

Investigating the Effect of the CEO's Knowledge Structure on the Innovative Policy and Stock Returns of Companies

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Abstract:- Innovation is considered to be the main driving force of economic balance and development within systems, therefore the impact of innovative investment in the company is very significant. That is why today, with the intensification of global competition, innovation has become more important than ever. The main purpose of this research is to investigate the moderating role of financial incentive on the relationship between the CEO's knowledge structure on innovative policy and stock returns of companies listed on the Tehran Stock Exchange. In this research, the level of power, level of knowledge and its depth were used to examine the knowledge structure of the CEO. In order to judge the purpose of this research, the information of 15 companies admitted to the Tehran Stock Exchange, which had variable information on research and development between 2018-2022, was used. The results of statistical tests indicate that the CEO's knowledge structure has a significant effect on innovative policy. These achievements regarding the effect of CEO's knowledge structure on stock returns also confirmed this. Based on the results of this research, it is expected that the characteristics of CEOs will be an effective measure regarding value creation and development measures in companies. The structure of knowledge, along with individual characteristics such as aggressive or conservative motives, will draw the company's future policy in line with its goals.

Keywords:- CEO, Innovation, Stock Returns, Strategic Decisions, Knowledge Structure.

I. INTRODUCTION

Innovation is considered to be the main driving force of economic balance and development within systems (Schumpeter, 1911). Also, innovation has become a core corporate strategy because most contemporary companies can respond quickly to an increasingly changing environment and gain continuous competitive advantage by creating and commercializing various innovations (Striteska and Prokop, 2020). Research and development investments in commercial, social and higher education fields have positive effects on

social innovation. Meanwhile, the impact of innovative investment in the company is very impressive (Panagiotis et al, 2019). Today, with the intensification of global competition, innovation has become more important than ever before (Lv et al, 2019). In such competitive market conditions, almost all countries are promoting their company's innovation (Yigitcanlar et al, 2019). Because it is believed that innovative actions have the best match with the company's goals (Dodgson et al, 2008). Companies, as small social institutions, are responsible for implementing such policies on behalf of governments. Considering that the top of the decision-making pyramid of companies is the board of directors and of course the CEO, it is necessary to examine these institutions from different perspectives. This research tries to examine this importance on the company's efficiency by examining the motivational gaps and considering the key elements of decision-making. As the leader of the executive team of companies, the CEO plays a vital role in the strategic decisions of his company (Qiu and Yu, 2020). Among the various factors that influence the CEO's decision; Power, awareness and knowledge (of the stock and its structure) are very important. This means that CEOs should have a lot of accumulated knowledge (about stocks), because this issue will stimulate and of course strengthen the company in a way that this issue feeds the engine of generating creative and innovative ideas (Simonton, 2003), but from a structural point of view, it should also focus on the development of depth of knowledge (i.e. the degree to which the CEO has knowledge about a specific field) and breadth of knowledge (i.e. the degree to which the knowledge of the CEO covers several fields) and the power of the CEO (the number of years of tenure in (Mannucci and Yong, 2018). This focus is important because it will prioritize the company's decisions regarding innovative actions (Qiu and Yu, 2020). In previous studies, factors such as CEO education and expertise were investigated and confirmed as important factors in companies' decision making in innovative investment (Barker and Mueller, 2002; Lin et al, 2009; Kouaib and Jarbou, 2016). However, most of them focused on one dimension of knowledge and ignored the roles that knowledge structure could and can play. This limitation leads to an insufficient understanding of the company's decision-making mechanism in innovative cases,

which is seen and investigated in this research. By conducting such a research, useful achievements regarding the selection of innovative strategies and decision-making by the board of directors with regard to financial and non-financial incentives (permeability) are brought in the shadow of value creation and company efficiency.

