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Research paper

The Influence of CEO Characteristics and Gender Diversity on The Disclosure Tone of Annual Reports in Indonesian State-Owned Enterprises

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Abstract

This study aims to determine the quality of the annual reports produced and published by State Owned Enterprises (SOEs) in Indonesia by examining the influence of the Chief Executive Officer (CEO) characteristics and gender diversity in the Directors' composition on the disclosure tone in the annual reports of the companies. This study finds that CEO's age and CEO's narcissism do not affect tone in the company's annual report. In contrast, the CEO's financial expertise hurts the tone of use in the report. Moreover, women on the board of directors increase the disclosure tone in the company's annual report.

Keywords: *CEO Characteristics; Disclosure Tone; Diversity of the Board of Directors.*

1. Introduction

A company report is one crucial piece of information that benefits stakeholders in many ways. The company's report describes corporate history, current information, and events, and importantly exhibits any corporate action that is greatly significant for stakeholders, including investors, when responding to and making decisions because of those actions. Furthermore, in the reports, the Company also provides any governance standards and rules, the policies and rules carried out. Importantly, the Company's prospects are often justified, and its performance is shown through the Company's financial statements and annual report. (Ezat, 2020) argues that financial information alone has not been able to explain the company's overall performance and prospects for shareholders/investors to make decisions (Ezat, 2020).
Management can use discerning words in its report to manufacture the perception of its annual report. The tone or tone is one of the ways used by management to disclose information in the annual report and create perceptions to the readers through either positive or negative words that can be perceived by readers in different perception. In the annual reports, Company is also able to guide the readers the direction the company aims to achieve. (Ezat, 2020) also support the notions that the annual reports enable the management of the company to lead readers towards the interest of the management or company. He further suggests that companies can strive to achieve specific interests by increasing the use of positive or negative tones to reflect their company's performance and image.
Research on disclosure tone sounds essential since it gives insights to the readers into how the company being transparent and informative. Furthermore, several analyses on disclosure tone focus on how the market responses, volatility of the share and the behavior change of investors. Having seen the impactful effect of disclosure tone in the annual report on the market and share behavior, many previous studies also examined what factors that can trigger a disclosure tone in the company's annual report. Corporate governance is one of the factors that determines how disclosure tone are utilized in the company's financial statements to convey its messages (Iatridis, 2016).
Indonesian economy, both real and financial sectors, is dominated by SOEs. SOEs are owned by the government and have dual mandates, as a profit motives organization and as an agent development of the country's growth through providing less cost services to the society. SOEs' are, therefore, not only responsible for the government, but also to the ttax payers and community.
As per regulated by the Minister of State-Owned Enterprise Republic of Indonesia as stated in PER-09/MBU/2012, all Indonesian SOEs must implement Good Corporate Governance consistently and sustainably according to applicable rules and norms and the SOEs budget. The regulation also stated that all Indonesian's SOEs should disclose vital information in their annual reports and financial statements following the laws and regulations quickly, accurately, clearly, and objectively.
The CEO, as part of an enterprise's corporate governance, is a primary determinant of the results obtained by the company. Although the CEO might not be directly involved in writing the company's annual report, s/he has the authority to determine and influence the disclosure tone in a report published by the company.
The purpose of this research is then to evaluate the impact of characteristics of CEO in determining the choice of disclosure tone in SOEs' annual reports. Previous research was mostly conducted in developed and Western countries, which mostly have a tiered governance system and are occupied by a uniform background and culture (Kenny Wiston, 2020). On the contrary, Indonesian SOEs have distinguished characters, with different cultural backgrounds and governed by a two-tier system in which the government representatives sit on the board of

commissioners, whose responsibility is to undertake a supervisory role and monitoring works over the CEO as the leader of the executive team. This two-tier board system occupied by different professional persons would have an unlike impact on how CEOs' characteristics on the tone setting in the reports, with other previous research (Bassyouny et al., 2020).
This research is organized into four sections. The first part introduces the study's background. Sections 2 and 3 contain the literature review and research methodology. The result of this study is reported in section 4, and finally, section 5 provides conclusions and suggestions.

