CEO characteristics and dividend payout policies: Evidence from emerging market

By

Sidra AbdulHamid (Muscat College, Sultanate of Oman)

Tamanna Dalwai (Nottingham Trent University, UK)*

Abstract

This study investigates the impact of CEO characteristics on the dividend policies of an emerging market, Oman. The research also provides insight into this relationship changes before and during the pandemic. A sample of 414 firm-year observations of listed non-financial firms is used for the period 2016 to 2021. The CEO characteristics include gender, education, nationality, narcissism and tenure. The results suggest that firms with male CEOs are more likely to have dividend payout for the firms in Oman. This relationship remains consistent before and during the pandemic. Firms with CEOs having bachelor's/ diploma degrees were also more likely to have more dividend payouts. This relationship becomes insignificant during the pandemic. Firms were likely to have more dividend payouts if their CEOs were expatriates but this relationship did not hold during the pandemic. CEO Narcissism and Tenure had no significant impact on the dividend policies of the firms in Oman. The results confirm the signaling theory that indicates dividends for future accounting earnings exist if there are male CEOs with a bachelor's degree and are usually non-Omani's.

Key words

CEO characteristics, dividend, signalling theory, emerging market, non-financial sector firms.

1. Introduction

The Chief Executive Officer (CEO) serves as the cornerstone of the organization, bearing the responsibility of formulating the corporate strategy, implementing necessary changes, and making crucial decisions for the advantage of the stakeholders. Even though CEOs are not directly involved in the creation of financial statements, they establish the organizational culture, which significantly shapes the decision-making processes of various managers (Gounopoulos and Pham, 2018). Scholars have frequently proposed that the background of the CEO can elucidate the firm's performance, drawing upon the upper echelons theory (Zhu and Chen, 2015a). The management of a firm is mandated to systematically communicate accounting data regarding its activities and financial outcomes to shareholders, investors, and other concerned parties through annual reports (Dalwai, Chinnasamy and Mohammadi, 2021). The reporting standards have evolved to encompass a broader array of subjects, including corporate governance, executive compensation, sustainability, disclosure regulations, comprehensive audit reports, and the intricate and critical nature of the content in annual reports (Lim, Chalmers and Hanlon, 2018). The concept of dividend policy was initiated in 1956 by Lintner, followed by subsequent studies and theories such as the dividend irrelevance theory by Miller and Modigliani (1961). Research on the financial management practices of developing economies has frequently addressed issues related to dividend distribution policies and characteristics of corporate boards (Tahir, Masri and Rahman, 2020). Whenever firms announce an increase in profits, there is a more pronounced impact on their stock prices compared to when losses are reported, affecting investment decisions significantly (Guragai, Henke and Young, 2021; Nuta *et al.*, 2024).

Despite the economic, social, and cultural significance of emerging economy enterprises globally and in Oman, a lack of literature exists that aims to clarify their operational dynamics within emerging economy landscapes, as well as the potential impact of CEO characteristics on dividend policies of firms. The primary objective of this investigation is to examine the relationship between CEO characteristics and dividend policy of non-financial companies. This research also endeavours to identify if these characteristics differed in their impact before and during the pandemic.

To examine the aforementioned hypotheses, we utilize a unique hand-curated dataset derived from the non-financial sector of Oman. The selection of Oman’s non-financial sector as the context for our study is grounded on the primary justification that the scarcity of empirical findings concerning CEO characteristics and dividend policy may stem from the accessibility and credibility of the available data. Additionally, in some countries such as the US, the regulatory framework in Oman does not impose constraints on dividends for listed companies. Consequently, the dividend policy within Oman's securities market is less susceptible to undue manipulation by external regulatory measures, thereby affording greater autonomy to the CEO and the board of directors.

The subsequent sections of the document are organized in the following manner. Section 2 presents, an examination of existing literature connecting CEO characteristics and dividend policy.

This is succeeded by Section 3, the methodology, which delves into the research framework and the measurement of variables. Following that, Section 4 presents the results section. Lastly, the concluding section encapsulates the study's discoveries and deliberates on some of the limitations and possibilities for future research endeavours.