This research provides more recent support for explaining the relationship between the knowledge structure of the CEO and the company's innovation strategy. Knowledge structure is able to influence the opinions of CEOs and thus influence innovation strategies. According to manager agency theory, this research also considers exogenous factors, i.e. CEO incentives, which are likely to influence CEO decisions. These incentives, in the form of economic incentives and influence (power), affect the manager's motivation in prioritizing innovative decisions. The result of this study can be effective on risk management, wrong selection problem, representation problems and signaling theory, and in this way, managers and free riders can take the interest they want from the financial statements and thus avoid burning their capital.

Qiu and Yu (2020), in their research, investigated the effect of the CEO's knowledge structure on the innovative strategies of Chinese companies. In this study, they also included the moderating role of financial incentives and influence (power) in this relationship. The results of this study indicate that the CEO's breadth of knowledge has a significant effect on innovative strategies, but the moderating effects of influence (power) and financial incentives are not significant. The CEO's depth of knowledge has a negative relationship with the firm's innovation strategy. Moreover, the power motive significantly strengthens this relationship, while the financial motive significantly weakens it.

Yu et al. (2020), investigated how CEO characteristics affect innovation and productivity of American companies. He claimed that people like CEOs determine their own strategies. According to high-level theories and strategic leadership, the strategies chosen are derived from the opinions of these individuals, which are a function of their personality, demographics, experiences, and values. He stated that the motivation of investors comes from cash flows. This research systematically focuses on the four characteristics of personality, demographics, experience and compensation, in order to obtain suggestions regarding innovation and stock returns.

Alizadeh et al. (2019) investigated the relationship between financial knowledge and the tenure of the CEO with the cash holding of companies listed on the Tehran Stock Exchange. The results obtained from the test of research hypotheses show that there is no significant relationship between the financial knowledge of the managing director and cash retention in the companies admitted to the Tehran Stock Exchange. There is a significant relationship between the CEO's tenure and cash retention in companies listed on the

Tehran Stock Exchange, and cash retention affects the relationship between the CEO's tenure and financial knowledge in the companies listed on the Tehran Stock Exchange.

Bahmanesh et al. (2018) investigated the relationship between CEO's financial knowledge and financial policies in companies listed on the Tehran Stock Exchange. The results of the research show that there is a negative and significant relationship between the CEO's financial knowledge and the dividend payment policy. In other words, profit sharing is less in companies whose CEOs benefit from financial knowledge. In addition, the findings of the research show that the relationship between financial knowledge of the CEO and cash retention is positive and significant. In the sense that CEOs with financial knowledge hold more cash. Other research findings indicate that there is a negative relationship between financial knowledge of the CEO and financial leverage, but it is not significant. This result shows that financial leverage is not significantly different in companies with financial expert CEOs and other companies.

Eliasi et al. (2017) investigated the role of innovation strategy on the innovative performance of organizations (case study: knowledge-based companies in the field of biotechnology). The relationship between learning orientation, enterprise entrepreneurship, research and development innovation strategy and the performance of the country's biological organizations is investigated. Based on the findings of bio-based knowledge companies as a sample, research hypotheses were investigated using the structural equation modeling method. According to the research findings, all research hypotheses were confirmed. Also, the mediating role of research and development innovation strategy was confirmed in the relationship between the variables.

In view of what was mentioned, the following hypotheses are examined in this research:

- The CEO's power has a significant effect on the innovative policy in the investigated companies.
- The CEO's power and stock returns have a significant effect in the investigated companies.
- The depth of knowledge of the CEO and innovative policy has a significant effect in the investigated companies.
- The CEO's depth of knowledge and stock returns have a significant effect in the investigated companies.
- The CEO's level of knowledge and innovative policy has a significant effect in the investigated companies.
- The CEO's level of knowledge and stock returns have a significant effect in the investigated companies.
- Financial motivation moderates the relationship between CEO power and innovative policy in the investigated companies.
- Financial motivation moderates the relationship between CEO knowledge level and innovative policy in the investigated companies.