2. Literature review

About accounting, disclosure contains information that is relevant and reliable to be used by readers for their decision-making. Tone is an important communication channel used by management to emphasize or downplay certain information(Ezat, 2020). There are two tones in disclosure: a positive tone and a negative tone. A positive tone is built through words that convey confidence and aim to create a favorable and trustworthy perception of the company. Hence, such a tone can guide and influence readers, such as shareholders, investors, and other stakeholders, toward greater trust and optimism in the company.
Examples of positive words in annual reports include "The Company achieves…", "Progressing new product…", and "The Company succeeded…". Conversely, a negative tone is built through words that convey uncertainty or highlight actual challenges. A negative tone may lower the confidence of external stakeholders and make them reconsider their decisions. Examples of negative expressions in annual reports include "Developing a new product has a hurdle because…", and "Companies in 2018 have decreased…".
In this study, the focus is on the use of a positive tone in corporate annual reports, as such language tends to be more intentional and strategic on the part of management compared to negative tone usage. The primary objective of the internal control system in a company is to manage significant risks by safeguarding assets and supporting the achievement of business objectives. This, in turn, increases shareholder investment value over the long term. The importance of this internal control function within corporate governance.
Recent research has highlighted the growing relevance of governance frameworks in shaping disclosure practices. In particular, the two-tier board system, prevalent in several emerging markets such as Indonesia and Malaysia, plays a distinctive role in influencing disclosure tone. Unlike one-tier systems, where executive and non-executive roles are merged, the two-tier structure separates supervisory and management functions. This separation can lead to more cautious and structured disclosures, with supervisory boards exerting greater oversight on narrative tone, thereby reducing overly optimistic or misleading language.
How corporate governance impacts the internal control system can be observed through the disclosure tone used in the company's annual reports. Therefore, it is imperative to assess the underlying factors that drive disclosure tone. Some previous research has stated that CEO age, CEO financial expertise, and psychological characteristics such as CEO narcissism can influence disclosure tone in annual reports(Bassyouny et al., 2020).
More recent studies have extended this line of inquiry by exploring how board diversity, audit committee independence, and ownership concentration affect disclosure tone in emerging market firms under varying governance systems.
a) CEO characteristics.
The highest position in a company is the Chief Executive Officer (CEO) or known in Indonesia as the president director. Often, investors base their decision on the leadership of the CEO of the company they would invest in. The CEO has a significant role in the success of the company (Li et al., 2016; Yudhaputri et al., 2025). In this study, characteristics of the CEO, such as age and expertise in finance, are used to indicate the leadership of the CEO. Another variable indicating characteristics of the CEO is the narcissism of the CEO (Bassyouny et al., 2020).
The age of the CEO will be measured by using years. The age of 18 years to 40 years is early adulthood, then the age of 41 years to 60 years is middle adulthood, and when the age is more than 60 years is advanced adult age (Elizabeth Bergner Hurlock, 1980). More senior CEOs tend to have higher awareness and a sense of responsibility so CEOs will tend to be neutral in disclosing company performance. According to Hambrick and Mason (1984), older CEOs tend to be more conservative and more careful in designing strategies and in making decisions. Bassyouni et al. (2020) suggest that high awareness, a sense of responsibility, and a conservative nature lead to a lower positive tone in the company's annual report.
H1: Companies with older CEO tend to use less positive Disclosure Tone in the annual report.
b) CEO's Financial Expertise.
Understanding of the business, performing various financial tasks, and expertise in leading the corporation would indicate the CEO's financial expertise. According to Robbins, Judge, Sirait, & Saraswati (2015), the capability of the CEO can be separated into two factors, intellectual ability and physical ability. CEOs can be considered as having financial expertise if they have an accounting or finance education background. Also, financial expertise can be recognized from his/her financial background, such as being a (former) Banker, Finance Analyst, Loan Officer, Fund Manager, Investment Manager, Chief Finance Officer, Accounting Officer, Controller, and/or Certified Public Accountant.
CEOs with a financial expertise background are commonly perceived to be more conservative, particularly in making strategy choices. In a study conducted by Jiang, Zhu, and Huang (2013), CEOs with financial expertise intend to lower natural earnings management and choose to disclose only high-quality information. Therefore, the behavior of CEO's who have a financial background aims to disclose information in a conservatism manner and only higher-quality information. This hence leads to the use of a less positive tone in the annual reports of companies, in contrast to the companies that are led by CEOs who do not have previous financial knowledge.
H2: Companies with CEOs who have financial expertise tend to use less positive Disclosure Tone in the annual report.
c) CEO narcissism
Narcissism is a psychological aspect of a person who has personality traits such as self-esteem, success, a sense of pride in oneself, power, and the belief that he is special. This personality comes from the praise and adulation of others (Braun et al., 2018). Narcissistic CEOs enjoy bold and attention-grabbing actions. The CEO wants to attract attention, and positive words can influence the readers of the company's annual report. Therefore, the effect of this narcissism on the tone in the company's annual report is rather optimistic because this narcissism behavior triggers a higher use of positive words in the company's annual report (Bassyouny et al., 2020).
H3: CEO narcissism positively affects the use of Disclosure Tone in the company's annual report.
d) Gender Diversity Board of Directors.
Diversity is an expression of differences for everyone. The diversity referred to in this study is the presence of women on the board of directors. The board of directors is the party being authorized and is entirely responsible for the company's running, following the company's goals. The presence of women on the board of directors will create a positive corporate image. Since the company aims to prove that diversity, which includes women, in running the company effectively, this leads to the use of the disclosure tone within the company in a

