THE IMPACT OF PROFESSIONAL DESIGNATIONS AND NATIONALITY OF TOP MANAGEMENT ON FIRM PERFORMANCE IN SAUDI ARABIA

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Abstract - This paper aims to examine the impact of the professional certificate and the nationality of organizations' top management on a firm's performance in Saudi-listed non-financial companies. The Certificate of Public Accountant (CPA) and Charter Financial Analyst (CFA) are designations that are widely recognized worldwide. The holders of these designations are recognized as professionals with a strong education, outstanding professional training, and high levels of commitment to professional standards. To obtain these designations, an individual must pass a series of rigorous exams, surpass a minimum threshold of work experience, and adhere to the code of ethics and standards of professional conduct. Previous studies related to the holders of these designations have confirmed that they are competent in the workplace and have a strong understanding of business problems and how to deal with them. Therefore, this study utilises oil price uncertainty in a period of economic instability in GCC to determine whether the holders of these designations add value for stakeholders by using fair judgment in terms of the economic position of their organizations with respect to those without these designations. It is worth noting that companies in the GCC attract a large number of outstanding expatriate executives. Many of them sit amongst the top leaders in the Middle East. Earlier literature found that international managerial experience has a positive impact on managers' performance due to their ability to work in dynamic environments (Le & Kroll, 2017). In addition, expatriate leaders are found to benefit organizations by increasing innovation and encouraging collaboration (Elenkov&Manev, 2009). Previous studies have found various differences between local and foreign CEOs in terms of their leadership styles (Bealer&Bhanugopan, 2014), strategies (Ambharya, 1996), compensation, and levels of stress (Abdel Rahman et al., 2012).

Keywords - Professional Certificate - Firm Performance - Saudi Arabia