- Financial motivation moderates the relationship between the CEO's depth of knowledge and innovative policy in the investigated companies.
- Financial motivation moderates the relationship between CEO power and stock returns in the investigated companies.
- Financial motivation moderates the relationship between CEO's level of knowledge and stock returns in the investigated companies.
- Financial motivation moderates the relationship between the CEO's depth of knowledge and stock returns in the investigated companies.

II. METHODOLOGY

The present research is practical in terms of its purpose. In terms of inference method, it is descriptive-analytical. The research plan is also post-event. Variables, data and analysis tools are quantitative and non-judgmental.

The statistical population of this research is the companies admitted to the Tehran Stock Exchange in the period of 2018-2022 that have the following conditions and characteristics:

- Their fiscal year must end at the end of the solar year and have not changed during the research period.
- All data required for the research should be available for the investigated companies.
- Be part of the companies admitted to the Tehran Stock Exchange and be unprofitable.
- Do not belong to investment companies, banks and financial intermediaries.
- Companies have research and development costs during the period of time considered for research.

In this way, according to the mentioned conditions, the number of 15 companies was considered as the sample size of the research.

The information of this research has the necessary validity and reliability due to the use of Codal website. Multivariate linear regression models were used to judge the research hypotheses and analyze the relevant statistical information. According to the regression model of the research, the assumption of this model was examined under the tests of variance of heterogeneity, the test of the lack of autocorrelation of data, the intensity of correlation of data and the examination of collinearity of data. Excel software was used to collect and classify data and Stata software was used to analyze them.

III. FINDINGS

The extracted data for the research variables, in the form of Table 1), is presented below under the title of data description:

Table 1): Description of research data

Variables	Average	STD	Min	Max
Innovative strategy	0.002	0.004	0.000	0.018
Stock returns	0.153	0.143	-0.229	0.595
CEO power level (CEO-PL)	0.453	0.501	0.000	1.000
CEO knowledge level (CEO-KL)	3.453	0.576	2.000	4.000
CEO's depth of knowledge (CEO-DK)	2.387	1.497	1.000	7.000
Financial incentive (FI)	0.023	0.021	0.001	0.116
Moderator of FI and (CEO-PL)	0.007	0.011	0.000	0.065
Moderator of FI and (CEO-KL)	0.078	0.071	0.005	0.348
Moderator of FI and (CEO-DK)	0.058	0.087	0.002	0.580
Company age	1.295	0.153	0.778	1.519
Financial Leverage	0.583	0.201	0.014	1.108

The variable values of the innovative strategy indicate what part of the company's sales came from research and development capital costs. This criterion is actually a drawing of the future of the company's activities. In this research, the value of this variable is equal to 0.2 percent on average for the investigated companies, which is a negligible amount.

The variable values of stock returns actually indicate what part of the company's profit has been realized from the company's total assets. This measure actually shows the creation of profit from the location of the company's assets. Regarding the CEO's power variable, in almost 45% of companies, he is employed as the chairman or vice chairman of the board of directors.

The variable of knowledge level of the CEO refers to the examination of the education level of the CEO of the company, and on average, it shows that in the surveyed companies, almost CEOs have master's and doctorate degrees, although CEOs have also been observed who have They have a bachelor's degree or have a specialized doctorate.

To check the depth of knowledge of the managing director, his tenure as the managing director in the company has been used for the years under review. In this survey, on average, CEOs have approximately 2.35 years of experience in that business.

To examine the variable of financial motivation, the focus is on the values of salaries and wages based on the sales revenue of the same year, it can be said that on average most of the companies have little financial motivation, although there is one company that has approximately 11.6% of its sales revenue. has paid to its employees in the form of salaries and wages.

