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CEO's name uniqueness and audit fee

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ABSTRACT

Borrowed from the relevant research on the impact of name uniqueness on one's personality, our study extends the research perspective to its impact on external auditors. Using the data of Chinese listed firms in 2009–2019, we find a significantly positive relationship between CEOs' name uniqueness and audit fees. Further study shows that this influence could be explained by its impact on CEOs' personality traits, resulting in strategic deviance or increased audit effort, rather than its impact on auditors' first impression. The impact of CEOs' name uniqueness on audit fees is more pronounced when CEOs' characteristics are more susceptible to their name uniqueness, when companies are more likely to attract auditors' attention, or when auditors are more likely to be affected by their uniqueness. This paper extends the impact of CEOs' personality traits on audit fees, and expands the understanding of CEOs and audit decision-making.

KEYWORDS

Name uniqueness;
personality uniqueness;
strategic deviance; audit fees

1. Introduction

Extant literature shows that CEOs' personality traits are the key factors affecting their major strategic decision-making process of a company (Cohen et al., 2002; Hambrick & Mason, 1984; Jiang et al., 2009). CEO's risk and personality preferences significantly increase a company's non-compliance risk (SH Li et al., 2021) and therefore audit fees (Judd et al., 2017). Are there other CEOs' personality traits, in addition to risk and personal preferences, that will have an impact on audit fees? This study focuses on the effect of name uniqueness on CEOs' personality traits—being different, and discusses the impact of CEOs' name uniqueness on audit fees.

Prior studies suggest that individuals with unique names are more vulnerable to the negative effects of their parents and others in their growth (Aura & Hess, 2010; Lieberman & Bell, 1992). They have more unique individualistic characteristics (Varnum & Kitayama, 2011), and need stronger psychological adjustment capabilities (Twenge & Manis, 1998). However, if individuals with unique names are highly satisfied with their names, they can break through the possible negative effects of the unique names, and have a stronger sense of self-identity and more obvious individualistic tendencies, and thus gaining greater achievements (Bao et al., 2020; Su & Ren, 2015). As the leader of a management

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team, CEOs have made remarkable professional achievements. So, the more unique their names are in this group, the stronger their self-identity is, and the more unique their personality traits are.

CEOs with unique names may make their companies' strategies or styles distinctive. For example, Ren Zhengfei's name is unique, so are Huawei's 'rotating chairman' system, shareholder representative council system, and non-listing arrangements. Miller and Chen (1996) point out that the conventional industry model crystallises the ideological wisdom of many enterprises in this industry. It reflects the industry characteristics and future development trends to a certain extent. In this case, the rationality, credibility and, legitimacy of a model or strategy deviating from the industry convention are more likely to be questioned and more difficult to gain recognition of potential stakeholders (Pfeffer & Salancik, 2003; Wood, 1991). At the same time, companies may encounter some new problems in implementing a unique strategy or model that cannot be foreseen or solved by relying on industry practices or industry knowledge (Ye et al., 2015). These new problems may make it difficult for enterprises to program their daily management decisions. This also means a higher degree of information asymmetry for auditors than their industry peers, which may lead to greater audit risk and much more workload. Therefore, we predict that the personality traits brought by CEO's name uniqueness will significantly affect audit fees.

Using the 'Chinese Names' database and taking the Chinese listed companies from 2009 to 2019 as a research sample, this study shows that CEO's name uniqueness has an economically and statistically significant positive effect on external audit fees. Mechanism analysis finds that the main reason behind this phenomenon is the uniqueness of corporate strategic decisions and the much more audit efforts brought by its CEO's personality.

Heterogeneity analysis verifies this conclusion further. We find that: (1) The more easily CEOs' personality traits are affected by name uniqueness, e.g. male CEOs, CEOs without financial background and CEOs without overseas study background, the stronger the positive correlation between name uniqueness and audit fees. (2) The more easily the influence of CEO's personality traits is amplified, e.g. companies are followed by more financial analysts, the greater the influence of name uniqueness; (3) The more vulnerable auditors' personal characteristics are affected by CEOs' name uniqueness, e.g. male auditors and auditors with different surnames from CEOs, the greater the effect of CEO's name uniqueness on audit fees; (4) The more likely the company is affected by CEO's name uniqueness (such as lower financial risk and lower operating risk), the more significant the impact of name uniqueness on audit fees. However, whether it is the first time to engage in an audit does not impact the relationship between name uniqueness and audit fees. This shows that it is the impact of name uniqueness on corporate decision-making that attracts auditors' attention, rather than the name uniqueness itself.

