



AMERICAN JOURNAL OF
ENVIRONMENTAL ECONOMICS (AJEE)

ISSN: 2833-7905 (Online)

VOLUME 3 ISSUE 1 (2024)



PUBLISHED BY
E-PALLI PUBLISHERS, DELAWARE, USA

Effects of CEO Tenure and Education on Corporate Social and Environmental Performance: Evidence from Listed Firms on Namibia Stock Exchange

Maria Magano Nashilyo^{1*}, Timothy Masuni Nagriwum¹, Anita Nti-Kwakye²

Article Information

Received: July 03, 2024

Accepted: August 06, 2024

Published: August 10, 2024

Keywords

*Corporate Social Performance,
Environmental Performance,
Chief Executive Officer (CEO)*

ABSTRACT

Given the increasing focus on sustainability and corporate responsibility, it is essential to comprehend the influence of CEO characteristics on the accomplishment of a company. The main objective of this research is to investigate the correlation between the length of time a CEO serves in their position, their level of education, company corporate social performance, and environmental performance. The study utilized a descriptive research design, employing a quantitative method by conducting a cross-sectional survey. The study sample comprised Chief Executive Officers (CEOs) from 52 publicly traded businesses, and the analysis was based on 39 collected responses. With the help of SPSS, a multiple regression analysis was performed to evaluate the influence of CEO term of office and education on business social performance and environmental performance. The results indicate that CEO tenure has a favorable and substantial influence on environmental performance, whereas CEO education substantially influences corporate social performance. The results offer useful insights into the complex correlation between CEO characteristics and sustainability success. We propose policymakers to implement restrictions or recommendations for the length of time a CEO can hold their position and their educational qualifications. This will help ensure the efficient management of social and environmental responsibilities. Moreover, providing incentives for CEOs and high-level executives to participate in continuous education and training programs could boost their comprehension of social and environmental matters, ultimately leading to the implementation of enhanced sustainability practices within organizations.

INTRODUCTION

Over the past ten years, investors have used corporate social and environmental performance as a key criterion for determining a company's worth and whether or not to invest (Hsu *et al.*, 2015). Businesses are under enormous and unprecedented pressure due to the COVID-19 pandemic, with many facing possible closure. A company's CSR commitment will be tested in these circumstances, and depending on how the company responds, employees' perceptions of CSR are likely to be sharpened either positively or negatively. The COVID-19 pandemic triggered momentous distractions to the world economy, affecting profits and profitability at a level not often observed outside of a substantial global economic meltdown. Industries committed to moral behavior and corporate social responsibility (CSR) have been tested during this incredibly challenging period (He and Harris, 2020). As a result, firms face difficulties balancing stakeholders' and their interests (Asante Antwi *et al.*, 2021). In light of the growing number of social and environmental scandals, companies must adopt strategies that go beyond the financial aspects of their operations to attract investors. These strategies must also take the environmental and social influence of their activities or operations into consideration. To improve their social and environmental performance, many businesses have changed their policies, increased their involvement in CSR initiatives, and generally engaged in CSR practices. Businesses are expected more and more to contribute

to long-term development to positively impact society. Organizations in Namibia have been compelled to reorient their traditional economic goals and take on social and environmental responsibilities alongside their economic activities due to growing demands from investors and other stakeholders (Aldrugi, 2013). Corporate managers, especially CEOs, now prioritize social responsibility due to the growing significance of social and environmental performance, which has sparked a discussion about the variables that can affect social and environmental performance (Khoo, 2022). According to this logic, it makes sense to assume that CEOs would be more inclined to start social projects that improve company performance. As a result, during their first terms in office, CEOs are more concerned with structuring company profits while boards of directors are more interested in assessing their competence in terms of company performance (Ali and Zhang, 2015). Furthermore, executives are inclined to prioritize social events to enhance their performance assessments because social activities are becoming increasingly recognized at the firm level (Callan and Thomas 2011). According to Ason *et al.*, (2021), investigating how a CEO's term of office affects corporate social performance and environmental performance (CSP&EP) in a unique manner and therefore vital. It is assumed that a company would need qualified, well-trained, educated, and knowledgeable personalities to handle, manage, and superintend over those investments to make good social

¹ School of Finance and Economics, Jiangsu University, Jiangsu, China

² Faculty of Sociology, Anthropology and Folkloristics, University of Iceland, Reykjavik, Iceland

* Corresponding author's e-mail: mnashilyo@gmail.com

and environmental investment decisions

According to Linck, Netter, and Yang (2008), the Chief Executive Officer (CEO) holds the most power within a management team. A CEO chooses the company's strategy, assigns funds based on the goals of the organization, and manages the senior leadership group. The decision-making power of Chief Executive Officers (CEOs), who hold high positions in organizational structures, is a significant factor in determining a company's inclination towards Corporate Social Responsibility (CSR). This propensity can be influenced by the preferences and priorities of CEOs, which are shaped by their personalities and values (Chatterjee and Hambrick 2011). Basically, a company's main goal is to make as much money as possible. Consequently, the company needs a CEO who can oversee the company's operations. The CEO role truly dictates the company's performance and has the power to steer it in the direction of success or failure.