positive direction. Consequently, this would build the perception that the company is doing well and raise the company's image in the eyes of the readers of the company's annual report (Bassyouny et al., 2020).
H4: Gender Diversity of the Board of Directors positively affects Disclosure Tone in the annual report.
e) Independent Board of Commissioners.
According to the Financial Services Authority regulation number 33 of 2014, the board of commissioners is a part of a company whose members are parties coming from outside the company or are not related to the principal shareholders, other members of the board of commissioners, or members of the board of directors. According to the Regulation of the Minister of State-Owned Enterprises No. PER-09/MBU/2012 in the commission of commissioners, at least 20% are Independent Commissioners. One of the independent commissioners' tasks includes monitoring the operation of the company. Independent commissioners are more objective when carrying out supervision duty within the company, so that independent commissioners will increase the transparency of the annual report, which, in turn, makes less use of a positive tone. The more independent the commissioners within the company are, the lower the use of a positive tone in the company's annual report (Bassyouny et al., 2020).
H5: The independent Board of Commissioners hurts Disclosure Tone in the company's annual report.

3. Research methodology

The data used in this study is secondary data gathered from the annual reports of state-owned companies (listed and non-listed) in Indonesia during 2017-2019, excluding those from the financial and banking industry.

3.1. Measurement of the dependent variable

Narrative disclosure tone or disclosure tone is calculated using qualitative data analysis software, namely NVIVO. Words in annual reports are classified by the software into positive and negative tone, according to the list of keywords provided (Table 1 and Table 2). The narrative disclosure tone variable is calculated by dividing the number of positive words contained in the text. The glossary used to measure positive and negative tones in the company's annual report refers to (Bassyouny et al., 2020).

Table 1: List of Positive Keywords

positive	good	enjoys	strengthening
positives	achieve	enjoying	strengthened
success	achieves	enjoyed	stronger
successes	achieved	encouraged	strongest
successful	achieving	encouraging	better
succeed	achievement	up	best
succeeds	achievements	increase	more
succeeding	progress	increases	most
succeeded	progressing	increasing	above
accomplish	deliver	increased	record
accomplishes	delivers	rise	high
accomplishing	delivered	rises	higher
accomplished	delivering	rising	highest
accomplishment	leader	rose	greater
accomplishments	leading	risen	greatest
strong	pleased	improve	larger
strength	reward	improves	largest
strengths	rewards	improving	grow
certain	rewarding	improved	grows
certainty	rewarded	improvement	growing
definite	opportunity	improvements	grew
solid	opportunities	strengthen	grown
excellent	enjoy	strengthens	growth
expand	expansion	exceeding	exceeded
expands	exceed	beat	expanded
expanding	exceeds	beats	beating

