

A SURVEY ON CEO TENURE AND FINANCIAL RATIOS IN TEHRAN STOCK EXCHANGE

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ABSTRACT

One of the most important issues in companies is investigation on the relationship between CEO Tenure with quality of Accruals, cash turnover coverage, cash current debt coverage and cash interest coverage. So, this survey examines it in the Iranian capital market with using the data of 104 companies in Tehran Stock Exchange covering time series data from 2006 to 2011. The observations of study are 520. To estimate the relationship between the CEO Tenure as a dependent variable and quality of Accruals, cash turnover coverage, cash current debt coverage and cash interest coverage as independent variables are applied the multiple regression models. The findings of research show that there is directly relationship between the dependent variable and independent variables.

KEYWORDS: Financial ratios and Tehran, Profit, CEO Tenure, Stock Exchange.

INTRODUCTION

The high costs for management of decisions and activities of presidency of the board of director due the conflicts of interest between management and owners place the ownership structure and managerial systems as an appropriate solution to reduce the costs ongoing to attention to researchers. Since the increasing of the length of the presidential board as the main determinant and also increasing of CEO tenure caused to increasing the sense of responsibility towards to control and monitoring of acceptance decisions and the way of implementation of the program will be coordinated and targeted and ultimately make them more familiar with the features of the companies and the cognition of opportunities and threats facing the company, it shows more sensitivity to accepted decisions and control over its programs. On the other if you have less tenure as chairman of the board , in this case, due to unfamiliarity with the company's internal and external conditions and the industry that it has entered make to increased commercial and non-commercial risks and what seems so obvious that this subject that if CEO tenure is reduced and when someone else is replaced; Because it is going to show their individual capabilities to others quickly and to prove itself and also accepting more risk will be caused to reduce the quality of accruals in company and given that accruals company has been manipulated, the cash turnover coverage, cash interest coverage and cash current debt coverage will decrease (Namazi , 2011).

Subject to the above mentioned, the paper tries to realize that is there significant relationship between CEO tenure with quality of accruals, cash turnover coverage, cash interest coverage and cash current debt coverage or not? In fact one of the most important factors affecting the health of the accounting and financial reporting process is the tenure duration of the board of directors. The responsibility of the board of directors is providing the independent supervisory on executive function and requirement of management accountability to shareholders. Managers and board members often believe that the Board members should be activated in in matters related to company as partners of management. Most managers and boards of directors have been seen in the peak of power and influence that saw from senior executives as a strategic asset for the general management. When the tenure duration of board members and especially CEO become longer, they use powers to more effectively and have a more extensive monitoring on performance of organization. The CEO is formed a strategic company with good management and worked together on organizational goals and strategy considerably and more closely and familiar with the practical aspects of business management.

What it looks is that the CEO not show much interest to adoption decisions and procedures in the company and the problem becomes important when in nowadays, one of the objectives of management and organization and even governments is to facilitate the buying and selling of company stocks (One example of this is to facilitate the use of the Internet and Internet sales). Because, firstly it make to increase more and more comfortable of funds attraction and in the other it leads to increase the company's stock price and finally, as a factor in order to enhance the financial

performance of the company, therefore this request the increasing the change of the mentioned people in company (Monfared , 2011). Now, the issue is that the tenure duration of executives and corporate decision makers has what effect on the company's financial performance. It means that is there different in tenure duration has impact on financial performance and also affects the quality of accruals and does the increasing the tenure duration at a company, the accruals quality, cash turnover coverage, cash interest coverage and cash current debt coverage will be added or deducted. So try that with the outcome of this research go to effective step to improve the financial performance of corporations.