The growth and success of the company are significantly influenced by the professional and demographic traits of the CEO. However, according to some researchers, a CEO's education alone does not always translate into a company's performance improvement (Bhagat *et al.*, 2010). According to Peni and Vähämaa (2012), there is evidence in the relevant literature linking the CEO's experience and the executions of the company, but there are also indications pointing to the adverse effects of experience on performance (Hamori and Koyuncu, 2015). Similarly, different conclusions have been made regarding the relationship between CEO tenure and a company's performance, comprising both negative and positive associations (Luo *et al.*, 2014). A solid basis for connecting CEO practice to social and environmental performance is laid out by this argument. One key element in determining a firm's success is its performance. Head of the One of the elements influencing a firm's performance is power. A CEO is in charge of the company's daily operations, including taking necessary business-related actions. The CEO serves a critical role in a business, as noted in Tien *et al.*, (2013) because he is a leader who will determine the success or failure of the company.

Environmental sustainability and corporate social responsibility (CSR) have become essential components of organizational strategy and performance in the modern business world. Beyond just financial performance, companies are increasingly being examined for their contributions to social and environmental welfare. The Chief Executive Officer (CEO) of a company plays a crucial role in directing organizational policies, culture, and strategies, which include CSR and environmental sustainability. With their unique qualities including leadership style, experience, education, and values CEOs have a big impact on a company's social and environmental performance and initiatives. In the context of Namibian listed companies, the link between CEO term of office, education, corporate social performance, and environmental performance has drawn additional

attention. Businesses in Namibia are under pressure to strike a balance between generating profits and meeting social and environmental obligations, so it is critical to look into how CEO personality traits and leadership philosophies impact their companies' sustainability efforts. But despite the increasing emphasis on environmental sustainability and corporate social responsibility (CSR) worldwide, there is a shortage of research on Namibian-listed companies in particular.

By addressing the question, "To what extent does CEO tenure and educational background impact the corporate social and environmental performance of the Namibian listed companies?" this study seeks to close a research gap and demonstrate how certain attained and measurable attributes (tenure and education) of CEOs can impact on the corporate social and environmental performance.

LITERATURE REVIEW

Theoretical Review

Stakeholder theory and agency theory serve as the primary theoretical axes within the context of this paper. These were chosen for the study due to their applicability in the area of environmental and social performance in corporations.

Stakeholder Theory

Businesses want to maximize their profit margin, which is their ultimate objective (Najmuddin *et al.*, 2018). Corporations must satisfy stakeholder needs and enhance their brand and image to attain the best revenues (Najmuddin *et al.*, 2018). The stakeholder theory is where the firms get these benefits. According to this view (Laplume *et al.*, 2008), firms ought to be accountable to a range of stakeholders. According to Bhattacharyya and Verma (2020), in addition to making an effort to meet the needs of the environment and local communities, CEOs of organizations should assume appropriate responsibility and meet the needs of stakeholders on a large scale. This is in line with the stakeholder theory perspective. This theory's newfound reasoning is predicated on a conditional relationship between satisfying stakeholders' needs and attaining the large profit margin that shareholders desire. According to Freeman (1984), the attempt to create value for stakeholders is the fundamental component of this theory because it is the key to enhancing and developing the performance of businesses. Based on the notion of stakeholders, Freeman highlights that a company's commitment to sustainable responsibilities may enhance the management-stakeholder relationship, which will ultimately result in enhanced financial performance. Overall, to achieve strong financial performance, CEOs of companies are advised by the stakeholder theory to consider their obligations to address the needs of a wider stakeholder (Zhou *et al.*, 2021).

Agency Theory

The friction and differences between shareholders and firm owners are reflected in agency theory. The

contradictory interests of principals and agents are the focus of agency theory. The agency costs and ownership structure model developed by Jensen and Meckling (2019) is a key work in the field of corporate governance. Still, the theory makes a strong case for the basic conflict of interest that exists between managers and owners. That relationship regularly occurs between managers of a firm acting as agents and shareholders serving as principals. Every big decision in certain companies is decided by the CEO. Decisions made in other companies are more obviously the result of executive consensus. The allocation of decision-making authority within organizations may have an impact on the decisions that are made if different people have divergent viewpoints. Although managerial choices may or may not have an impact on the success of the company, executive traits, and organizational factors may have an impact (Li & Tan, 2013).

CEO's Tenure

This research uses the duration of the CEO's contractual agreement with the company to calculate the CEO's term of office on a year-by-year basis. Chief executive officers with longer tenure should be more knowledgeable about the organization's resources and how they relate to their environment. Through increased operational efficiency and consequently faster growth, will help the organization. Conversely, CEOs with longer tenures tend to become complacent and adhere to outdated paradigms (Khan *et al.*, 2020). Given their greater receptivity to novel concepts, CEOs with shorter tenures stand to gain in this situation. Longer-serving CEOs have strong social networking connections with a variety of financial sources due to their knowledge power; these connections are likely to deepen over time and have a decreasingly marginally positive effect on the performance of the company (Luo *et al.* 2014). There are clear benefits to having a thorough understanding of how the business operates and the ability to identify areas for improvement.

CEO's Education

One of the key characteristics of a CEO that influences the firm's value and overall decisions is their educational background. A CEO with more education is capable of making appropriate and wise decisions in any challenging circumstance. The value of the company is increased when top management has a higher level of education because it facilitates managerial effectiveness, optimal decision-making, and stakeholder motivation (Martínez-Sola *et al.*, 2014). Technically and business-savvy executives are more adaptable and make wise decisions that will benefit the firm's long-term results. This research also focused on the CEO's educational background to investigate how the CEO's demographic characteristics affected financing choices and company performance. An executive's ability to make wise financial and investment choices is greatly impacted by their educational background. A fruitful career in any field requires relevant education. Financial education is beneficial to CEOs because it enables them to

comprehend financial concerns and respond appropriately to ensure solid business performance. Institutions with CEOs who possess distinct background in business-related education perform financially well (Arano *et al.* 2010, Kokeno and Muturi 2016). CEOs' investing behavior and the financial health of their companies are influenced by their formal education. To maintain a strong financial position in the market, CEOs with formal education are more inclined to embrace additional creative and innovative business practices.