In the following, the review of research software has been discussed, and these results have been done through the Shapiro-Wilk test in the form of Table 2, the summary is as follows:

Table 2): Description of research data

Variables	W	V	Z	Sig.
Innovative strategy	0.600	26.043	7.117	0.000
Stock returns	0.960	2.620	2.103	0.018
CEO power level (CEO-PL)	0.997	0.204	-3.469	0.999
CEO knowledge level (CEO-KL)	0.938	4.007	3.030	0.001
CEO's depth of knowledge (CEO-DK)	0.884	7.571	4.419	0.000
Financial incentive (FI)	0.670	21.466	6.695	0.000
Moderator of FI and (CEO-PL)	0.806	12.602	5.532	0.000
Moderator of FI and (CEO-KL)	0.698	19.624	6.499	0.000
Moderator of FI and (CEO-DK)	0.523	31.067	7.502	0.000
Company age	0.905	6.374	4.044	0.000
Financial Leverage	898.	6.604	4.121	0.000
Company size	0.707	19.099	6.439	0.000

According to the significance level of the relevant test statistic, it can be claimed that all the research data were not selected from the normal population, therefore, in the following, non-parametric tests will be used to check the presuppositions and assumptions of the research.

According to the results of the normality of the research variables, Spearman's correlation coefficient is used to check the correlation of the research variables. The results of this study are summarized in Table 3:

Table 3): Checking the correlation of research variables

Size	Leverage	Age	FI*(DK)	FI*(KL)	FI*(PL)	FI	DK	KL	PL	Returns	Innovation	Variables
											1.0000	Innovation
										1.0000	-0.025	Returns
									1.0000	-0.231	0.083	PL
								1.0000	-0.285	0.301	0.359	KL
							1.0000	-0.213	-0.051	-0.027	-0.162	DK
						1.0000	0.094	-0.019	-0.272	0.040	0.085	FI
					1.0000	-0.420	-0.014	-0.243	0.943	-0.313	0.114	FI*(PL)
				1.0000	-0.165	0.935	0.045	0.261	-0.367	0.156	0.178	FI*(KL)
			1.0000	0.667	-0.026	0.737	0.692	-0.142	-0.195	0.019	-0.041	FI*(DK)
		1.0000	-0.189	-0.196	0.392	-0.228	0.003	0.0127	0.436	-0.018	0.154	Age
	1.0000	0.063	-0.341	-0.490	0.323	-0.418	-0.096	-0.224	0.336	-0.695	0.109	Leverage
1.0000	-0.170	0.1900	0.246	0.251	0.131	0.247	0.119	-0.003	0.095	0.317	-0.005	Size

At a significance level of less than 5%, an inverse but significant correlation can be observed between the innovative strategy of the company with the variables of stock returns, financial modifier*depth of knowledge and the size of the investigated companies. There is an inverse and significant correlation between stock returns with the variables of depth of knowledge and age of the company, but there is a direct and significant correlation between this variable with financial

motivation and the moderator of financial motivation in depth of knowledge. There is an inverse and significant correlation between the CEO's level of knowledge and the variables of financial motivation and company size. Of course, a direct and significant correlation was observed between this variable and the age of the company.

As mentioned in table 2 regarding the default tests, the variance of heterogeneity is examined through Brush-Pagan test:

Table 4): Examining the variance of heterogeneity

Model	Test	Quantity	Sig.
1	Brusch Pagan-Cook Weisberg	36.213	0.000
2	Brusch Pagan-Cook Weisberg	10.311	0.001

Due to the fact that the significance level of Brush-Pagan test for research models is less than 5% (the error level of the research), there is a problem of heterogeneity of variances, and if there is heterogeneity of variance, the generalized least squares method should be used.

In Table 3), the collinearity of the independent and control variables is examined:

Table 5): Checking the collinearity

Variables	VIF	Variables	VIF
Power level	4.20	Moderator of Financial*level	115.13
Level of knowledge	4.76	Moderator of Financial*depth	16.65
Depth of knowledge	3.17	Company age	2.48
Financial incentive	173.17	Financial Leverage	2.76
Moderator of Financial*power	4.12	size of the company	1.29

Table 7): Hypothesis test (as Innovative strategy)