2. Literature review

2.1 Theoretical framework

a) Upper echelons theory

Scholars have conducted many studies on the CEO's characteristics. According to these researchers, CEO characteristics encourage CEOs to be more cognizant of their firms' environment in order to better serve their firms(Ozer, 2023).The upper echelon theory is one of the most widely used theories. Based on Hambrick and Mason (1984), the core idea behind the upper echelons hypothesis is how a CEO's characteristics have a big influence on company decisions. This asserts that the characteristics of top managers can forecast company results and strategic decisions. Upper echelons theory brings a new perspective to the study of judgement and decision-making in accounting by highlighting the personality and traits of those involved, which are frequently only considered as information producers in decision processes without paying extra attention to their particular "input factors" in cognitive functions (Plöckinger *et al.*, 2016). According to the upper echelons idea, humans come across phenomena that are too complex for them to fully comprehend and analyse when making strategic judgements. The actions made by an individual have a significant impact on the performance and strategies of the business. Age, tenure, ownership, financial education, and professional experience are among the traits of a CEO (Ali *et al.*, 2022). Additionally, Bassyouny, Abdelfattah, and Tao (2020) added two significant variables to the upper echelons theory that act as moderators in the relationship between upper-echelon qualities and strategic choices.

b) Signaling theory

Signalling theory is one of the common theories in dividend payout studies. Bhattacharya (1979) and John and Williams (1985) suggested that management, as custodians of confidential information, decide on dividend payouts to alert investors of the company's possible future profitability. Additionally, managers would be more likely to employ this approach if they thought the share's value was undervalued (Louziri and Oubal, 2022). In order to convey to the market that they have a strong future earning potential and that they could retain the same levels of dividend payments, corporations that forecast appropriate levels of future cash flows often give an increasing level of dividends(YAKUBU, KAPUSUZOĞLU and CEYLAN, 2022). While the dividend payout policy describes and influences the company's performance, it also serves as the primary factor in luring investors. According to signalling theory, dividends are a way to limit the spread of unfavourable information and announce good news about the company's future cash flows (Guragai, Henke and Young, 2021). Companies that are confident in their ability to operate well in the future tend to pay out greater dividends. On the other hand, businesses with lower performance prospects forgo such greater rewards. Investors consequently favour companies with larger dividend distribution policies when making investments.

2.2 Importance of dividend payout policy

The importance of the dividend distribution policy lies in the fact that it is a major factor in the company's value and attracting investors and shareholders. according to Karpavicius (2014) research, corporations that consistently give dividends are valued more than those that don't. Due to higher expectations for the future, companies that consistently pay dividends are viewed as better investments (Karpavičius and Yu, 2018). It is natural for shareholders' attention to turn to companies that have better policies and greater returns. As a result, Nirino et al.(2020) state that the dividend policy signals management's expectations for future earnings. In addition, the company's value lies in the separation of interests stipulated in agency theory, where both shareholders and executives focus on their own interests. Here the heart of the profit distribution policy lies in aligning interests between management and shareholders, which also protects the interests of small shareholders in the company. This is also related to the role of the CEO and his characteristics, which influence making the best decisions for the company, including the profit distribution policy, through higher education and experience, which will play an important role in attracting employees and working better, which is in the interest of shareholders and increasing competitive advantage(Battisti *et al.*, 2022).

2.3 Hypothesis Development

i. CEO gender

According to Bassyouny, Abdelfattah, and Tao's (2020) review of business ethics literature, gender inequalities exist in decision-making, values, and interests because of the differences in gender and thought. As a result, Male and female CEOs have various management preferences and styles. Prior studies discovered that, compared to male CEOs, female CEOs are more receptive to their obligations and enjoy moral responsibility. Additionally, female CEOs are less risk-taking. This has been demonstrated by Zalata et al. (2019) and Faccio et al. (2016), respectively, in American and European organisations. Based on Nadeem et al. (2019), the effectiveness of a company's intellectual capital is increased by having women on boards and serving as managing directors. On the other hand, CEOs Men are more motivated to increase their financial gains and more ready to break the law in order to succeed outrageously. They are also better at confidently making judgements and are more optimistic about their chances of success in high-risk endeavors. Unlike women who are typically more skilled than men at fostering the exchange of knowledge and ideas, solving problems, adapting to changes, and inspiring and motivating people, executive directors outperform female executives in influence and enjoyment in high positivity in addition to their positive impact on research and development(He, Carrilero-Castillo and Gonzalez-Garcia, 2022)

Based on signalling theory, the relationship is hypothesized as:

H1: Male CEOs will have a positive impact on dividend policy

ii. CEO nationality

We all agreed that the CEO and his work policy have a main effect on the work. Nationality is one of the CEO characteristics that have been discussed in this study. Given that the company's reputation and identity are key draw elements for stakeholders, numerous studies and hypotheses have been conducted on the subject of the CEO's nationality and how it can affect the firm. The CEO's nationality refers to whether he is Omani or not. The findings indicated that companies with a national CEO are typically perceived as more trustworthy because they are more connected to the local community and have more relationships and knowledge with stakeholders and investors. This is in contrast to foreign CEOs who were born outside of the local homeland and are less connected and take longer to increase trust and build relationships. As the CEO will work for the company's interests and base his decisions solely on the success of the firm, away from relationships, their lack of a good relationship, however, may have a beneficial impact on the work (Bertrand, Betschinger and Moschieri, 2021). On the other hand, a local CEO has a favourable effect on the business whereas a foreign CEO performs better. Due to their international experiences, which may have taken them outside of the company's local market and provided the CEO with a better global perspective and competitive advantages, people typically believe that non-local executives are more innovative and intellectually expanding(Conyon *et al.*, 2019). Focusing on dividend policy, the ability of multinational board directors to mitigate agency difficulties has a favourable impact on dividend policy(Eluyela *et al.*, 2019). Shehata (2022), using a sample of Egyptian-listed companies, discovered that the presence of foreign board members results in larger dividend payments, corroborating this theory. This also was supported in other research such as by Alshabibi, Pria and Hussainey(2021) which states that board nationality diversity is positively associated with dividend payout policy. Kumshe, Anaso and Gulani (2020) also claimed that there is a relationship between nationality to dividend payout.

Based on signalling theory, the relationship is hypothesized as:

H2: Non-Omani CEOs will have a positive impact on dividend policy

iii. CEO education

Any career, including positions as chief executive officer, requires education. The education of the CEO is an essential factor in management since a well-educated CEO has a clear vision and a broad understanding of information processing. Additionally, the CEO's educational background is essential for business decisions. It is claimed by Hambrick and Mason (1984) that the strategic direction of the CEO is primarily determined by education. CEOs frequently credit their skill for successful investments while attributing unlucky ones to bad luck, for example. Due to this self-attribution bias, CEOs with higher education tend to be overconfident and believe they can handle any consequences of high-risk project staff (He, Carrilero-Castillo and Gonzalez-Garcia, 2022). Moreover, The amount of schooling can also be used as a measure of cognitive abilities that improve management capacity (King, Srivastav and Williams, 2016). Better education improves decision-making abilities, which improve dividend management and generate value for shareholders while lowering agency costs and aligning interests between shareholders and top management(Naeem and Khurram, 2020).

Based on signalling theory, the relationship is hypothesized as:

H3: Educated CEOs will have a positive on dividend policy

iv. CEO tenure

The term of office of a CEO refers to the duration of their employment as a CEO. The phrase "CEO tenure" refers to his knowledge of the company and its strategies, the wealth of internal and external information, as well as his reputation in the market, all of which contribute to his capacity to make high-level decisions and to work more diligently. As a result, it has an effect on his decisions and how CEOs are managed. Knowledge acquisition is required while investing in risky company ventures like branding. As a result, CEOs who have more knowledge of the business and more experience are more willing to undertake such projects. CEOs who have held their positions for a shorter period of time are more focused on profits in order to keep their jobs and conduct low-risk operations(He, Carrilero-Castillo and Gonzalez-Garcia, 2022). According to a second set of studies, some new CEOs have a propensity to engage in large investment initiatives and take risks in order to quickly establish their credibility. Hsu et al.(2020) observed that as their tenures lengthen, CEOs of agencies and founder companies both cut back on R&D expenditures. Agent CEOs cease observing what is going on outside of their company and revert to prior successful tactics. The capacity of founder CEOs to oversee continuous innovation has reached its limit.

Based on signalling theory, the relationship is hypothesized as:

H4: Less tenure CEOs will have a positive on dividend policy

v. CEO narcissism

Psychology is the first field to investigate narcissistic personality traits, which are thought of as dark personality traits. It has shown that narcissists have a love affair with themselves and their own reflections (Wang, Li and Mu, 2023). Emmons (1984) used component analysis to examine the four aspects of narcissism: power and leadership, superiority and haughtiness, self-admiration and self-admiration, and exploitation and hunger for power. Due to the strategic ramifications of how this complex personality trait influences CEO behaviour, CEO narcissism is a crucial topic of research. According to the upper echelons theory, narcissistic CEOs employ bold, alluring strategies that set them apart from other executives. As a result, the financial performance of the companies they lead is not significantly different from that of other companies. This is because the narcissistic CEO is only concerned with garnering attention, not with the company's financial well-being. Where the influence of the CEO's narcissistic tendencies on the company's policies lies in focusing on transformative events and impressive and large activities such as acquisitions (Bajo, Jankensgård and Marinelli, 2022).According to Ham et al. (2018), CEO narcissism is associated with bad firm performance and a dire financial state, which lends weight to this opinion. They also pointed out that narcissistic CEOs are linked to lower cash flow and profitability in their organizations. A narcissistic CEO has a strong sense of self-attention and existence and is constantly looking for ways to garner the admiration and appreciation of others (Zhu and Chen, 2015b).