Corporate Social Performance and Environmental Performance

A company's efforts to conduct business in a way that is both environmentally sustainable and socially responsible are measured by corporate social and environmental performance (CSEP). Corporate Social Responsibility (CSR) refers to the actions that businesses take to make sure they are fulfilling their responsibilities to their stakeholders, which include their workers, clients, shareholders, and the larger community in which they operate (Kubareva *et al.*, 2018). The management of a company's social, environmental, and economic impacts is referred to as corporate social and environmental performance. It includes a variety of initiatives, such as lowering greenhouse gas emissions, guaranteeing workers' safety at work, aiding neighbourhood communities, and advancing diversity and inclusivity.

Businesses can measure and report on their social performance and environmental performance using a variety of frameworks. By utilizing sustainable reporting frameworks such as the Global Reporting Initiative (GRI) or the Sustainable Accounting Standards Board (SASB) is one way businesses can evaluate and measure their CSEP (Joshi & Kansil, 2023). These frameworks offer standards and recommendations for businesses reporting on their governance, social, and environmental (ESG) performance. The Global Reporting Initiative (GRI), which provides standards for companies to disclose their sustainability performance is one well-known framework. When making decisions, investors and customers are becoming more conscious of a company's social and environmental performance. Strong social performance and environmental performance are often associated with a company's perceived responsibility and reliability, which can boost brand value and customer loyalty (Ağan *et al.*, 2016).

Implementing sustainable practices across their entire business is another way for organizations to show their dedication to CSEP. This can involve putting energy-efficient technology into practice, cutting emissions and waste, locating sustainable resources, and assisting with community development projects. The triple bottom line, which evaluates an institution's social, environmental, and financial performance, is another popular framework. The concept of the "triple bottom line" emphasizes the need for entities to consider their environmental and social influence in addition to financial gains. In summary,

CSEP is an essential idea for businesses in the current business climate. A growing number of stakeholders who are worried about the wider effects of corporate actions beyond just financial performance are becoming aware of this broad range of issues regarding social responsibility, sustainability, and environmental stewardship (Mason and Simmons, 2014). Ultimately, the idea behind CSEP highlights how crucial it is for businesses to approach operations holistically, taking into account the social and environmental effects of their work and aiming to generate long-term value for all parties involved. By doing this, businesses can contribute to ensuring a more sustainable and equitable future for society as a whole.

Corporate Social and Environmental Practices of Organizations

Organizations are realizing the importance of corporate social responsibility and environmental practices as they work to fulfill their obligations. Organizations can significantly increase their ability to accomplish their business objectives and their positive effect on society and the environment by implementing corporate social and environmental practices. These are a few examples of companies' environmental and social policies.

Environmental Stewardship: Acknowledging the influence an organization has on the environment is part of environmental stewardship. Utilizing sustainable materials, reducing waste, and lowering energy usage are some examples of how to accomplish this. Organizations can lessen their impact on the environment and enhance their standing as socially conscious companies by implementing environmentally friendly practices.

Corporate Philanthropy: Corporate philanthropy, or giving back to the community via charitable contributions or volunteer work, is another significant practice. Helm, (2011), employers, clients, and other stakeholders may develop a feeling of purpose and a positive reputation as a result of this. Charities can receive donations from organizations, and local events can be sponsored or grants given to community organizations.

Ethical Business Practices: Prioritizing ethical business practices entails ensuring that operations are carried out in a way that is just, truthful, and transparent. Organizations must uphold moral principles in interactions with vendors, clients, and other stakeholders and abstain from immoral acts like bribery and corruption. Integrity in operations helps firms gain the trust of stakeholders and improve their standing.

Empirical Review

CEO's Tenure, Corporate Social Performance and Environmental Performance

The CEO's tenure is determined by the duration of the CEO's contractual agreement with the entity. CEOs with extended tenure are expected to be more knowledgeable about the resources available to the organization and how they interact with their environment. As a result, the company will grow more quickly and achieve more operational efficiency. Conversely, longer-serving CEOs

tend to get complacent and adhere to outdated concepts (Saridakis *et al.*, 2023). In this case, CEOs with shorter tenures stand to gain more, as they are more receptive to new ideas. However, with a slowly expanding company, expansion is more likely to hurt rivals, hence efficiency is essential to the company's success. Longer-tenured CEOs have strong social networking connections with a variety of financial sources due to their knowledge power; these connections are expected to deepen over time and have a decreasingly marginally positive effect on the performance of the company (Luo *et al.*, 2014). There are clear benefits to having a thorough awareness of how the business operates and the ability to identify areas for development.

Hartnell *et al.*, (2016) assert that a CEO becomes more adept at communicating and sharing information about the company as their tenure increases. Longer-serving CEOs have substantial social network connections with different money sources, which affects their choice of capital structure because of their informational dominance. Per Naseem *et al.*, (2020), longer tenure enables CEOs to maintain the financial structure of the company and show off their macroeconomic understanding amid downturns. Ndalu *et al.*, (2021) examined the effect of CEO traits on environmental performance in Nigeria's oil and gas business. The study employed a sample of 25 Nigerian oil and gas businesses to gather information on their waste management and emissions policies as well as CEO attributes like tenure, age, gender, and education. The study indicated that the length of time a CEO had held their position had no bearing on their commitment to environmental sustainability and that there was no significant connection between CEO tenure and environmental performance.