Variables	Coef	Std. Err.	t	p> t	Result
Constant	-0.0008	0.0031	-0.2499	0.8034	-
CEO power level (CEO-PL)	0.0006	0.0016	0.3543	0.7243	No
CEO knowledge level (CEO-KL)	0.0015	0.0007	2.1653	0.0361	Yes
CEO's depth of knowledge (CEO-DK)	0.0002	0.0005	0.4128	0.6811	No
Moderator of FI and CEO-PL	0.0810	0.0461	1.7575	0.0836	No
Moderator of FI and CEO-KL	-0.0075	0.0156	-0.4818	0.6316	No
Moderator of FI and CEO-DK	0.0080	0.0119	0.0672	0.5041	No
Company Age	-0.0023	0.0011	-2.0671	0.0436	Yes
Financial Leverage	0.0023	0.0022	1.0439	0.3005	No
Company Size	-0.0009	0.0006	-1.5022	0.1380	No
F-statistic	6.9212	R-squared			0.5196
Sig.	0.0000	Adjusted R-squared			0.4445

The significance level of the F statistic in this model, which is lower than the test error level, can ensure the correctness of using the estimated model in the form of a linear regression model, thus the estimated model is statistically significant, and therefore the relationships between the variables of this estimated model, can be checked linearly.

According to the significance level of the t-statistic of the CEO's power level variable, it can be said that it is more than 5%, therefore, it cannot be claimed that the CEO's power can

The values of the variance inflation factor are less than 10 for the other variables except for three variables (financial motivation, moderator of financial motivation*knowledge level and moderator of financial motivation*depth of knowledge) and these values are considered acceptable values. This means that these variables on the right side of the equation in the research model have no internal relationship with each other.

In Table 4), the absence of serial autocorrelation has been investigated:

Table 6): Serial autocorrelation (unrelated regression)

Model	Type	Quantity	Sig.
1	The status of Serial autocorrelation	41.10	0.000
2	The status of Serial autocorrelation	4.17	0.041

According to the results obtained from Durbin-Watson's test, it can be claimed that there is no first-order Sequential autocorrelation between the variables of the research model, and this means that there is no autocorrelation problem between the variables and the errors in the models are random.

According to the statistical results obtained from the default tests, in tables 5) and 6), the test of research hypotheses is discussed:

have a significant effect on the innovative strategies of the investigated companies.

According to the significance level of the t-statistic of the knowledge level variables, it can be claimed that because this significance level is less than 5%, it has a significant relationship with the innovative strategies of the investigated companies.

Considering the higher significance level of the t-statistic of the depth of knowledge variable, no significant relationship

can be observed between this variable and the variable of innovative strategies of the investigated companies. Among the moderator variables, the significance level of the t statistic of these variables is more than the error level of this research (5%), so it cannot be claimed that there is a significant relationship between these variables and the innovative strategy of the investigated companies as the first dependent

variable. Also, Among the control variables of the research, there is an inverse but significant relationship between company age and innovative strategy. The adjusted coefficient of determination is almost equal to 44.4%, which indicates a reasonable share of the ability to predict changes in the dependent variable by the variables on the right side of this model.

Table 8): Hypothesis test (as Stock return)

Variables	Coef	Std. Err.	t	p> t\	Result
Constant	0.1246	0.0819	1.5219	0.1330	-
CEO power level (CEO-PL)	0.0603	0.0213	2.8289	0.0062	Yes
CEO knowledge level (CEO-KL)	0.0401	0.0122	3.2749	0.0017	Yes
CEO's depth of knowledge (CEO-DK)	-0.0105	0.0085	-1.2410	0.2191	No
Moderator of FI and CEO-PL	-0.9439	0.6644	-1.4207	0.1603	No
Moderator of FI and CEO-KL	-0.1675	0.2091	-0.8006	0.4263	No
Moderator of FI and CEO-DK	-0.1726	0.1643	-1.0509	0.2972	No
Company Age	0.0707	0.0305	2.3198	0.0236	Yes
Financial Leverage	-0.4318	0.0507	-8.5214	0.0000	Yes
Company Size	0.0138	0.0123	1.1273	0.2638	No
F-statistic	28.7485	R-squared			0.8179
Sig.	0.0000	Adjusted R-squared			0.7894

The significance level of the F statistic in this model, which is lower than the test error level, can ensure the correctness of using the estimated model in the form of a linear regression model, thus the estimated model is statistically significant, and therefore the relationships between the variables of this estimated model, can be checked linearly.