The major aim of study is examine the relationship between CEO tenure and some financial statements. First, the survey explains the empirical literature which is concerned this matter who done by other researchers. One study has done by Namazi and Monfared (2011) that investigated the impact of the limit of corporate operation on the structure of board of director in the companies listed in Tehran Stock Exchange. This study along with provided a new approach to importance, quantity and quality of board of director proceeds to impact of the limit of corporate operation on the structure of board of director. The studied case includes 60 samples of the companies which listed in Tehran Stock Exchange during 2000 to 2009. The applied statistical methods also include logistic regression model and ordinary least squares regression model in combined data method. The results of research indicate that the criteria of the limit of corporate operation include firm size; firm age and leverage on the criteria of the structure of board of director include the size of board of director, percent of non-bound member of board of director, presence of one non-bound member in CEO and the presence minimum three non-bound member in the board of director have not significant impact on the studied companies.

Ahmad pour *et al.* (2011) investigated in study titled by the role of structure of board of director on intellectual capital with Fuzzy approach, a case study in pharmaceutical companies listed in Tehran Stock Exchange. They use a questionnaire contain standard factors and final coefficient 96% to measuring the intellectual capital and use statement to calculate the structure of the board of director of companies. The results show that the independent variable is number of members of board of director equal to 0.133 has positive impact of intellectual capital, while both ratio of non-bound members to total member and ratio of ownership of board have not significant relationship on intellectual capital.

Kashani pour (2009), in the study titled by the relationship between optional disclosure and non-bound executive so that the relationship between both controls mechanism i.e. optional disclosure (external control mechanism) and non-bound executive (internal control mechanism) that are reducers for representation problems are under investigated. For this, a sample of companies listed in stock exchange which has been disclosure their statement and reports of board activities related to 29 March 2006 is selected and finally comprise 239 companies. The optional disclosure is determined through 71 indexes that have been applied in previous studies with related adjustments. The results show that the applied model represented 20% of changes of optional disclosure that is in surrounding of previous finding. While, there is not found the significant relationship between optional disclosure and non-bound executives. This study takes step to future studies with centered to optional disclosure and emphasis on transparency in capital market. Ashiq Ali and Weaning Zhang (2012) examined the relationship between CEO tenure and the quality of accruals and also cash turnover coverage, cash interest coverage. The results of their study indicate that there is relationship between CEO tenure with the quality of accruals quality of accruals, cash turnover coverage, cash interest coverage. Wei Ting (2011) examined the relationship between CEO tenure with firm default risk and the quality of the accruals in China Stock Exchange. His research results indicate an inverse relationship between CEO tenure with default risk and also indicate the direct relationship between the CEO tenure duration with the quality of the accruals. James Jianxin Gong (2011) investigated the relationship between CEO tenure with the quality of accruals and stock risk and acquired wealth for shareholders; in his study he considered the strategic mechanisms of corporate as a control variable. His research results indicate a direct relationship between CEO tenure with quality of accruals and an inverse relationship between the stock risk and acquired wealth for shareholders with CEO tenure duration. Brookman (2009) examined the relationship between CEO tenure with default risk and the company value. His research results indicate an inverse relationship between CEO tenure with default risk and direct relationship between the values of the company with CEO tenure duration. Bergstresser and Philippon (2006) examined the relationship between CEO tenure with the quality of accruals. The results of their study indicate that there is relationship between CEO tenure with the quality of accruals. Jensen(1993) shows that the assignation of two posts in a Chairman and CEO gives too much power; and makes it

easier to achieve the goals he makes a decision which may result to increase fraudulent actions. Hence he predicts that the *SAME_DIRit* factor is positive in marked date. Jensen (1993) argues that the tabulate of corporation is less effective and executives are who that make to growth of firm and finally to Yermacks in support of this concept found that the small firms have superior financial function. However, Uzun *et al.* (2004) found that the size of board of director has not relationship with fraudulence of corporation.

Here, it needs to define some key words. First, the CEO tenure means that number of the years that a person is assigned in the post of chief of board (Wie Tting, 2011). Accruals can refer to accounts on a balance sheet that represent liabilities and non-cash-based assets used in accrual-based accounting. These types of accounts include, among others, accounts payable, accounts receivable, goodwill, deferred tax liability and future interest expense (Wie Tting, 2011). Current cash debt coverage ratio is a liquidity ratio that measures the relationship between net cash provided by operating activities and the average current (same reference).