Table 2: List of Negative Keywords

disappoint	weaken	decline	least
disappoints	weakens	declines	smaller
disappointing	weakening	declining	smallest
disappointed	weakened	declined	shrink
disappointment	difficult	fall	shrinks
risk	difficulty	falls	shrinking
risks	hurdle	falling	shrunk
risky	hurdles	fell	below
threat	obstacle	fallen	under
threats	obstacles	drop	challenge
threaten	slump	drops	challenges
threatened	slumps	dropping	challenging
threatening	slumping	dropped	challenged
penalty	slumped	deteriorate	poor
penalties	uncertain	deteriorates	poorly
negative	uncertainty	deteriorating	fail
negatives	uncertainties	deteriorated	fails
negatively	unsettled	worsen	failed
failure	unfavorable	worsens	failing
weak	downturn	worsening	decrease
weakness	depressed	worse	decreases

weaknesses	down	worst	decreasing
low	lower	decreased	lowest
less			

The independent variables in this study are CEO age, CEO financial expertise, CEO narcissism, board of directors' gender diversity, and the independent board of commissioners. Variables can be kept constant so that between the independent and dependent variables, there is no influence from variables outside the study (sugiyono, 2016). The control variables used in this study are profitability, Leverage, firm size, and firm age. The description of the measurement of each variable is as follows:

Table 3: Measurement of Each Variable

Variable	Measurement
Positive Tone	Positive keywords : (positive keywords + negative keywords)
CEO Age	Fiscal year of birth
CEO Expertise	dummy variable: 1 if the CEO has an accounting or financial education background and/or background in the financial field, such as: Banker, Finance Analyst, Loan Officer, Fund Manager, Investment Manager, Chief Finance Officer, Accounting Officer, Controller, and Certified Public Accountant. 0 if otherwise.
CEO Narcissism	Number of first-person pronouns used: Number of words in the chief director's (CEO) report
Gender Diversity of Board Directors	Number of women on the board of directors: Number of the Board of directors
Commissioners Independence	Number of independent commissioners: total number of board commissioner members

Table 4: Variable Control

Profitability Asset	Net Profit: Total Asset (ROA) Leverage Total Liability: Total
Firm Age	Observation year: the year the state-owned company was established
Firm Size	Natural logarithm of total assets at the end of the fiscal year

3.2. Empirical model

In this study, the following regression model is used:

$NDT_{i,t} = \alpha + \beta_1$ CEO_Age + β_2 CEO_FinExp + β_3 CEO_Nar + β_4 D_Gender + β_5 KOM_Ind + Lev + Profit+ S_Growth + Firm_Age + Firm_Size + $\varepsilon_{i,t}$

NDT is a variable Narrative Disclosure Tone or Disclosure Tone, which is calculated by the total of positive tone (keywords) divided by the total keywords found in the disclosure of the SOEs' annual reports. The independent variables of the equations are the CEO's age, the CEO's financial expertise, the CEO's narcissism, the gender diversity of the board of directors, and independent commissioners as described in Table 3.

4. Results and discussion

4.1. Descriptive statistics test

The total number of observations for the study is 149 out of 70 state-owned companies from three consecutive years 2017 to 2019.

Table 5: Descriptive Statistics

Variable	Obs	Mean	Std. Dev	Min	Max
DISTONE	149	0.13686	0.020527	0.08378	0.18407
CEO_AGE	149	54.31544	5.582414	30	67
CEO_NAR	149	0.000383	0.000462	0	0.0017
D_GENDER	149	0.09373	0.150209	0	0.5
KOM_IND	149	0.291819	0.104505	0.125	0.5
PROF	149	0.052315	0.051155	-0.030	0.204
LEV	149	0.507758	0.254107	0.012	1.323
F_AGE	149	36.56376	12.98769	4	66
F_SIZE	149	28.82806	2.567279	20.8489	32.92173

Table 6: Descriptive Statistic Test

Variable	Data Dummy	Frequency	Percent	Accum
CEO_FINEXP	0	66	44.30%	44.30
	1	83	55.70%	100

Notes. DISTONE is disclosure tone (positive tone/total positive + negative tone); CEO_AGE: age of the CEO; CEO_FINEXP: dummy variable 1: CEO's financial expertise, 0: otherwise; CEO_NAR: total first person pronoun used/total words in disclosure; D_GENDER is women directors/total members board of director; KOM_IND: total independent Commissioner/total members of board of commissioner; PROF: profitability; LEV: Leverage; F_AGE is the age of the company; F_SIZE: size of the company = ln total asset

In Table 5, it is shown that the disclosure tone has an average value of 13.68%. It means that 13.68 of % narrative in sampled state-owned companies' annual reports is written in a positive tone. A sample of the study shows that the average age of CEOs is 54 years, while more than half of them (55.70%) have financial expertise.

