study. In that regards, the study resorted to robust OLS post regression.

In the same vein, Variance Inflation Factor (VIF) and Tolerance Value were determined through model 2 of the study only on the basis of their rule of thumb, where all the VIF values from the table were less than ten (10) and their corresponding tolerance values constantly displaying smaller values less than one (1) that finally indicating the absence of multicollinearity effect within independent variables of the study. Accordingly, cumulative R- Squared of (0.072) and (0.20) were generated from model 2 and 3 being a multiple coefficient of determination that indicate the percentage of total variation in the explained variable that is jointly explained by the all the explanatory variables. From the model2 it implies that 7% of the variation in dependent variable is determined by the explanatory variables. While, in model 3, it is means that 20% of the variation in dependent variable is determined by the explanatory variables of the model. Therefore, the outcome of the study is further validated by



the results of F- Stat and F- Sig of (8.79) and (0.000) from model 2, and (6.94) and (0.000) from model 3 respectively, which further ascertain the fitness of the model as far as the study is concern.

Hypothesis One (CEO Gender and Financial Distress Likelihood)

From Model 2, the CEO gender shows a positive and 1% significant influence on financial likelihood with a coefficient and p- value of 0.059 and 0.000. This implies that for any unit increase in the female CEO there would be increase in the likelihood in financial distress, which also suggested for not accepted the null hypothesis that states that CEO gender has no significant effect on financial distress likelihood of the listed DMBs in Nigeria. The outcome conformed with the view of Gerasimova (2021) but contrary with the Lawrence et al (2021). Also, the result is validated the underpinning theory of the study.

From Model 3, CEO gender displayed a positive but insignificant effect on likelihood of financial distress maintaining a coefficient value of 3.4045 and P- value of 0.228 respectively. This means that in change in CEO gender would have no significant influence on financial distress likelihood of the listed DMBs in Nigeria. Therefore, it is suggested that the null hypothesis would be accepted which states that CEO gender has no significant effect on financial distress likelihood of the listed DMBs in Nigeria. Although, the result of this study is in line with the view of Rono (2018) and contrary to the view of Dewandono (2018) and Lawrence et al (2021).

Hypothesis Two (CEO Experience and Financial Distress Likelihood)

From model 2, CEO experience has a negative but, insignificant effect on financial distress likelihood of the listed DMBs in Nigeria, which is represented by coefficient and p-values of -0.000 and 0.497 respectively. Also, it means that any change in a unit of CEO experience would have no influence on the financial likelihood of the listed DMBs in Nigeria. Hence, evidence to accept null hypothesis which states that CEO experience has no significant effect on financial distress likelihood. The result agrees with the view of Noor and Iskandar (2012) but, contradicted the view of Yao (2020) and Rezaee et al. (2021). However, the outcome contradicted the underpinning theory of the study.

From model 3, the result in table 4 disclosed that CEO experience a negative and insignificant value coefficient value of -0.0383 and a P- value of 0.071 which is insignificant. In this regard, for every one 1 unit increase of the CEO years of experience, there would be on change in the financial distress likelihood of the Nigerian listed DMBs. Also, the outcome provide evidence for accepting the null hypothesis that states CEO experience has no significant effect on financial distress likelihood. The outcome contradicted the view of Yao (2020) and Rezaee et al. (2021) and in agreement with Noor and Iskandar (2012). But, contradicted the underpinning theory of the study.

Hypothesis Three (Risk Committee Gender and Financial Distress Likelihood)

From model 2, Risk Committee Gender (RCG) has a positive and significant effect on financial distress likelihood with coefficient value of 0.043 and 5% p-value of 0.034. This implies that any 1 unit increase of female member of risk committee there would be an increase in the likelihood of financial distress in Nigerian listed DMBs. Thus, the null hypothesis which states that risk committee gender has no significant effect on financial distress of listed DMBs in Nigeria would be accepted. This is in lined with the view of Yousaf et al. (2020) and dis agreement with the view of Farag and Mallin (2016). Also, the outcome supported the underpinning theory of the study.

From model 3, RCG has a negative but insignificant value on financial distress likelihood with a coefficient and P- values of -12.777 and 0.206 respectively, being the moderating variable of the study. It means that for every one unit increase in the number of females in the risk committee there would be no change in the financial distress likelihood of Nigerian listed DMBs. Hence, the outcome provides evidence for accepting the null hypothesis which states that risk committee gender has no significant



effect on financial distress of listed DMBs in Nigeria. Thus, this result is support of Donker and Santen (2009) and against the views of Farag and Mallin (2016) and Jia (2019). But, this outcome disputed the underpinning theory of the study.

Hypothesis Four (Risk Committee Gender Moderating the Effect of CEO Gender and Financial Distress Likelihood)

From model 3, upon the interaction of RCG on CEO gender and financial likelihood, the result shows that CEO gender has a positive but insignificant relationship with financial distress likelihood of Nigerian listed DMBs, with a coefficient and P- values of 10. 86 and 0.206 respectively. This signifies that for any a unit of female CEO there would be no significant change on the financial distress likelihood of listed DMBs in Nigeria as moderated by risk committee gender. Thus, the result suggested for accepting the null hypothesis which states that risk committee gender has no significant effect in moderating CEOs gender on financial distress of listed DMBs in Nigeria. The outcome agrees with view of Dewandono (2018), Lawrence et al. (2021), and contrary to Rono (2018).

Hypothesis Five (Risk Committee Gender Moderating the Effect of CEO Experience and Financial Distress Likelihood)

From model 3, having moderated the CEO experience and financial distress likelihood by RCG, it was found that there is a positive but insignificant effect between CEO experience and financial distress likelihood of listed Nigeria DMBs, with a coefficient value of 0.088 and P- value of 0.074 respectively. This therefore implies that any unit increase in the number of CEO experience will lead to no significant change in financial distress likelihood of the listed DMBs in Nigeria as moderated by risk committee gender. Therefore, the outcome provides reason for accepting the null hypothesis. Also, the outcome is in support of the view of Noor and Iskandar (2012), but contrary with the view of Yao (2020). This further disagrees with the underpinning theory of the study.

5 Conclusion and Recommendations

Considering the objective of this study, it was established that from model 2 CEO ender (CGN) has a positive and significant effect on financial distress likelihood in Nigerian listed DMBs, but from model 3 CGN has a positive but insignificant effect on financial distress likelihood of Nigerian listed DMBs in Nigeria. From model 2 and 3 CEO Experience (CEP) has negative but insignificant effect on financial distress likelihood of listed DMBs in Nigeria. Then from model 2 Risk Committee Gender (RCG) has a positive and significant effect on financial distress likelihood of listed DMBs in Nigeria. Although, in model 3 RCG has a negative but insignificant influence on financial distress likelihood of listed DMBs in Nigeria. But, upon the interaction of moderating variable Risk Committee Gender (RCG) on the effect of CEO gender and financial distress likelihood in model 3. it was concluded that CGN has a positive but insignificant effect on financial distress likelihood of listed DMBs in Nigeria, while, the interaction of RCG on the effect of CEP and financial distress likelihood yield a positive but insignificant effect.

It is natural that female CEO often faced with the problem of gender bias especially in a male dominated bank which could hinder the effect possibility for effective decision making. Also, the female CEOs may encounter barriers to networking opportunity and relationship building which increase the tendency for financial distress amongst the banks. Also, societal expectation and stereotypes on the female CEO could also increase the risk for financial distress amongst the banks. Accordingly, people's perception of mobilization of fund particular to female CEO could also lead to high tendency to financial distress.



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