Oral Defense Announcement
University of Missouri – St. Louis Graduate School

An oral examination in defense of the dissertation for the degree
Doctor of Business Administration with an emphasis in Accounting

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Risky Business: CEO Risk Tolerance and Non-GAAP Earnings

Date: September 26, 2023
Time: 12:00 p.m. to 2:00 p.m.
Place: 202 Anheuser Busch Hall

Abstract

CEO influence on non-GAAP earnings is a growing area of research. Risk-taking by CEOs is one way to
gauge the extent of CEO influence on firm outcomes, especially non-GAAP earnings. This research examines the
association between CEO sports hobbies, a proxy for CEO risk-taking, and their company's non-GAAP earnings. In
addition to the risk-proclivity of the CEO, non-GAAP earnings are the result of firm size, equity, return on assets,
and changes in revenue. The extent of CEO influence was evaluated by a regression analysis of non-GAAP
earnings using firm characteristics with CEO risk-taking measures and control variables such as CEO age, CEO
gender, CEO tenure, and board independence. The results indicate that as CEO sports risk increases, the
likelihood of non-GAAP earnings that exceed GAAP earnings decreased. When the data was split into high and
low-risk categories, the likelihood of non-GAAP earnings exceeding GAAP earnings was higher for those with high-
risk activities, but the magnitude of non-GAAP exclusions was higher for the low-risk activities. Further, the data
indicated that non-GAAP exclusions were more persistent for the low-risk activities.

Keywords: non-GAAP earnings, risk-taking, CEO influence, sports, hobbies

Defense of Dissertation Committee
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