Moreover, variable CEO Narcissism which is proxied by total first-person pronoun used in the annual reports, shows an average of 0.03%. The average woman on the board of directors is 9.73% in the sample of this study. 29.18% of the board of commissioners are independent commissioners. Profitability shows an average of 5.23%, and then Leverage has an average of 50.77%. The average age of sampled state-owned enterprises is 36 years, and the average total assets owned by sampled state-owned enterprises are 28,828.

4.2. Hypothesis test

Table 7: Regression Result

DISTONE	Coef	Std. Err	t	P> I t I	[95%	Interval]
CEO_AGE	-.00068	.00056	-1.22	0.114	-.0018	.0004
CEO_FINEXP	*-.00603	.00437	-1.38	0.086	-.0147	.0026
CEO_NAR	.89784	3.7216	.02	0.405	-6.522	8.318
D_GENDER	***.07209	.01624	4.44	0.000	.0396	.1044
KOM_IND	*.02675	.01998	1.34	0.093	-.0130	.0666
PROF	***-.1860	.05830	-3.19	0.001	-.3022	-.0697
LEV	**-.02488	.01210	-2.05	0.022	-.0490	-.0007
F_AGE	***-.0010	.00029	-3.54	0.001	-.0016	-.0004
F_SIZE	*-.00162	.00117	-1.38	0.086	-.0039	.0007
_Cons	.24929	.05041	4.94	0.000	.1487	.3498
Adj. R-Square	0.2572					
Prob > F	0.000					

Note: *, **, and *** denote the statistical significance at the 10%, 5%, and 1% level.

4.2.1. Coefficient of determination test

The adjusted R-square result obtained is 0.2572 or 25.72%, which means that the disclosure tone variable of 25.72% is influenced by the CEO's age, the CEO's financial expertise, the CEO's narcissism, the gender diversity of the board of directors, independent commissioner. The remaining 74.11% is influenced by other variables, which is not tested in this research.

4.2.2. F significant test (simultaneous)

The result of Prob>F obtained is 0.000, and this result is smaller than the significance level of 0.05. Based on these results, it can be interpreted that the CEO age, CEO financial expertise, CEO narcissism, and gender diversity of the board of directors, independent commissioners simultaneously or jointly affect the disclosure tone.

The test results in Table 5 can be interpreted as follows:

a) The Effect of CEO Age on Narrative Disclosure Tone.

Based on the test results, it is shown that hypothesis 1, which says that companies with older CEO tend to use less positive disclosure tone in the annual report, is not proven. This means that despite the fact that the nature of older CEOs who are more conscientious and have a high sense of responsibility, this does not guarantee the company has a small degree of use of a positive or negative tone.

The age of CEOs is not the factor that determines the word choices written in the company's annual report. despite the nature of older CEOs who are more conscientious and have a high sense of responsibility, this does not guarantee the company has a small degree of use of a positive or negative CSF

b) The Effect of CEO's Financial Expertise on Narrative Disclosure Tone.

The regression result shows that the p-value of the financial expertise variable is 0.086. This is smaller than the significance level of 10%, which says that the relationship between the two variables is significant. Moreover, the negative coefficient value (-0.006035) implies that hypothesis 2, which is: companies with CEOs who have financial expertise tend to use less positive disclosure tone in the annual report, is proven. This result is relevant to previous research that CEOs with a financial background are more transparent in disclosing their performance and follow a conservative strategy, leading to less use of a positive tone in annual reports(Bassyouny et al., 2020).

c) The Effect of CEO Narcissism on Narrative Disclosure Tone.

Also shown in Table 5, the significant value of CEO narcissism is 0.405, with its coefficient 0.089785. This value is greater than the significance levels of 5% and 10%, implying that Hypothesis 3 — which states that CEO narcissism has a positive effect on the use of disclosure tone — is not supported. Based on the data obtained, the average percentage of CEO narcissism is 0.04%, and the highest percentage of narcissism is 0.17%. These results suggest that the current method used to capture CEO narcissism may be insufficient to detect its true influence on disclosure tone.

Narcissism is a multidimensional and complex psychological trait that cannot be accurately captured using a single indicator. The current study relies solely on the frequency of first-person pronouns in the CEO’s letter, which may not fully reflect narcissistic tendencies. To enhance the validity and robustness of the measurement, future research should incorporate additional indicators such as the prominence and size of the CEO's photo in the annual report, the size of their handwritten signature (if available), and the positioning of their name or message within the report. These visual and positional cues have been recognized in recent studies as stronger proxies of narcissistic behavior in corporate settings. Therefore, a more comprehensive and multi-indicator approach is necessary to better assess the relationship between CEO narcissism and the use of positive tone in company disclosures.

d) The Effect of Gender on the Board of Directors on Narrative Disclosure Tone.