Based on signalling theory, the relationship is hypothesized as:

H5: Narcissistic CEOs will have a negative on dividend policy

3. Methodology

3.1 Data collection

Five characteristics of a chief executive were examined in this study (narcissism, gender, nationality, education, and tenure). These served as the study's independent variables for the quantitative data. The dividend payout policy was the dependent variable. This study used secondary data from the Muscat Stock Exchange (MSX) which consisted of 77 non-financial and 35 financial companies in Oman. The financial sector and firms with missing data were eliminated, thus there were a total of 75 non-financial companies. Data for these firms was obtained from 2016 to 2021.

Table 3.1 Data collection

Sector	Number of firms	Final sample
Non-financial sector	**77**	**75**
Financial sector	**35**	**0**
Total	**112**	**75**

Source: (Author)

3.2 Research model

To investigate the association between CEO characteristics and dividend payout policy, we developed the equation shown below:

$$\text{Dividend policy}_{i,t} = \beta_0 + \beta_1 \text{ CEO gender}_{i,t} + \beta_2 \text{ CEO Nationality}_{i,t} + \beta_3 \text{ CEO education}_{i,t} + \beta 4 \text{ CEO tenure}_{i,t} + \beta_5 \text{CEO Narcissism}_{i,t} + \beta_6 \text{FirmSize}_{i,t} + \beta_7 \text{SalesGrowth}_{i,t} + \beta_8 \text{ROE}_{i,t} + \text{Year dummy} + e$$

3.3 Variable measurement

a) Independent and Dependent variables

Dividend policy is our dependent variable of this research, which is calculated as the cash dividend distribution divided by the non-cash assets in the same year(Beyer, Downes and Rapley, 2017).

CEO characteristics measures were the independent variables in this study, which contained:

CEO gender: A dummy variable that is predetermined to be 1 for male and 0 for women; (He, Carrilero-Castillo and Gonzalez-Garcia, 2022)

CEO Nationality: A dummy variable for the nationality of the CEO, that is predetermined to be 1 for Omani and 0 for Non-Omani; (Conyon *et al.*, 2019)

CEO education :The dummy variable for the educational attainment of the CEO, 0 indicates that for those who have no educational attainment, 1 indicates that those who have a master's or doctorate; (He, Carrilero-Castillo and Gonzalez-Garcia, 2022)

CEO tenure :The dummy variable for the number of years longest CEO has 1 indicating those with the longest tenure and 0 otherwise; (He, Carrilero-Castillo and Gonzalez-Garcia, 2022)

b) Control variables

Following prior studies(Fisher, Van Staden and Richards, 2019; Hassan, Abu Abbas and Garas, 2019; Hasan and Habib, 2020; Luo, Li and Chen, 2018; Al Mawaali *et al.*, 2024; Hundal *et al.*, 2024; Dalwai, Mohammadi and Satrovic, 2024) the following control variables are included in the research model:

Firm Size: the total of all assets of the firm

Sales Growth: Sales growth rate: year(t)-1 to year(t) Debt to asset ratio

Return on equity: ROE = Net income divided by the number of shareholders' equity

4. Results

4.1 Descriptive Statistics

Table 4.1 Descriptive Statistics

	2016-2021			Before pandemic			During pandemic		
Variable	Obs	Mean	Std. Dev.	Obs	Mean	Std. Dev.	Obs	Mean	Std. Dev.
dividends	414	.08	.26	207	.11	.34	207	.05	.14
CEO Gender	414	.96	.2	207	.96	.2	207	.96	.2
CEO Education	414	2.6	.68	207	2.59	.68	207	2.61	.69

CEO Nationality	414	.4	.49	207	.38	.49	207	.43	.5
CEO Narcissism	414	.53	.9	207	.56	.92	207	.51	.88
CEO Tenure	414	6.08	6.03	207	5.74	5.92	207	6.41	6.13
Firm Size	414	2.01	.66	207	2.02	.65	207	2	.67
Sales Growth	414	-.46	18.93	207	1.5	18.35	207	-2.43	19.35
ROE	414	3.64	11.72	207	6.21	9.31	207	1.08	13.26
Firm Age	414	26.46	10.89	207	24.96	10.8	207	27.96	10.8
Tangibility	414	.52	.28	207	.52	.29	207	.52	.28