Cash turnover coverage ratio is obtained by dividing the sum of earnings before interest, tax, depreciation, interest on, repayment of debt and preferred stock dividends (Rahnema Roudposhti and other, 2006). Cash interest coverage ratio is obtained by dividing the sum of paid tax, paid interest and operational cash on the paid interest (same reference).

The research hypotheses state that there are significant relationships between CEO tenure and (1) quality of accruals (2) cash turnover coverage (3) cash interest coverage and (4) cash current debt coverage.

MATERIALS AND METHODS

The research from the viewpoint of classification based on aim is applied research type. Also from the viewpoint of method and nature and content is correlation research type. The complementation of research is done in framework of a posteriori, so that the theoretical and research background is conducted through library studies, papers and web sites in deduction format and gathering information for confirmation and rejection of hypothesis as inductive and used in the rejection or confirmation of hypothesis with applying of sufficient statistical method in generality of results. The population in the study includes the companies listed in the Tehran Stock Exchange so that 104 companies are selected as a sample through systematic elimination method with conditioning for research. After data collection that is required for research, the selection of sufficient tools to calculation and analysis of information related to variables is very important. In order to calculation and preparation of required data and also analysis of them, there is used from Excel software. The required information in this research from statement and appendix notes of statement and also raw information from stock market tabulate is used (collected through Rah AvardNovin software and database of Stock Exchange Corporation).

There is used a regression model for investigation of relationship between CEO tenure and cash interest coverage as follow

$$ACC_{it} = \lambda_0 + \lambda_1 CFO_{it-1} + \lambda_2 CFO_{it} + \lambda_3 CFO_{it+1} + \lambda_4 REV_{it} + \lambda_5 PPE_{it} + \varepsilon_{it}$$

ACC= total of accruals in *i* at *t* time

CFO= cash flow from operating activities

REV = change in the revenue of firm

PPE= gross properties, machines and equipment *i* in the year *t*

ε = error of estimation of model

After calculation of accruals by using above formula, we use following formula to examination of relationship between accruals and CEO tenure:

Equation 1:

$$\begin{aligned} &DiscretionaryAccruals_{it} \\ &= \beta_0 + \beta_1 EarlyYears_{it} + \beta_2 CEOOwnership_{it-1} + \beta_3 CEOTenure_{it} \\ &+ \beta_4 LnMVEquity_{it} + \beta_5 MarketBookRatio_{it} + \beta_6 LaggedNOA_{it} \\ &+ \beta_7 Leverage_{it-1} + \beta_8 InstitutionalOwnership_{it-1} + \beta_9 ROA_{it} \\ &+ \beta_{10} Loss_{it} + \beta_{11} CFO_{it} + \beta_{12} LaggedAccruals_{it} + \delta_{it} \end{aligned}$$

Discretionary Accruals= Discretionary Accruals of firm *i* in the *t* term that is estimated by above formula.

To examination of relationship between CEO tenure and cash current debt coverage there is used from following formula:

Equation 2

$$\begin{aligned}
 & \text{CashTurnoverCoverage}_{it} \\
 &= \beta_0 + \beta_1 \text{EarlyYears}_{it} + \beta_2 \text{CEOOwnership}_{it-1} + \beta_3 \text{CEOTenure}_{it} \\
 &+ \beta_4 \text{LnMVEquity}_{it} + \beta_5 \text{MarketBookRatio}_{it} + \beta_6 \text{LaggedNOA}_{it} \\
 &+ \beta_7 \text{Leverage}_{it-1} + \beta_8 \text{InstitutionalOwnership}_{it-1} + \beta_9 \text{ROA}_{it} \\
 &+ \beta_{10} \text{Loss}_{it} + \beta_{11} \text{CFO}_{it} + \beta_{12} \text{LaggedAccruals}_{it} + \delta_{it} \\
 & \text{cash turnover coverage} \\
 &= \frac{\text{EBIT} + \text{depreciation}}{\text{interest} + \text{debt reimbursement} + \text{interest of preferred stock}}
 \end{aligned}$$