The research by Apreku-Djana *et al.*, (2023) sought to investigate the influence of CEO qualities on corporate social responsibility (CSR) in Ghana. The findings indicated that there was a positive relationship between CEO term of office and CSR performance. The length of a CEO's tenure may influence shareholder wealth through decision-making. CEOs who are nearing retirement, for instance, could be assessed according to existing performance metrics because shareholders have historically favored this indicator (Hou, Priem, & Goranova, 2017). In contrast, CEOs who were in the early years of their contractual arrangements may be evaluated using performance metrics derived from market data and their effect on the company's prospects. In light of the conversation above, we formulate the following hypotheses:

H1a: CEO tenure positively affects corporate social performance.

H1b: CEO tenure positively affects environmental performance.

CEO's Education, Corporate Social Performance, and Environmental Performance

One of the key characteristics of a CEO that influences the firm's value and decision-making process is their

educational background. A CEO with more education is capable of making appropriate and wise decisions in any challenging circumstance (Chen, 2011). The value of the company is increased when senior management has a higher level of education since it facilitates managerial effectiveness, optimal decision-making, and stakeholder motivation (Martínez-Sola *et al.*, 2014). Technically and business-savvy executives are more adaptable and make wise decisions that will benefit the entity's long-term results. This research also looked at the CEO's educational background to investigate how the CEO's demographic characteristics affected financing choices and company performance. As stated by Custódio & Metzger, (2014) a CEO's educational background has a significant impact on their ability to make wise financial and investment choices. Having the right education is crucial for success in any industry. CEOs gain from financial education because it makes it easier for them to comprehend financial concerns and take appropriate action to ensure solid business performance

Also, a meta-analysis of 66 empirical study on the connection among CEO traits and corporate social responsibility (CSR) performance was carried out by (Pérez and Rodríguez del Bosque 2013). The analysis encompassed research that was published between 1992 and 2016, encompassing various industries and geographical areas. According to the meta-analysis, CSR performance was significantly influenced by the qualities of the CEO. The study revealed that organizations with stronger CSR performance were typically led by CEOs with greater educational backgrounds. The study also found several plausible explanations for the association between CSR performance and CEO traits. Higher educated CEOs, for instance, can be better equipped to comprehend the value of CSR and create plans for implementing it inside their organizations.

Corresponding to this, CEOs with longer tenures might be more knowledgeable about how their business is run and more qualified to create and carry out CSR programs. Apreku-Djana *et al.*, (2023) indicated that CEO tenure was positively correlated with CSR performance in their study on the impact of CEO qualities on corporate social responsibility (CSR) in Ghana. The research by Ndalu *et al.*, (2021) states that, CEOs who possess better educational qualifications are also more inclined to adopt environmentally friendly technologies and develop environmental management systems. Organizations led by CEOs with a specialization in business education show strong financial performance (Arano *et al.*, 2010, Kokeno and Muturi, 2016). CEOs' formal education affects both the financial health of their companies and how they invest. To maintain a robust financial position in the market, CEOs with formal education are more prone to employ additional inventive and creative commercial techniques. In light of the discussion above, we formulate the following hypotheses:

H2a: The educational background of CEOs positively affects corporate social performance.

H2b: The educational background of CEOs positively affects environmental performance

CEO's Characteristics (Tenure and Education), Corporate Social Performance and Environmental Performance

The relationship between environmental performance and CEO traits is mediated in large part by corporate performance. Guo and Zheng (2021) assert that the principles, views, and leadership style of a chief executive officer have a substantial impact on the strategic choices that are made inside a firm, particularly those that pertain to environmental sustainability. According to the study, CEOs who have a strong commitment to sustainability and ethical leadership through education also tend to support corporate policies that improve environmental performance. However, a corporation's overall performance acts as a powerful mediating factor in this relationship. A company is more likely to invest in sustainable practices and technology and improve its environmental performance if its finances are sound and its operations are efficient.

Further analysis by Berrone *et al.*, (2017) reinforces the idea that corporate performance performs a substantial mediating role in the relationship between CEO characteristics and environmental performance. The study shows that companies with CEOs who prioritize sustainability have better environmental performance records, but the implementation of these strategies and practices is highly dependent on the overall performance and competitive positioning of the company. Essentially, a competitively positioned company is more likely to be able to implement and maintain sustainable practices.

H3a: The CEO's characteristics (tenure and education) positively affect corporate social performance.

H3b: The CEO's characteristics (tenure and education) positively affect environmental performance.

Conceptual Framework

In the context of the influence of CEO term in office and education on company social performance and environmental performance, the conceptual framework illustrates the relationship between independent, dependent elements and control variables. The final step in creating a conceptual framework that connects the study's key topic is the literature review. The conceptual model represents the link between CEO attributes (tenure and education) and corporate social performance and environmental performance.

As illustrated in Figure 1, the independent factors that comprise of CEO characteristics are CEO tenure and education. The dependent variables are corporate performance and environmental performance, while the control variables are firm size and reporting period.