In this study, we have used many approaches such as descriptive analysis, correlation, and regression to examine the effect of CEO characteristics on dividend payout policy. Table 4.1 shows the descriptive statistics for non-financial listed companies in Oman for six years. In addition, it includes the results before and after the pandemic. The highest dividend paid by the Omani-non-financial listed firms is 0.11 which in turn decreased to 0.8 during the Covid-19 pandemic. It is evident how the companies were both before and after the pandemic where the mean dividend payout decreased after the pandemic to be 0.5. The majority of CEOs of non-financial Omani enterprises are men, as indicated by the CEO gender mean of 0.96, or almost 1 (male). When we look at the CEO education, we see that the mean is 2.6, meaning that most of the CEOs hold a bachelor's degree. In previous research on Chinese listed companies, the longer the CEO's tenure, the more knowledgeable he was about the company and adept at making the most of the resources at his disposal(He, Carrilero-Castillo and Gonzalez-Garcia, 2022). Looking at our table, we can see that the average CEO tenure is 5.74, meaning that the majority of CEOs have led their companies for six years. As we can see the pandemic has not affected the CEO's characteristics because most of the numbers are close. On the other hand, it's clear how the pandemic has affected the ROE and sales growth. ROE, which was 6.21 before the pandemic and reached 1.08 following it, has significantly decreased. Also, the sales growth has dropped from 1.5 to -2.43.

4.2 Correlation

Table 4.2 Pairwise correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(1) dividends	1.00										
(2) CEO Gender	0.05	1.00									
(3) CEO Education	0.08*	0.10**	1.00								
(4) CEO Nationality	-0.10**	0.15***	-0.07	1.00							
(5) CEO Narcissism	-0.03	-0.03	-0.01	-0.06	1.00						
(6) CEO Tenure	-0.03	-0.03	0.10**	-0.10**	-0.13***	1.00					
(7) Firm Size	-0.01	0.04	-0.05	-0.03	0.47***	-0.13***	1.00				
(8) Sales Growth	0.04	-0.04	0.04	0.06	0.14***	-0.03	0.17***	1.00			
(9) ROE	0.22***	-0.09*	-0.11**	-0.02	0.20***	-0.04	0.29***	0.17***	1.00		
(10) Firm Age	-0.01	0.03	-0.13***	0.01	-0.30***	0.15***	-0.14***	0.04	-0.14***	1.00	
(11) Tangibility	0.00	0.01	0.19***	0.00	0.06	-0.10**	0.12**	-0.10**	-0.04	-0.34***	1.00

*** p<0.01, ** p<0.05, * p<0.1*

Table 4.2 provides the correlation of the non-financial sector with the variables. The CEO Gender, CEO narcissism, and CEO tenure have no significant relationship with dividend payout policy. Whereas CEO education significantly positively correlated with dividend payout policy. This indicates that having CEOs with doctorates in non-financial companies indicates more dividend payout. CEO nationality has a negative significant relationship with dividends. This suggested that the non-financial companies with Omani CEOs paid fewer dividends. Moreover, the firm size, sales growth, firm age, and tangibility do not affect the dividend payout policy. Non-financial companies have a positive significant relationship between the return on equity and dividends. As stated by Affandi (2019) a company with a high return on equity will pay higher dividends to the shareholders. Multicollinearity is not an issue because the correlation coefficient of the explanatory factors is less than 0.47. This is further supported by the regression model's variance inflation factor (VIF) analysis, which reveals that it is below the threshold value of 10 (Velte, 2020).

4.3 Regression Analysis

4.3 Table: Regression analysis of the relationship between CEO characteristics and dividend policy

	(2016-2021)	(Before pandemic)	(After pandemic)
Dependent variable =	Dividends	Dividends	Dividends
CEO Gender	0.0983**	0.156*	0.0508*
	(0.001)	(0.010)	(0.038)
CEO Education	0.0378*	0.0869*	0.00826
	(0.030)	(0.019)	(0.570)
CEO Nationality	-0.0582*	-0.105*	-0.0288
	(0.017)	(0.042)	(0.087)
CEO Narcissism	-0.0178	-0.0122	-0.0124
	(0.209)	(0.609)	(0.273)
CEO Tenure	-0.00223	-0.00348	-0.0000129
	(0.159)	(0.176)	(0.991)
Firm Size	-0.0260	-0.0564	-0.00428
	(0.115)	(0.101)	(0.728)
Sales Growth	-0.00000267	-0.000380	0.000417
	(0.996)	(0.662)	(0.560)
ROE	0.00574***	0.0121**	0.00273**
	(0.000)	(0.006)	(0.002)
Firm Age	0.000611	0.000877	0.000594
	(0.689)	(0.750)	(0.626)
Tangibility	0.00947	0.0415	-0.00526