Equation 3

$$\begin{aligned}
 & \text{CashInterestCoverage}_{it} \\
 &= \beta_0 + \beta_1 \text{EarlyYears}_{it} + \beta_2 \text{CEOOwnership}_{it-1} + \beta_3 \text{CEOTenure}_{it} \\
 &+ \beta_4 \text{LnMVEquity}_{it} + \beta_5 \text{MarketBookRatio}_{it} + \beta_6 \text{LaggedNOA}_{it} \\
 &+ \beta_7 \text{Leverage}_{it-1} + \beta_8 \text{InstitutionalOwnership}_{it-1} + \beta_9 \text{ROA}_{it} \\
 &+ \beta_{10} \text{Loss}_{it} + \beta_{11} \text{CFO}_{it} + \beta_{12} \text{LaggedAccruals}_{it} + \delta_{it}
 \end{aligned}$$

Early Years= dummy variable that if CEO is the same CEO in the past year it is equal to 1 and if not is equal to 0.

CEO Ownership= percent of CEO Ownership to stock of corporation.

CEO Tenure= a duration that the CEO is assigned to person.

LnMVEquity = logarithm for firm market value

MarketBookRatio= firm market value divided by market book value

Leverage = total of liability to total of assets in the end of financial term

Institutional Ownership = percent of Institutional Ownership

ROA= is equal to asset output that obtained through net profit divided by total asset.

Loss= imaginary variable that if the company has been reported any loss it is equal 1 otherwise 0.

CFO= cash flow from operating activities

Lagged NOALagg for the ratio of offered stock in exchange rate that is able to dealt

The method for calculation of cash interest coverage

$$\text{cash interest coverage} = \frac{\text{pay off tax} + \text{pay off interest} + \text{operational cash flow}}{\text{pay off interest}}$$

Equation 4

$$\begin{aligned}
 & \text{CashCurrentDebtCoverage}_{it} \\
 &= \beta_0 + \beta_1 \text{EarlyYears}_{it} + \beta_2 \text{CEOOwnership}_{it-1} + \beta_3 \text{CEOTenure}_{it} \\
 &+ \beta_4 \text{LnMVEquity}_{it} + \beta_5 \text{MarketBookRatio}_{it} + \beta_6 \text{LaggedNOA}_{it} \\
 &+ \beta_7 \text{Leverage}_{it-1} + \beta_8 \text{InstitutionalOwnership}_{it-1} + \beta_9 \text{ROA}_{it} \\
 &+ \beta_{10} \text{Loss}_{it} + \beta_{11} \text{CFO}_{it} + \beta_{12} \text{LaggedAccruals}_{it} + \delta_{it}
 \end{aligned}$$

To examination of relationship between CEO tenure and cash turnover coverage there is used from following formula:

$$\text{CashCurrentDebtCoverage} = \frac{\text{operational cash flow} + \text{CashDividends}}{\text{CurrentDebt}}$$

Given to the rule of business law in Iran that we have not preferred stock, the value of this variable is equal to 0.

RESULTS

The results show that there is significant relationship between CEO tenure and quality of accruals. So, the first hypothesis is confirmed.

Table 1- correlation coefficient, determination coefficient and Durbin–Watson test between CEO tenure and quality of accruals.

Model	correlation coefficient	determination coefficient	Adjusted determination coefficient	Estimation standard error	Durbin–Watson statistic
1	0.665	0.442	0.429	1.64703	1.675

According to the above table, the correlation coefficient between CEO tenure and quality of accruals is equal to 0.665 and it less 5%. So, the correlation between two variables is confirmed. The value of Durbin–Watson statistic is 1.675 that indicates the error is independent and can be used from regression. The adjusted determination coefficient is equal to 0.429 that it is good value and presents sufficient practice from changes of the quality of accruals with CEO tenure.