MATERIALS AND METHODS

Research Design and Data

This study used a descriptive research design because a research framework that makes the study's execution easier is required to meet the project's objectives. The

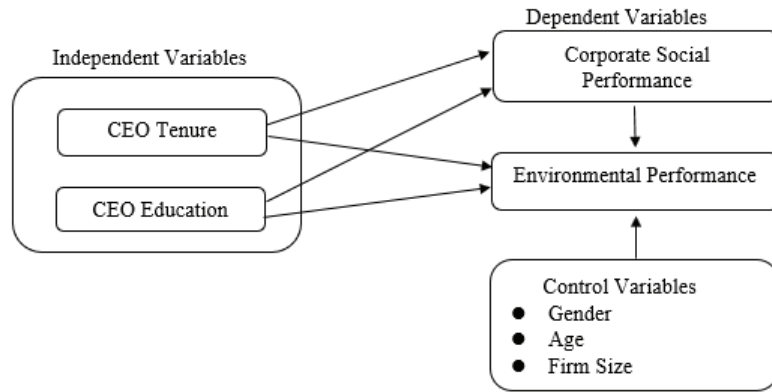


Figure 1: Conceptual Framework

Source: Author's Construction (2023)

descriptive research methodology based on the case study reveals the accurate events and profiles of situations (Saunders *et al.*, 2009). This study was carried out using the Survey method, a very helpful tool for learning people's opinions and tendencies. There are three primary methodologies to think about when addressing research topics: mixed methods, which incorporate aspects of both qualitative and quantitative methods. Depending on which methodology is most suited for the particular problem at hand, researchers can use quantitative, qualitative, or hybrid approaches (Bell, *et al.*, 2022). The research utilized a quantitative analysis approach, focusing on a cross-sectional survey approach. To gain a comprehensive understanding and establish a statistical evaluation of the phenomena, this research relied on the questionnaire as a research tool for data collection with a critical consideration for the analytical mission.

The study's population consists of 52 reputable companies that were listed as of December 2022 on the Namibian Stock Exchange (NSX). Thus, 52 CEOs of the listed businesses made up the sampling frame for this research. Primary data was used in the study and in gathering the data for the study based on the research questions, a structured questionnaire was developed. Using Google Forms, the questionnaires were emailed to each CEO of the firms and of the 52, 39 responded and were used for this study. With the aid of Microsoft Excel and Google Statistical Form, the data was edited, coded, and categorized, the responses were examined to make sure they consistently addressed the research questions. The data was then analyzed using the Statistical Package for Social Sciences (SPSS) program and the results were presented in tables.

Measurement of Variables

The measuring of the selected key CSR and environmental activities of listed corporations was reviewed based on the following criteria: environmental stewardship, community involvement, workplace safety and employee welfare, ethical business practices, diversity and inclusion, and corporate governance. The CEO's Tenure is determined by the mean duration of years that firm

directors have served on the board. This measurement technique is in line with (Deschênes *et al.*, 2015) and (De Villiers *et al.*, 2011). They maintained that one way to examine the correlation between board tenure and social and environmental performance is to look at the mean duration of years that directors have served on the board. According to Darmadi, (2013) and Ujunwa, (2012), the CEO's education was evaluated in relation to whether or not they held a postgraduate degree and a professional qualification (ACCA, ICMA, CPA, or CA). If not, it was rated as zero. The criteria for measuring gender is based on male or female. Age is measured based on the length of time that a CEO has lived and firm size is also measured using the natural logarithm of the company's total assets at the end of a specified period.

Model Specification

To estimate the correlation between CEO term of office and education on corporate social performance and environmental performance, the study proposed the following two models:

$$\text{LnCSP} = \beta_0 + \beta_1\text{TEN} + \beta_2\text{Edu} + \beta_3\text{GDR} + \beta_4\text{AGE} + \beta_4\text{FIS} + \epsilon_t \dots\dots\dots \text{Model 1}$$

$$\text{LnEP} = \beta_0 + \beta_1\text{TEN} + \beta_2\text{Edu} + \beta_3\text{GDR} + \beta_4\text{AGE} + \beta_4\text{FIS} + \epsilon_t \dots\dots\dots \text{Model 2}$$

Where:

LnCSP= Corporate Social Performance

LnEP= Environmental Performance

TEN= Tenure

Edu= Education

GDR= Gender

AGE= Age

FIS= Firm Size

β_1 - β_4 = co-efficient of the explanatory variables

β_0 = Constant

ϵ_t = error term

RESULTS AND DISCUSSION

Descriptive Statistics

Table 1 displays the study's descriptive statistics for the variables. The study found that the majority of the respondents are Male (64.1%). Also, most of the

Table 1: Demographic Characteristics

Particular	Frequency	Percent
Respondents Gender		
Male	25	64.1%
Female	14	35.9%
Total	39	100.0%
Educational Background		
HND/Degree	8	20.5%
MSc/MBA/MPhil	17	43.6%
Professional/Technical	9	23.1%
Prof/Dr.	3	7.7%
Other	2	5.1%
Total	39	100.0%
Respondents Age		
21-30 years	4	10.3%
31-40 years	9	23.1%
41-50 years	17	43.6%
51-60 years	9	23.1%
Total	39	100.0%
Respondents Tenure		
Less than 1 year	4	10.3%
1-2years	6	15.4%
3-5 years	9	23.1%
6-10 years	6	15.4%
More than 10 years	14	35.9%
Total	39	100.0%

Source: Self-constructed based on the responses.

respondents, 43.6%, have either an MSc, MBA, or MPhil. It was established that most of the respondents are between the ages of 41 and 50 (43.6%) and have more than ten years of tenure.