	(0.796)	(0.505)	(0.896)
Year dummy	Yes	Yes	Yes
Constant	-0.0515	-0.232	0.0215
	(0.535)	(0.088)	(0.790)
Observations	414	207	207
R^2	0.091	0.125	0.111
F	3.619	2.016	3.714
p	0.00000631	0.0247	0.0000467

p-values in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 4.3 displays the fixed effect regression results of the CEO characteristics regressed on dividend payout policy and control variables for 2016 through 2021. Results are shown for firms in the non-financial sector. Additionally, the results are shown both before and after the pandemic. The p-value for this Chi-square value is very low. These values are used to assess if the independent variables can predict the dependent variable with any degree of accuracy. When the p-value is less than the alpha threshold, which is usually 0.05, conclusions can be drawn. Yes, the dividend payout policy both before and after the pandemic is accurately predicted by the CEO's characteristics. It has been discovered that CEO gender has a positive relationship with dividends. Based on that, we will accept H1, which said that male CEOs will positively impact dividends supported by the obfuscation theory. As we can see before the pandemic the companies with highly educated CEOs were most likely to be paid more dividends for their shareholders than others. As a result, H3 will be accepted. CEO nationality has a negative significant relationship with dividend payout policy. Non-Omani CEOs are led to have higher dividend payout policies than Omani CEOs, these findings were consistent by Shehata (2022). Based on that H2 will be accepted. However, this relationship became insignificant after the pandemic. Hypothesized relationships H4 and H5 will be rejected because they show no significant relationship between dividend payout policies and these characteristics. Moreover, there exists a positive significant relationship between dividend payout policies and ROE, one of the control variables.

5. Conclusion

This study reviews the potential impact of the CEO's characteristics on Oman's dividend payout policy. Decisions and directions are subsequently influenced by the CEO's characteristics(Naseem *et al.*, 2020). The study also looked at the impact of CEO characteristics both before, after, and during the COVID-19 pandemic. The results indicate that non-financial firms managed by non-Omani male CEOs who have a high level of academic qualifications have a higher dividend payout policy than other firms. It is worth noting that after the Covid -19 pandemic, the education and nationality of the chief executive officer have become unimportant and do not affect the dividend payout policy. In addition to the other characteristics, tenure and narcissism, do not affect at all the policy of distributing profits, whether before or after the pandemic.

This paper affects research, theoretical, and practical viewpoints. The study's conclusions have shown that some of the CEO characteristics play a significant role in determining the dividend payout policy. The regulators have to monitor the management characteristics keep an eye on adherence to set rules and regulations and take enforcement action against companies that break the law or don't follow standards. In addition, this study can assist Oman's management and executives in developing their abilities and attracting more capital to their companies. Investors have to know the policy of the company and their key pillars by using the findings before any investing, which offers a knowledge of investor literature by revealing significant components of some of the CEO traits.

Similar to many other research projects, ours has several limitations. One is that the sample focused on non-financial companies listed in the Sultanate of Oman. Therefore, we cannot generalize the results of this research to listed financial companies or other countries. In terms of data, it included information for three years during the pandemic. In future studies, it is possible to extend the period after the pandemic to find out how the pandemic affected dividend payout policy in the long term, also how companies were able to recover after the pandemic, and what the role of CEO characteristics in that. Future research could exclude characteristics that do not affect and add other characteristics.

References

Affandi, F., Sunarko, B. and Yunanto, A. (2019) 'The impact of cash ratio, debt to equity ratio, receivables turnover, net profit margin, return on equity, and institutional ownership to dividend payout ratio', *Journal of Research in Management,* 1(4), pp. 1-11.

Al Mawaali, T., Al Hashar, O. N. K., Al Alawi, N., Dalwai, T., Mohammadi, S. S. and Ben Maaouia, M. (2024) 'Business Strategy and Earnings Management: Financial Versus Non-Financial Firms', in Hamdan, A., Alareeni, B. and Khamis, R. (eds.) *Digital Technology and Changing Roles in Managerial and Financial Accounting: Theoretical Knowledge and Practical Application Studies in Managerial and Financial Accounting*: Emerald Publishing Limited, pp. 129-139.

Ali, R., Rehman, R. U., Suleman, S. and Ntim, C. G. (2022) 'CEO attributes, investment decisions, and firm performance: New insights from upper echelons theory', *Managerial and Decision Economics,* 43(2), pp. 398-417.

Alshabibi, B., Pria, S. and Hussainey, K. (2021) 'Does board structure drive dividends payout? Evidence from the Sultanate of Oman', *Corporate Ownership and Control,* 18(4), pp. 218-230.

Bajo, E., Jankensgård, H. and Marinelli, N. (2022) 'Me, myself and I: CEO narcissism and selective hedging', *European Financial Management,* 28(3), pp. 809-833.

Bassyouny, H., Abdelfattah, T. and Tao, L. (2020) 'Beyond narrative disclosure tone: The upper echelons theory perspective', *International Review of Financial Analysis,* 70, pp. 101499.