Table 2- coefficient of regression equation for independent and control variables

Model	Abbreviation	Non-standard coefficients		standard coefficients		t- statistic	Significant level	Collinearity statistics	
		B	standard error	Beta				tolerance	Variation inflation factor
1	Constant	7.124	1.868			3.814	0		
	EarlyYears	-0.348	0.193	-0.062		-1.802	0.072	0.929	1.076
	CEOOwnership	0.006	0.003	0.061		1.576	0.116	0.744	1.345
	CEOTenure	0.353	0.047	0.138		7.51	0	0.975	1.026
	LnMVEquity	0.676	0.068	0.451		9.93	0	0.539	1.856
	MarketBookRatio	-0.561	0.174	-0.162		-3.217	0.001	0.439	2.277
	LaggedNOA	-0.004	0.004	-0.03		-0.873	0.383	0.943	0.061
	Leverage	-1.07	0.583	-0.082		-1.834	0.067	0.557	1.794
	InstitutionalOwnership	0.002	0.004	0.021		0.594	0.553	0.879	1.138
	ROA	-1.576	1.173	-0.08		-1.344	0.18	0.313	3.192
	Loss	-0.194	0.378	-0.02		-0.514	0.608	0.771	1.297
	CFO		0	0.021		0.436	0.663	0.469	2.131
	LaggedAccruals		0	0.341		7.284	0	0.507	1.973

In the output of table 2 and in the column B, the value of constant value and independent coefficient is provided in the regression model respectively as follow:

Equation 1

$$\begin{aligned}
 &DiscretionaryAccruals_{it} \\
 &= 7.124 + 0.353 * CEOTenure_{it} + 0.676 * LnMVEquity_{it} - 0.561 \\
 &* MarketBookRatio_{it} + 9.67E - 07 * LaggedAccruals_{it}
 \end{aligned}$$

Since in this output, the significance level is 0, the equality test for regression coefficient and constant value is 0 and less than 5% respectively. Therefore the assumption of equality of these two coefficient with 0 is rejected and not be eliminated from regression equation.

Second hypothesis is also proved it means that there is significant relationship between CEO tenure and cash turnover coverage.

Table 3- correlation coefficient, determination coefficient and Durbin–Watson test between CEO tenure and cash turnover coverage

model	correlation coefficient	determination coefficient	Adjusted determination coefficient	Estimation standard error	Durbin–Watson statistic
1	0.740	0.548	0.537	1.97292	1.777

As seen from table (3), the correlation coefficient between CEO tenure and cash turnover coverage is equal to 0.740. Since the significance level is less than 5%, the correlation between two variables is confirmed. Also the adjusted determination coefficient is equal to 0.537 that it is good value and presents sufficient practice from changes of cash turnover coverage with CEO tenure. The value of Durbin–Watson statistic is 1.777 that indicates the error is independent and can be used from regression.

Table 4- coefficient of regression equation for independent and control variables

Model	Abbreviation	Non-standard coefficients		standard coefficients	t- statistic	Significant level	Collinearity statistics	
		B	standard error	Beta			Tolerance	Variation inflation factor
1	Constant	0.466	2.246		0.208	0.836		
	EarlyYears	-0.838	0.233	-0.059	-3.596	0.061	0.927	1.078
	CEOOwnership	0.001	0.004	0.005	0.145	0.885	0.744	1.344
	CEOTenure	0.0103	0.056	0.056	1.838	0.000	0.975	1.026
	LnMVEquity	0.0001	0.082	0.000	-0.005	0.996	0.534	1.875
	MarketBookRatio	0.558	0.224	0.111	2.494	0.013	0.457	2.189
	LaggedNOA	-0.016	0.005	-0.094	-3.049	0.002	0.949	1.054
	Leverage	-4.299	0.705	-0.246	-6.098	0.000	0.557	1.796
	InstitutionalOwnership	0.003	0.005	0.021	0.662	0.508	0.877	1.140
	ROA	12.947	1.428	0.478	9.068	0.000	0.327	3.061
	Loss	0.332	0.453	0.025	0.732	0.465	0.767	1.303
	CFO	-3.795	0.000	-0.132	-3.002	0.003	0.468	2.136
	LaggedAccruals	4.226	0.000	0.112	2.655	0.008	0.506	1.975