Correlation Analysis

Table 2 provides the study’s correlation analysis. The correlation value for each variable in the correlation. This study uses Pearson’s correlation coefficient to consider

Table 2: Correlation Analysis

	1	2	4	5	6	7	8
1. Gender	1						
2. Level of Education	0.017	1					
	0.817						
3. Age	0.025	-0.02	1				
	0.737	0.784					
4. Tenure	-0.039	0.001	-0.073	1			
	0.592	0.99	0.318				
5. Firm Size	-0.129	.169	0.085	-.250	1		
	0.079	0.02	0.246	0.001			
6. Environmental Performance	.183	-0.044	-0.032	-0.041	0.127	1	
	0.012	0.552	0.661	0.581	0.082		
7. Corporate Social Performance	.200	0.081	0.019	-0.023	.152	.729	1
	0.006	0.268	0.791	0.755	0.038	0.000	

Source: Self-constructed based on the responses.

the strength and direction of linear relationships between variables. The correlation coefficient ranges from -1 to +1. The magnitude of the coefficient directly correlates with the strength of the link between the variables. As shown in Table 2, there is no problem with Multicollinearity,

indicated if the value is more than 0.8.

Regression Analysis

Multiple regression analysis was done to meet the goals of this study. It also covered the connections between CEO

Table 3: Multiple Regression Analysis

Variables	Corporate Social Performance (Model 1)		Environmental Performance (Model 2)	
	Coef. (St.Err.)	t-value	Coef. (St.Err.)	t-value
Gender	-0.016 (0.034)	-0.46	0.206 (0.041)	5.00***
Age	-0.034 (0.047)	-0.72	0.069 (0.058)	1.18
Education Level	0.092 (0.028)	3.33***	-0.092 (0.034)	-2.7***
Tenure	0.008 (0.019)	0.41	0.045 (0.023)	1.92**
Firm Size	0.839 (0.031)	26.86***	-0.015 (0.038)	-0.40
Constant	2.062 (0.101)	20.49***	2.945 (0.124)	23.84***
Mean dependent var.	3.60		3.357	
R-squared	0.70		0.209	
F-test	170.34		9.13	
Akaike crit. (AIC)	447.32		603.295	
SD dependent var.	0.78		0.559	
Number of obs.	380.00		380	
Prob > F	0.00		0.000	
Bayesian crit. (BIC)	470.97		626.936	

Source: Self-constructed based on the responses.

tenure and education on corporate social performance and environmental performance as well as the control variables. Table 3 presents the findings.

Two models were utilized in this investigation, as shown in Table 3; both model 1 and 2 used corporate social performance and environmental performance respectively as the dependent variables. The table lists four values: the coefficient value, standard error (in brackets), t-value, and p-value (using stars to indicate). According to model 1, the R-square value is 0.70 and the R-square value of model 2 is 0.209, the control variables (Gender, Firm Size, and Age) and independent variables (Level of Education and Tenure) account for 70% of corporate social performance while only 40.9% accounts for environmental performance.

With a significance level of P (0.05), Table 3 displays significant values for the two models (Model 1: F-test =170.34, p=0.00; Model 2: F-test =9.13, p=0.000). The two models' representations of the correlations are suggested to be significant by the ANOVA's significance. According to Table 3, among the three control variables used in Model 1, Firm Size ($\beta = 0.839, t=26.86, p=0.01$)

was discovered to significantly affect corporate social performance. Additionally, it was discovered that the independent variable, education level ($\beta=0.092, t=3.33, p=0.01$) had a positive and substantial impact on corporate social performance. Gender ($\beta=0.206, t=5.00, p=0.01$) was found to have a significant impact on environmental performance in the case of three of the control factors. It was also discovered that education level ($\beta=-0.092, t=-2.7, p=0.01$), and tenure ($\beta=0.045, t=1.92, p=0.05$) significantly affect environmental performance.

Discussion of Result

First, the study examines the link between a CEO's tenure and environmental performance. The study revealed that a CEO's tenure has a positive and substantial influence on environmental performance, indicating that the tenure of that CEO contributes to the environmental performance of the firm. Secondly, the study established the association between a CEO's term of office and corporate social performance. The study revealed that a CEO's tenure has an insignificant influence on corporate social performance, indicating that the tenure

of that CEO contributes little or nothing to the social performance of the firm.

Thirdly, the study examined the connection between education level and environmental performance. The research found that educational background has a negative and substantial influence on the environmental performance of firms. This indicates that the level of education attained by the CEO contributes negatively to the environmental performance of firms. Finally, the study sought to examine the relationship between education level and social performance. It is also revealed that education level has a positive and significant influence on social performance indicating that the level of education attained by the CEO contributes positively to corporate social performance.

The results of the study confirm the findings of Saridakis *et al.*, (2023), Kanuri *et al.*, (2014), Hartnell *et al.*, (2016), and Ndalu *et al.*, (2021). For instance, the study by Ndalu *et al.*, (2021) employed a sample of 25 Nigerian oil and gas businesses to gather information on their waste management and emissions policies, as well as CEO attributes like tenure, age, gender, and education. The study indicated that the length of time a CEO had held their position had no bearing on their commitment to environmental sustainability and that there was no significant relationship between CEO tenure and environmental performance.

CONCLUSIONS

The study's findings definitively establish that the duration of a CEO's term of office has a positive and substantial influence on environmental performance. In contrast, its impact on corporate social performance is negligible. Moreover, the educational attainment of CEOs has a detrimental and substantial effect on environmental performance, whereas it has a beneficial and substantial impact on social performance. The results demonstrate the intricate interaction between CEO attributes and their influence company. Organizations must take into account the length of time and educational background of their CEOs when evaluating and executing environmental and social performance plans.

According to the research by Khan *et al.*, (2020), CEOs' environmental performance improves considerably during their first few years of employment compared to later years. Their research confirms the current research's findings by offering proof of the beneficial influence of a CEO's term of office on environmental performance. Although the CEO's term of office had little bearing on the company's social performance but according to the empirical findings of Malik *et al.*, (2020) it was revealed that the CEO's term of office positively impacted CSR disclosure. Their research supports the current study's findings that there is a considerable impact of educational level on corporate social performance.