Battisti, E., Nirino, N., Christofi, M. and Vrontis, D. (2022) 'Intellectual capital and dividend policy: the effect of CEO characteristics', *Journal of Intellectual Capital,* 23(1), pp. 127-143.

Bertrand, O., Betschinger, M.-A. and Moschieri, C. (2021) 'Are firms with foreign CEOs better citizens? A study of the impact of CEO foreignness on corporate social performance', *Journal of International Business Studies,* 52, pp. 525-543.

Beyer, B., Downes, J. and Rapley, E. T. (2017) 'Internal capital market inefficiencies, shareholder payout, and abnormal leverage', *Journal of Corporate Finance,* 43, pp. 39-57.

Bhattacharya, S. (1979) 'Imperfect information, dividend policy, and" the bird in the hand" fallacy', *The bell journal of economics*, pp. 259-270.

Conyon, M. J., Hass, L. H., Vergauwe, S. and Zhang, Z. (2019) 'Foreign experience and CEO compensation', *Journal of Corporate Finance,* 57, pp. 102-121.

Dalwai, T., Chinnasamy, G. and Mohammadi, S. S. (2021) 'Annual report readability, agency costs, firm performance: an investigation of Oman's financial sector', *Journal of Accounting in Emerging Economies*.

Dalwai, T., Mohammadi, S. S. and Satrovic, E. (2024) 'Intellectual capital efficiency, institutional ownership and cash holdings: a cross-country study', *Review of Accounting and Finance,* 23(1), pp. 104-129.

Eluyela, F., Adetula, D. T., Obasaju, B., Ozordi, E., Akintimehin, O. and Popoola, O. (2019) 'Foreign directors, indigenous directors and dividend payout structure in Nigerian deposit money banks', *Banks and Bank Systems,* 2, pp. 181-189.

Emmons, R. A. (1984) 'Factor analysis and construct validity of the narcissistic personality inventory', *Journal of personality assessment,* 48(3), pp. 291-300.

Faccio, M., Marchica, M.-T. and Mura, R. (2016) 'CEO gender, corporate risk-taking, and the efficiency of capital allocation', *Journal of corporate finance,* 39, pp. 193-209.

Fisher, R., Van Staden, C. J. and Richards, G. (2019) 'Watch that tone: An investigation of the use and stylistic consequences of tone in corporate accountability disclosures', *Accounting, Auditing & Accountability Journal*.

Gounopoulos, D. and Pham, H. (2018) 'Financial expert CEOs and earnings management around initial public offerings', *The International Journal of Accounting,* 53(2), pp. 102-117.