Based on Table 3, the significant value is 0.000, and the coefficient is 0.0720981, which means this value is smaller than the levels of significance of 5% and 10%. Based on the test results, it is shown that Hypothesis 4, namely the gender diversity of the board of directors, has a positive effect on the disclosure tone. The results of this study are in line with research conducted by (Bassyouny et al., 2020)that more women on the board of directors will positively affect the use of a positive tone in the annual report. It is due to the small number of women on the board of directors. When there is more than one woman on the board of directors, it will make them want to build a positive image of their performance under female leadership. Therefore, using a positive tone in the annual report will increase because women on the board of directors want to build a positive image in their company's annual report.

e) The Effect of Independent Commissioner on Narrative Disclosure Tone. state-owned

Moreover, the significant value of the independent commissioner is 0.093 with a positive coefficient. This reflects that the company’s independent commissioner has a positive impact on the use of the disclosure tone. This also shows that hypothesis 5 is not proven. The result suggests that the more independent the commissioner will provide more monitoring effect, hence the more transparent the financial report. However, the otherwise results indicate that the independent commissioners in SOEs samples either not performing too independently (Dewi Sutino & Khoiruddin, 2016), or performing an aligning effect with the executives of the companies (Lastiati et al., 2020). The percentage that is less than the provisions previously set by the Ministry of state owned companies can cause supervision to run optimally.

It is reinforced by the Regulation of the Minister of State-Owned Enterprises (BUMN) No. PER-09/MBU/2012 stipulates that a former member of the board of directors of a state-owned enterprise can become a board of commissioners in the state-owned enterprise concerned after not serving at least one year as a board member in the company. It does not rule out the possibility for the board of commissioners to have the same goals as management, so that the independence of the board of commissioners decreases, and the weak supervision of independent commissioners increases the use of a positive tone in the company's annual report.

Based on the results obtained from this study, older CEO age does not affect the use of disclosure tone in the annual report. This result is supported by the data obtained, showing that both older and younger CEOs will still use the disclosure tone to increase their reputation. A CEO's financial expertise has a negative effect because CEOs with financial expertise are more transparent in disclosing company performance and follow a conservative strategy, thereby reducing disclosure tone in annual reports. CEO narcissism does not affect the use of disclosure tone in the annual report because narcissism is a very complex trait of a person, so it is difficult to observe through a person's behavior. The data obtained also does not show a real effect of CEO narcissism.

The gender diversity of the board of directors has a positive effect on the use of disclosure tone in the annual report because when there is more than one woman on the board of directors, it will make them want to build a positive image of the company's performance, so the use of disclosure tone in the company's annual report increases. Independent commissioners have a positive effect on the use of disclosure tone in the annual report. Due to the similarity of objectives shared by the board of commissioners with management, the number of commissioners is less than the established regulations, thus increasing the use of positive tones in the annual report.

However, it is important to note that the findings of this study are subject to limitations. First, the sample size used in the analysis is relatively small, which may restrict the generalizability of the results. Second, the study specifically excludes financial State-Owned Enterprises (SOEs), which often have different governance structures, disclosure regulations, and stakeholder expectations compared to non-financial firms. As such, the behavior of disclosure tone observed in this study may not fully represent broader practices across all sectors. Future research should consider expanding the sample size and including financial SOEs to examine whether the patterns observed here hold across different organizational contexts. Moreover, these findings may still offer valuable insights for emerging market settings where non-financial SOEs play a critical role and where governance reforms are ongoing. Applying the findings cautiously to similar governance and regulatory environments could inform policy and boardroom decisions regarding narrative disclosure practices.

This study has limitations, namely the lack of information about disclosure tone in the annual report in Indonesia's research context. Then, the measurement of CEO narcissism using only one measurement method makes the results not show narcissism. Then, this research is limited to the variables of CEO age, CEO financial expertise, CEO narcissism, gender diversity of directors, and independent commissioners. Lastly, the measurement of financial expertise is combined in one measure of expertise, only represented by dummy variable 1.

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