According to the significant level of the t-statistic of the power level variable of the CEO, it can be claimed that the power level of the CEO can have a positive and significant effect on the stock returns of the investigated companies. According to the significance level of the t-statistic of the knowledge level variable of the CEO, it can be claimed that this variable can have a positive and significant effect on the stock returns of the investigated companies. According to the significance level of the t-statistic of the knowledge depth variable of the CEO (more than 5%), it cannot be claimed that there is a significant effect between this variable and the stock returns of the investigated companies. Among the moderator variables, the significance level of the t statistic of these variables is more than the error level of this research (5%), so it cannot be claimed that there is a significant relationship between these variables and the innovative strategy of the investigated companies as the first dependent variable. Also, among the control variables, a significant effect was observed between the age of the company and financial leverage with the stock returns of the investigated companies (inverse relationship between financial leverage and stock returns).

The adjusted coefficient of determination is almost equal to 79%, which indicates the high contribution of the predictability of changes in the dependent variable by the variables on the right side of this model.

➤ *Formulas and Relationships*

The following regression models were used to check the proposed hypotheses:

First model:

$$\begin{aligned} \text{Corporate innovation strategy}_{it} &= \beta_0 + \beta_1 \text{CEO Characteristics}_{it} \\ &+ \beta_2 \text{financial incentive}_{it} \\ &+ \beta_3 \text{CEO Characteristics}_{it} \\ &* \text{financial incentive}_{it} + \beta_6 \text{Controls}_{it} + \varepsilon \end{aligned}$$

Second model:

$$\begin{aligned} \text{Corporate stock return}_{it} &= \beta_0 + \beta_1 \text{CEO Characteristics}_{it} \\ &+ \beta_2 \text{financial incentive}_{it} \\ &+ \beta_3 \text{CEO Characteristics}_{it} \\ &* \text{financial incentive}_{it} + \beta_6 \text{Controls}_{it} + \varepsilon \end{aligned}$$

which:

- Corporate innovation strategy: The company's innovative strategies are considered as the first dependent variable, in the form of dividing research and development costs by sales revenue (Yu et al, 2020).
- Corporate stock return: The company's stock return is considered as the second dependent variable in the form of net profit divided by total assets in the form of asset return criterion (Yu et al, 2020).
- CEO Characteristics: The knowledge structure of the CEO is considered in the form of three measures of power, level

of knowledge and depth of knowledge, as follows (same source):

- The power of the CEO is considered in the form of the dual responsibility of the CEO, if the chairman or vice chairman of the board of directors is in the position of the CEO of the company, then the number is considered as one, and otherwise, the number is considered as zero.
 - For the CEO's education, from the criterion of the level of knowledge (his/her education level) in such a way that for the diploma and associate degree, number 1, bachelor's degree number 2, master's degree number 3 and doctoral degree number 4 are considered for the education level of the CEO. we take.
 - The depth of knowledge criterion is used for his background and tenure (holding the position of CEO of the company).
- Financial incentive: financial incentives as the only adjustment variable of the research that actually represent the salaries and benefits of the employees, which is homogenized with the sales income of the same year.

Government ownership in the form of the first control variable, which refers to the existence of government ownership, and if there is a government sector or government-affiliated institutions in the ownership structure of the company, then the value of one and zero is considered otherwise (same source).

The age of the company in the form of the second control variable actually refers to the number of years of the company's membership in the stock market, which is considered as the natural logarithm of this number of years.

Financial leverage in the form of the third control variable in this research is considered as dividing total debt by total assets.

Company size in the form of the fourth control variable is also considered in the form of the natural logarithm of total assets.