Guragai, B., Henke, T. and Young, G. (2021) 'Reporting of discontinued operations and dividend payout policy', *Review of Accounting and Finance,* 20(5), pp. 326-347.
Ham, C., Seybert, N. and Wang, S. (2018) 'Narcissism is a bad sign: CEO signature size, investment, and performance', *Review of Accounting Studies,* 23(1), pp. 234-264.
Hambrick, D. C. and Mason, P. A. (1984) 'Upper echelons: The organization as a reflection of its top managers', *Academy of management review,* 9(2), pp. 193-206.
Hasan, M. M. and Habib, A. (2020) 'Readability of narrative disclosures, and corporate liquidity and payout policies', *International Review of Financial Analysis,* 68, pp. 101460.
Hassan, M. K., Abu Abbas, B. and Garas, S. N. (2019) 'Readability, governance and performance: a test of the obfuscation hypothesis in Qatari listed firms', *Corporate Governance: The International Journal of Business in Society,* 19(2), pp. 270-298.
He, Q., Carrilero-Castillo, A. and Gonzalez-Garcia, J. (2022) 'Do CEO characteristics influence a firm's investment in brand equity? Evidence from Chinese listed firms', *International Entrepreneurship and Management Journal,* 18(1), pp. 73-87.
Hsu, W.-T., Chen, H.-L. and Ho, M. H.-C. (2020) 'CEO Tenure and R&D investment: founders vs. agents and the Role of independent directors', *Technology Analysis & Strategic Management,* 32(10), pp. 1209-1222.
Hundal, S., Dalwai, T., Mohammadi, S. S., Al Balushi, I. A. K. and Al Zawani, H. R. H. (2024) 'Financial Reporting Quality and Investment Efficiency: Evidence from Emerging Market', in Çalıyurt, K.T. (ed.) *New Approaches to CSR, Sustainability and Accountability, Volume V*. Singapore: Springer Nature Singapore, pp. 239-255.
John, K. and Williams, J. (1985) 'Dividends, dilution, and taxes: A signalling equilibrium', *the Journal of Finance,* 40(4), pp. 1053-1070.
Karpavičius, S. (2014) 'Dividends: Relevance, rigidity, and signaling', *Journal of Corporate Finance,* 25, pp. 289-312.
Karpavičius, S. and Yu, F. (2018) 'Dividend premium: Are dividend-paying stocks worth more?', *International Review of Financial Analysis,* 56, pp. 112-126.
King, T., Srivastav, A. and Williams, J. (2016) 'What's in an education? Implications of CEO education for bank performance', *Journal of Corporate Finance,* 37, pp. 287-308.
Kumshe, A. M., Anaso, I. O. and Gulani, M. G. (2020) 'CEO characteristics and dividend payout in Sub-Saharan Africa', *European Journal of Accounting, Auditing and Finance Research,* 8(6), pp. 46-63.
Lim, E. K., Chalmers, K. and Hanlon, D. (2018) 'The influence of business strategy on annual report readability', *Journal of Accounting and Public Policy,* 37(1), pp. 65-81.
Louziri, R. and Oubal, K. (2022) 'Determinants of Dividend Policy: The Case of the Casablanca Stock Exchange', *Journal of Risk and Financial Management,* 15(12), pp. 548.
Luo, J.-h., Li, X. and Chen, H. (2018) 'Annual report readability and corporate agency costs', *China Journal of accounting research,* 11(3), pp. 187-212.
Nadeem, M., Farooq, M. B. and Ahmed, A. (2019) 'Does female representation on corporate boards improve intellectual capital efficiency?', *Journal of Intellectual Capital,* 20(5), pp. 680-700.
Naeem, M. and Khurram, S. (2020) 'Does a CEO's culture affect dividend policy?', *Finance Research Letters,* 35, pp. 101302.
Naseem, M. A., Lin, J., Rehman, R. u., Ahmad, M. I. and Ali, R. (2020) 'Does capital structure mediate the link between CEO characteristics and firm performance?', *Management Decision,* 58(1), pp. 164-181.
Niccolò, N., Battisti, E., Papa, A. and Miglietta, N. 'Shareholder value and dividend policy: the role of ESG strategies'. *2020 IEEE International Conference on Technology Management, Operations and Decisions (ICTMOD)*: IEEE, 1-5.

Nuta, A. C., Habib, A. M., Neslihanoglu, S., Dalwai, T. and Rangu, C. M. (2024) 'Analyzing the market performance of Romanian firms: do the COVID-19 crisis and classification type matter?', *International Journal of Emerging Markets,* ahead-of-print(ahead-of-print).

Ozer, M. (2023) 'CEO Characteristics and Corporate Political Strategy: The Moderating Effects of CEO Duality', *Journal of Business Strategies,* 40(2), pp. 53-68.

Plöckinger, M., Aschauer, E., Hiebl, M. R. and Rohatschek, R. (2016) 'The influence of individual executives on corporate financial reporting: A review and outlook from the perspective of upper echelons theory', *Journal of Accounting Literature*.

Shehata, N. (2022) 'Board national diversity and dividend policy: Evidence from Egyptian listed companies', *Finance Research Letters,* 45, pp. 102132.

Tahir, H., Masri, R. and Rahman, M. M. (2020) 'Impact of board attributes on the firm dividend payout policy: evidence from Malaysia', *Corporate Governance: The International Journal of Business in Society,* 20(5), pp. 919-937.

Velte, P. (2020) 'Associations between the financial and industry expertise of audit committee members and key audit matters within related audit reports', *Journal of Applied Accounting Research,* 21(1), pp. 185-200.

Wang, L., Li, H. and Mu, Y. (2023) 'Research on CEO narcissism and mergers and acquisitions of listed companies', *Current Psychology*, pp. 1-13.

YAKUBU, I. N., KAPUSUZOĞLU, A. and CEYLAN, N. B. (2022) 'The Effect of corporate governance on firm dividend policy: Evidence from Ghana', *Muhasebe ve finansman Dergisi,* (94), pp. 223-238.

Zalata, A. M., Ntim, C. G., Choudhry, T., Hassanein, A. and Elzahar, H. (2019) 'Female directors and managerial opportunism: Monitoring versus advisory female directors', *The Leadership Quarterly,* 30(5), pp. 101309.

Zhu, D. H. and Chen, G. (2015a) 'CEO narcissism and the impact of prior board experience on corporate strategy', *Administrative Science Quarterly,* 60(1), pp. 31-65.

Zhu, D. H. and Chen, G. (2015b) 'Narcissism, director selection, and risk-taking spending', *Strategic Management Journal,* 36(13), pp. 2075-2098.