Through this research, policymakers may consider imposing regulations or guidelines on CEO tenure and educational qualifications to ensure that company leaders

have the requisite expertise to effectively manage social and environmental responsibilities. Government entities and business organizations can promote and offer incentives for ongoing education and training programs targeted at CEOs and high-level executives. These programs would seek to enhance their understanding of environmental and social issues and their influence on the overall performance of companies. Policy measures can be implemented to strengthen transparency and accountability requirements for social and environmental performance. Implementing this measure would encourage firms to disclose relevant information and metrics about the CEO's length of service and educational background. Stakeholders and policymakers can consider implementing incentive schemes that align CEO compensation with social and environmental performance metrics, which can help motivate CEOs to prioritize these aspects of corporate responsibility.

In order to conduct a further study analysis, we suggest an examination of the potential mediating factors that could clarify the varying influence of a CEO's length of service and educational background on environmental and social performance. For instance, examine how corporate governance procedures, organizational culture, or stakeholder engagement initiatives influence the connection between CEO qualities and business sustainability outcomes. We strongly advise an industry-specific study to determine if previously observed connexion between CEO traits and sustainability results differ across various sectors. Industries facing various environmental and social difficulties might exhibit diverse patterns, providing insights into context-specific elements that impact corporate responsibility.

REFERENCES

- Ağan, Y., Kuzey, C., Acar, M. F., & Açıkgöz, A. (2016). The relationships between corporate social responsibility, environmental supplier development, and firm performance. *Journal of Cleaner Production*, 112, 1872-1881.
- Aldrugi, A. M. (2013). Environmental disclosure in the Libyan oil and gas sector [Doctoral dissertation, Nottingham Trent University].
- Ali, A., & Zhang, W. (2015). CEO tenure and earnings management. *Journal of Accounting and Economics*, 59(1), 60-79.
- Amore, M. D., Bennedsen, M., Larsen, B., & Rosenbaum, P. (2019). CEO education and corporate environmental footprint. *Journal of Environmental Economics and Management*, 94, 254-273.
- Apreku-Djana, P. K., Ayittah, S. K., Apreku, I. K. O., Ameyaw, F., & Opere, E. A. (2023). The Mediating Effect of Corporate Social Responsibility and Corporate Accountability in the Relationship between Corporate Governance and Value-Based Financial Performance of Banks. *International Journal of Business*, 28(2), 1-36.
- Arano, K., Parker, C., & Terry, R. (2010). Gender-based

- risk aversion and retirement asset allocation. *Economic Inquiry*, 48(1), 147-155.
- Asante Antwi, H., Zhou, L., Xu, X., & Mustafa, T. (2021, April). Beyond COVID-19 pandemic: an integrative review of global health crisis influencing the evolution and practice of corporate social responsibility. *Healthcare*, 9(4), 453.
- Ason, Y. J., Bujang, I., Jidwin, A. P., & Said, J. (2021). A manifestation of accounting conservatism: A case study in Malaysia. *The Journal of Asian Finance, Economics and Business*, 8(2), 365-371.
- Bell, E., Bryman, A., & Harley, B. (2022). *Business research methods*. Oxford University Press.
- Berrone, P., Fosfuri, A., & Gelabert, L. (2017). Does greenwashing pay off? Understanding the relationship between environmental actions and environmental legitimacy. *Journal of Business Ethics*, 144, 363-379.
- Bhagat, S., Bolton, B. J., & Subramanian, A. (2010). CEO education, CEO turnover, and firm performance. [Working Paper]. Available at SSRN 1670219.
- Bhattacharyya, S. S., & Verma, S. (2020). The intellectual contours of corporate social responsibility literature: Co-citation analysis study. *International Journal of Sociology and Social Policy*, 40(11/12), 1551-1583.
- Callan, S. J., & Thomas, J. M. (2011). Executive compensation, corporate social responsibility, and corporate financial performance: a multi-equation framework. *Corporate Social Responsibility and Environmental Management*, 18(6), 332-351.
- Chatterjee, A., & Hambrick, D. C. (2011). Executive personality, capability cues, and risk-taking: How narcissistic CEOs react to their successes and stumbles. *Administrative Science Quarterly*, 56(2), 202-237.
- Chen, H. L. (2011). Does board independence influence the top management team? Evidence from strategic decisions toward internationalization. *Corporate Governance: An International Review*, 19(4), 334-350.
- Custódio, C., & Metzger, D. (2014). Financial expert CEOs: CEO's work experience and firm's financial policies. *Journal of Financial Economics*, 114(1), 125-154.
- Darmadi, S. (2013). Board members' education and firm performance: evidence from a developing economy. *International Journal of Commerce and Management*, 23(2), 113-135.
- De Villiers, C., Naiker, V., & Van Staden, C. J. (2011). The effect of board characteristics on firm environmental performance. *Journal of Management*, 37(6), 1636-1663.
- Deschênes, S., Rojas, M., Boubacar, H., Prud'homme, B., & Ouedraogo, A. (2015). The impact of board traits on the social performance of Canadian firms. *Corporate Governance*, 15(3), 293-305.
- Freeman, R. E. (1984). *Strategic management: A stockholder approach*. Pitman.
- Guo, M., & Zheng, C. (2021). Foreign ownership and corporate social responsibility: evidence from China. *Sustainability*, 13(2), 508.
- Hamori, M., & Koyuncu, B. (2015). Experience matters? The impact of prior CEO experience on firm performance. *Human Resource Management*, 54(1), 23-44.
- Hartnell, C. A., Kinicki, A. J., Lambert, L. S., Fugate, M., & Doyle Corner, P. (2016). Do similarities or differences between CEO leadership and organizational culture have a more positive effect on firm performance? A test of competing predictions. *Journal of Applied Psychology*, 101(6), 846.
- He, H., & Harris, L. (2020). The impact of Covid-19 pandemic on corporate social responsibility and marketing philosophy. *Journal of Business Research*, 116, 176-182.
- Helm, S. (2011). Employees' awareness of their impact on corporate reputation. *Journal of Business Research*, 64(7), 657-663.
- Hou, W., Priem, R. L., & Goranova, M. (2017). Does one size fit all? Investigating pay-future performance relationships over the "seasons" of CEO tenure. *Journal of Management*, 43(3), 864-891.
- Hsu, C. W., Lien, Y. C., & Chen, H. (2015). R&D internationalization and innovation performance. *International Business Review*, 24(2), 187-195.
- Jensen, M. C., & Meckling, W. H. (2019). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Corporate Governance*, 19(2), 77-132.
- Joshi, S., & Kansil, R. (2023). Looking at and beyond corporate governance in India: A journey of three decades of reforms. Springer Nature.
- Khan, T. M., Gang, B., Fareed, Z., & Yasmeen, R. (2020). The impact of CEO tenure on corporate social and environmental performance: An emerging country's analysis. *Environmental Science and Pollution Research*, 27(16), 19314-19326.
- Khoo, K. (2022). Common ownership and corporate social responsibility: Evidence from the Blackrock-BGI merger. SSRN.
- Kokeno, S., & Muturi, W. (2016). Effect of chief executive officer's characteristics on the financial performance of firms listed at the Nairobi Securities Exchange. *International Journal of Economics, Commerce and Management*, 4(7), 307-318.
- Kubareva, I., Maliarchuk, O., & Pohuda, N. (2018). Corporate social responsibility of Ukrainian tourist enterprises: Identity, strategy and performance. *Eastern Journal of European Studies*, 9(2), 145.
- Laplume, A. O., Sonpar, K., & Litz, R. A. (2008). Stakeholder theory: Reviewing a theory that moves us. *Journal of Management*, 34(6), 1152-1189.
- Li, Y., & Tan, C. H. (2013). Matching business strategy and CIO characteristics: The impact on organizational performance. *Journal of Business Research*, 66(2), 248-259.
- Linck, J. S., Netter, J. M., & Yang, T. (2008). The determinants of board structure. *Journal of Financial Economics*, 87(2), 308-328.
- Luo, X., Kanuri, V. K., & Andrews, M. (2014). How does