IV. DISCUSSION

It is logical to expect that CEOs can take appropriate advantage in the direction of producing innovative products and transformative actions through the power at their disposal. Examining the obtained results shows that there is a significant relationship between the level of power of the CEO and the innovative policy of the investigated companies, so the first hypothesis is accepted, which is in line with the logical expectations of conducting this investigation according to agency theory. Regarding the obtained results, these results are inconsistent with the research of Allameh and Zare (2007), Shaemi et al. (2011), Dehghani (2013).

The studies conducted show that there is a significant relationship between the CEO's power level and the stock returns of the investigated companies, so the second hypothesis is accepted. Of course, it is logical to expect that the level of effectiveness of CEOs is within the companies and the possibility of the company's efficiency to occur according to the market behavior, but according to CEOs' understanding and experience of market events, this possibility can be explained in terms of agency theory and stewardship hypothesis. Was. Regarding the obtained results, a similar research with the parameters of this research has not been implemented, so the obtained results are only compared with the basic research done, thus; These results are inconsistent with the research of Yu et al (2020).

Also, the examination of the results shows that the depth of knowledge of the CEO does not have a significant effect on the innovative policy of the companies, so the third hypothesis is rejected. The retention of CEOs in their position increases the possibility of their logical control over the behavior of the market, the company's products, and the company's economic conditions, which indicates a reasonable expectation of a significant effect between these two phenomena, but the results obtained indicate a violation of this reasonable expectation. Regarding the obtained results, these results are inconsistent with the research of Allameh and Zare (2007), Shaemi et al. (2011), Dehghani (2013).

Examining the results shows that the depth of knowledge of the CEO has a significant effect on the stock returns of the investigated companies, so the fourth hypothesis is accepted. Regarding the obtained results, a similar research with the parameters of this research has not been implemented, so the obtained results are only compared with the basic research done, thus; These results are inconsistent with the research of Yu et al (2020).

Examining the results shows that the depth of knowledge of the CEO has a significant effect on the innovative policy of the investigated companies, and thus the fifth hypothesis is accepted. Considering that the academic period can have an optimal effect on the mental fertility of CEOs, there was a reasonable expectation of the existence of a relationship between these parameters, but due to the sampling conditions, this expectation was rejected. Of course, the market pattern and micro and Macro-economic issues are also important in the emergence of such a result. Regarding the obtained results, these results are inconsistent with the research of Allameh and Zare (2007), Shaemi et al. (2011), Dehghani (2013).

Also, the examination of the results shows that the depth of knowledge of the CEO does not have a significant effect on the innovative policy of the companies, so the third hypothesis is rejected. The retention of CEOs in their position increases the possibility of their logical control over the behavior of the market, the company's products, and the company's economic conditions, which indicates a reasonable expectation of a

significant effect between these two phenomena, but the results obtained indicate a violation of this reasonable expectation. Regarding the results obtained, these results are in accordance with the research of Allameh and Zare (2007), Shaimi et al. (2011), Dehghani (2013) and Sarshekani and Aqighi (2017), Yu et al (2020), is inconsistent.

Examining the results shows that the depth of knowledge of the CEO has a significant effect on the stock returns of the investigated companies, so the fourth hypothesis is accepted. Regarding the obtained results, a similar research with the parameters of this research has not been implemented, so the obtained results are only compared with the basic research done, thus; These results are inconsistent with the research of Yu et al (2020).

Examining the results shows that the depth of knowledge of the CEO has a significant effect on the innovative policy of the investigated companies, and thus the fifth hypothesis is accepted. Considering that the academic period can have an optimal effect on the mental fertility of CEOs, there was a reasonable expectation of the existence of a relationship between these parameters, but due to the sampling conditions, this expectation was rejected. Of course, the market pattern and micro and Macro-economic issues are also important in the emergence of such a result. Regarding the obtained results, these results are inconsistent with the research of Allameh and Zare (2007), Shaemi et al. (2011), Dehghani (2013).