In the output of table 4 and in the column B, the value of constant value and independent coefficient is provided in the regression model respectively as follow:

Equation 2

$$\begin{aligned}
 &CashTurnoverCoverage_{it} \\
 &= .103 * CEOTenure_{it} + .0001 * LnMVEquity_{it} + .558 \\
 &* MarketBookRatio_{it} - .016 * LaggedNOA_{it} - 4.299 * Leverage_{it-1} \\
 &- 1.576 * ROA_{it} - 3.795E - 7 * CFO_{it} + 4.226E - 7 * LaggedAccruals_{it}
 \end{aligned}$$

Since in this output, the significance level is 0, the equality test for regression coefficient and constant value is 0 and less than 5% respectively. Therefore the assumption of equality of these two coefficient with 0 is rejected and not be eliminated from regression equation.

The third hypothesis is also proved it means that there is significant relationship between CEO tenure and cash interest coverage.

Table 5- correlation coefficient, determination coefficient and Durbin–Watson test between CEO tenure and cash interest coverage

model	correlation coefficient	determination coefficient	Adjusted determination coefficient	Estimation standard error	Durbin–Watson statistic
1	0.515	0.265	0.248	2.38149	1.518

As seen from table (5), the correlation coefficient between CEO tenure and cash interest coverage is equal to 0.515. This value in the error level 5% shows the significance relationship between CEO tenure and cash interest coverage. Since the significance level is less than 5%, the correlation between two variables is confirmed. Also the adjusted determination coefficient is equal to 0.248 that it is good value and presents sufficient practice from changes of cash turnover coverage with CEO tenure. The value of Durbin–Watson statistic is 1.518 that indicates the error is independent and there is not auto correlation between errors and can be used from regression.

Table 6- coefficient of regression equation for independent and control variables

Model	Abbreviation	Non-standard coefficients		standard coefficients	t- statistic	Significant level	Collinearity statistics	
		B	standard error				Beta	variance Inflation Factor
1	Constant	7.659	2.179		2.817	0.005		
	EarlyYears	-0.173	0.282	-0.024	-0.612	0.541	0.928	1.078
	CEOOwnership	0.006	0.005	0.051	1.154	0.249	0.745	1.342
	CEOTenure	0.427	0.068	0.315	6.279	0.000	0.975	1.025
	LnMVEquity	-0.131	0.099	-0.069	-1.313	0.190	0.535	1.869
	MarketBookRatio	0.420	0.271	0.088	1.533	0.121	0.459	2.179
	LaggedNOA	-0.005	0.006	-0.028	-0.722	0.471	0.950	1.052
	Leverage	-4.034	0.851	-0.244	-4.738	0.000	0.557	1.795
	Institutional Ownership	0.009	0.006	0.063	1.541	0.124	0.876	1.141
	ROA	6.550	1.725	0.255	3.797	0.000	0.328	3.052
	Loss	-0.289	0.547	-0.023	-0.528	0.598	0.767	1.304
	CFO	2.288	0.000	0.084	1.499	0.134	0.468	2.136
	LaggedAccruals	2.538	0.000	0.071	1.320	0.188	0.506	1.977

In the output of table 6 and in the column B, the value of constant value and independent coefficient and control variable is provided in the regression model respectively as follow:

Equation 3

$$\begin{aligned}
 \text{CashInterestCoverage}_{it} &= 7.659 + .427 * \text{CEOTenure}_{it} - .131 * \text{LnMVEquity}_{it} + .420 \\
 &* \text{MarketBookRatio}_{it} - 4.034 * \text{Leverage}_{it-1} + .009 \\
 &* \text{InstitutionalOwnership}_{it-1} + 6.550 * \text{ROA}_{it} + 2.288E - 7 * \text{CFO}_{it} \\
 &+ 2.538E - 7 * \text{LaggedAccruals}_{it}
 \end{aligned}$$

Since in this output, the significance level is 0, the equality test for regression coefficient and constant value is 0 and less than 5% respectively. Therefore the assumption of equality of these two coefficient with 0 is rejected and not be eliminated from regression equation.