- CEO tenure matter? The mediating role of firm-employee and firm-customer relationships. *Strategic Management Journal*, 35(4), 492-511.
- Malik, F., Wang, F., Naseem, M. A., Ikram, A., & Ali, S. (2020). Determinants of corporate social responsibility related to CEO attributes: An empirical study. *Sage Open*, 10(1), 2158244019899093.
- Martínez-Sola, C., García-Teruel, P. J., & Martínez-Solano, P. (2014). Trade credit and SME profitability. *Small Business Economics*, 42(3), 561-577.
- Mason, C., & Simmons, J. (2014). Embedding corporate social responsibility in corporate governance: A stakeholder systems approach. *Journal of Business Ethics*, 119(1), 77-86.
- Najmuddin, O., Deng, X., & Bhattacharya, R. (2018). The dynamics of land use/cover and the statistical assessment of cropland change drivers in the Kabul River Basin, Afghanistan. *Sustainability*, 10(2), 423.
- Naseem, T., Shahzad, F., Asim, G. A., Rehman, I. U., & Nawaz, F. (2020). Corporate social responsibility engagement and firm performance in Asia Pacific: The role of enterprise risk management. *Corporate Social Responsibility and Environmental Management*, 27(2), 501-513.
- Ndalu, T. C., Ibanichuka, E. A. L., & Ofurum, C. O. (2021). Board characteristics and environmental disclosure of quoted oil and gas firms in Nigeria: The moderating role of firm size. *International Journal of Innovative Finance and Economics Research*, 9(4), 51-62.
- Peni, E., & Vähämaa, S. (2012). Did good corporate governance improve bank performance during the financial crisis? *Journal of Financial Services Research*, 41(1-2), 19-35.
- Pérez, A., & Rodríguez del Bosque, I. (2013). Measuring CSR image: Three studies to develop and to validate a reliable measurement tool. *Journal of Business Ethics*, 118(2), 265-286.
- Saridakis, C., Angelidou, S., & Woodside, A. G. (2023). How historical and social aspirations reshape the relationship between corporate financial performance and corporate social responsibility. *Journal of Business Research*, 157, 113553.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). Research methods for business students. Pearson Education.
- Tien, C., Chen, C. N., & Chuang, C. M. (2013). A study of CEO power, pay structure, and firm performance. *Journal of Management & Organization*, 19(4), 424-453.
- Ujunwa, A. (2012). Board characteristics and the financial performance of Nigerian quoted firms. *Corporate Governance: The International Journal of Business in Society*, 12(5), 656-674.
- Zhou, Z., Zheng, F., Lin, J., & Zhou, N. (2021). The interplay among green brand knowledge, expected eudaimonic well-being and environmental consciousness on green brand purchase intention. *Corporate Social Responsibility and Environmental Management*, 28(2), 630-639.