Examining the results shows that the level of knowledge of the CEO has a significant effect on the stock returns of the investigated companies, so the sixth hypothesis is accepted. The possibility of profit manipulation is a phenomenon that is considered by management. The assumption of commitment, which refers to the identification of activities with financial burden over time, is a worthy assumption to examine this phenomenon in terms of the possibility of distortions. The existence of such an effect was logically expected, which of course was confirmed according to the results. Regarding the obtained results, a similar research with the parameters of this research has not been implemented, so the obtained results are only compared with the basic research done, thus; These results are inconsistent with the research of Yu et al (2020).

Examining the results shows that the financial incentive is not able to moderate the relationship between the CEO's power level on the innovative policy of the investigated companies, so the seventh hypothesis is rejected. The assumption of continuity of activity assumes the possibility of continuing the company's activity in an infinite domain. Thus, the logical expectation is that the actions of the company are being formed for an unlimited future, but the results of this research rejected this logical expectation. A similar research that examines such an achievement has not been done, so it is only analyzed with the results of the research of Yu et al (2020), which is inconsistent.

Examining the results shows that the financial incentive is not able to moderate the relationship between the depth of knowledge of the CEO on the innovative policy of the case companies, and therefore the eighth hypothesis is also rejected. A similar research that examines such an achievement has not been done, so it is only analyzed with the results of the research of Yu et al (2020), which is inconsistent.

Examining the results shows that the financial incentive is not able to moderate the relationship between the CEO's level of knowledge on the innovative policy and therefore the ninth hypothesis is also rejected. A similar research that examines such an achievement has not been done, so it is only analyzed with the results of the research of Yu et al (2020), which is inconsistent.

Examining the results shows that the financial incentive is not able to moderate the relationship between the CEO's power level and the stock returns of the investigated companies, so the tenth hypothesis is rejected. This phenomenon can also be examined in terms of accrual assumption and false selection phenomenon, which according to the logical expectation, the existence of such an effect was expected, but the obtained results violate this expectation. Regarding the obtained results, a similar research with the parameters of this research has not been implemented, so the obtained results are only compared with the basic research done, thus; These results are inconsistent with the research of Yu et al (2020).

Examining the results shows that the financial incentive is not capable of moderating the relationship between the depth of knowledge of the managing director and the stock returns of the case companies, and therefore the 11th hypothesis is also rejected. According to the logical expectation, the existence of such an effect was expected, but the obtained results violate this expectation. Regarding the obtained results, a similar research with the parameters of this research has not been implemented, so the obtained results are only compared with the basic research done, thus; These results are inconsistent with the research of Yu et al (2020).

Finally, the analysis of the results shows that the financial incentive is not capable of moderating the relationship between the knowledge level of the CEO and the stock returns, and therefore the twelfth hypothesis is also rejected. According to the logical expectation, the existence of such an effect was expected, but the obtained results violate this expectation. Regarding the obtained results, a similar research with the parameters of this research has not been implemented, so the obtained results are only compared with the basic research done, thus; These results are inconsistent with the research of Yu et al (2020).

Managers and investors are suggested to pay special attention to their capital costs, so that they can experience a brighter future of leadership and avoiding production lags compared to competitors in this competitive market for the future of their activities. The shareholders are also suggested to pay attention to the depth of content of the company's activities in the past years, regardless of the knowledge structure of the managing directors. This action can provide them with a proper forecast of the company's activities so that they can choose their respective investments in a traditional way.

Creditors are also suggested to grant credit to them regardless of the knowledge structure of CEOs and innovative strategies of companies. Free riders who take advantage of financial statement information are imagined as future shareholders and current investors, who are suggested not to seek to influence management through the financial channel. In other words, they pay attention to information and signals other than rewards and salaries. Managers are also suggested to inform investors about their branding through distribution and sales channels. Pay more attention to the power tendencies and influence of the managers on the company, so as to make the necessary use of their tendencies to maintain their responsibilities. The shareholders are also suggested to pay attention to the discussion of dual responsibility in the company when choosing their decisions, so that they suffer less damage from the wrong choice.

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