The fourth hypothesis is also confirmed there is significant relationship between CEO tenure and cash current debt coverage.

Table 7- correlation coefficient, determination coefficient and Durbin–Watson test between CEO tenure and cash current debt coverage

model	correlation coefficient	determination coefficient	Adjusted determination coefficient	Estimation standard error	Durbin–Watson statistic
1	0.789	0.623	0.614	545.2581267	1.877

As seen from table (7), the correlation coefficient between CEO tenure and cash current debt coverage is equal to 0.789. Since the significance level is less than 5%, the correlation between two variables is confirmed. Also the adjusted determination coefficient is equal to 0.614 present sufficient practices from changes of cash current debt coverage with CEO tenure. The value of Durbin–Watson statistic is 1.877 that indicates the error is independent and there is not auto correlation between errors and can be used from regression.

Table 8- coefficient of regression equation for independent and control variables

Model	Abbreviation	Non-standard coefficients		t- statistic	Significant level	Collinearity statistics	
		B	standard error			Beta	Tolerance
1	Constant	-1554.482	618.421		-2.514	0.012	
	EarlyYears	-143.030	64.012	-0.064	-2.234	0.026	0.929 1.076
	CEOOwnership	-0.894	1.157	-0.025	-0.773	0.440	0.744 1.345
	CEOTenure	44.551	15.473	0.180	2.879	0.004	0.975 1.026
	LnMVEquity	10.534	22.540	0.017	0.467	0.640	0.539 1.856
	MarketBookRatio	453.821	57.692	0.325	7.866	0.000	0.439 2.277
	LaggedNOA	-2.435	-1.483	-0.046	-1.641	0.101	0.943 1.061
	Leverage	1588.649	193.109	0.302	8.227	0.000	0.557 1.794
	InstitutionalOwnership	1.292	1.327	0.028	0.973	0.331	0.879 1.138
	ROA	5324.937	388.200	0.672	13.717	0.000	0.313 3.192
	Loss	194.598	124.997	0.049	1.557	0.120	0.771 1.297
	CFO	-3/512E-5	0.000	-0.040	-1.007	0.315	0.469 2.131
	LaggedAccruals	4/142E-5	0.000	0.036	0.942	0.347	0.507 1.973

In the output of table 8 and in the column B, the value of constant value and independent coefficient is provided in the regression model respectively as follow:

Equation 4

$$\begin{aligned}
 &CashCurrentDebtCoverage_{it} \\
 &= -1554.482 - 143.030 * EarlyYears_{it} + 44.551 * CEOTenure_{it} + 453.821 \\
 &* MarketBookRatio_{it} + 1588.649 * Leverage_{it-1} + 5324.937 * ROA_{it}
 \end{aligned}$$

Since in this output, the significance level is 0, the equality test for regression coefficient and constant value is 0 and less than 5% respectively. Therefore the assumption of equality of these two coefficient with 0 is rejected and not be eliminated from regression equation.

Table 9- the summarizes of results of the research hypotheses

Resulte	dependent variable	Independent variable	row
Approval	quality of Accruals	CEO Tenure	1
Approval	Cash Turnover Coverage	CEO Tenure	2
Approval	Cash Interest Coverage	CEO Tenure	3
Approval	Cash Current Debt Coverage	CEO Tenure	4

Source :Research Findings

DISCUSSION AND CONCLUSION

Given to the main aim of this research that was examination the relationship between CEO tenure with quality of accruals, cash turnover coverage, cash interest coverage and cash current debt coverage, the conclusion of research shows that there is direct relationship between CEO tenure with quality of accruals, cash turnover coverage, cash interest coverage and also cash current debt coverage. The results of study conducted by Ashiq Ali and Weining Zhang (2012) that examined the relationship between CEO tenure and the quality of accruals and also cash turnover coverage, cash interest coverage show that there is relationship between CEO tenure with quality of accruals, cash turnover coverage, cash interest coverage and cash current debt coverage that it is same results with hypothesis of the study.

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