This study contributes to the literature in several ways. First, to the best of our knowledge, this is the first study to explore auditors' perception of CEOs' uniqueness. Our study thus extends the auditing literature documenting the impacts of CEOs' individual characteristics on audit fees (Judd et al., 2017; Hsieh et al., 2020, etc.). Second, we expand the research boundary of name psychology to the context of management and auditing in Chinese culture. Although Chinese culture emphasises collectivism more compared with the individualism of Western culture (Oyserman et al., 2002), the influence of CEOs'

uniqueness on corporate decision-making and financial reporting cannot be ignored, which is priced by auditors. Third, our study develops a measure of CEOs' uniqueness using name uniqueness developed by prior psychology studies, which may indicate interesting and fruitful avenues for future research on the implications of personal characteristics in various business settings.

The rest of this paper is organised as follows: section 2 discusses related research and formulates hypothesis, section 3 is the research design, section 4 is the analysis of the empirical results, section 5 is the robustness test, section 6 is the additional analyses, and the final section are conclusions and implications.

2. Literature review and hypotheses development

The influencing factors of audit fees have attracted extensive attention and discussion of scholars since Simunic (1980) put forward the classic model of audit fees. Extant literature has considered factors including firm size, business complexity, financial status, auditor tenure, industry expertise, audit firm reputation and non-assurance business, etc. Hambrick and Mason (1984) point out that differences in the demographic characteristics of managers affect their values and cognitive bases, resulting in different corporate strategies and management styles. Based on this theory, scholars have tried to find out the possible influence of managers' personality traits on audit pricing. For example, CEOs with narcissistic tendencies (Judd et al., 2017) and executives with auditing experience (C Cai et al., 2015) may threaten their companies' financial report quality and hence increase audit fees; while CEOs with academic background (Shen et al., 2018), or military experience (Quan et al., 2018) are more likely to lower corporate inherent risk, which reduces their firms' audit fees.

Studies on the name psychology have found that unique names often accompany individuals' special growth environment, affecting their self-cognition and forming unique personality traits (Snyder & Fromkin, 1980).¹ That means CEOs with unique names will also have distinctive personal characteristics. This distinctiveness, which is different from other personality traits and cannot be simply put as aggressiveness or conservatism, has an impact on audit fees. This is because of the following reasons.

1. The impact of name uniqueness on CEO behaviours may increase audit complexity or audit risk. Previous literature finds that people with unique names often have unique personality traits due to parental influence or self-cognition in their growth. These unique personality traits can make individuals with unique names have different psychological characteristics and behaviours from ordinary people (Bell, 1984; Kalist & Lee, 2009; Sadowski et al., 1983). For example, the owner of a unique name is more likely to choose a unique occupation, and after engaging in a unique career, the positive correlation between name uniqueness and occupational achievement is more significant (Bao et al., 2020).

Specific to the impact on personal behaviours, name uniqueness shows two sides. On the one hand, people with unique names are vulnerable to the negative influences of the external environment. For example, Ellis and Beechley (1954) find that boys with unique names are more likely to suffer from emotional distress than boys with popular names.

¹The relevant literature review and analysis are detailed in Appendix A.

Bell (1984) studies the college students and finds that the more unique their names are, the stronger their loneliness is. Because unique names are unfamiliar, difficult to pronounce and spell, they often lead to negative views of others, which in turn lower the self-esteem of their owners (Gebauer et al., 2012; Kalist & Lee, 2009). On the other hand, some studies have also found that name uniqueness has a positive impact on individual psychological and behavioural decision-making. People with unique names are more creative (Sadowski et al., 1983), more popular (Zweigenhaft, 1981), and have higher career achievements in related fields (Bao et al., 2020; Sadowski et al., 1983). For example, surname uniqueness is significantly positively correlated with scholars' H-index (Bao et al., 2020); name uniqueness helps American male psychologists achieve higher career achievements, including more membership in APA chapters, being cited more in textbooks, and being invited more to review manuscripts, etc. (Sadowski et al., 1983).

One possible reason for this phenomenon is that the owner of a unique name takes his/her name as one of his/her self-symbol (Twenge & Manis, 1998). If he/she is satisfied with his/her name, his/her self-identity will be higher, and his/her academic performance and psychological adjustment ability will be better (Su & Ren, 2015). To put it another way, if an individual can break through the negative impact of name uniqueness, the personality uniqueness brought by name uniqueness will be more obvious (Bao et al., 2020).

CEOs are successful from professional perspective. If they can overcome the possible negative effects of their unique names and achieve great professional success, it means that they are highly satisfied with their names, and have strong self-identity and psychological adjustment ability. Therefore, CEOs with unique personalities may have different leadership styles and shape different corporate cultures. This different corporate culture and leadership style may increase audit complexity and audit risk.

2. CEOs with unique personalities are more likely to make distinctive strategies that may increase audit workload or risk. The CEO is the core figure of the enterprise management team and is directly responsible for the formulation and implementation of major business activities and strategic policies (Cohen et al., 2002; Hambrick & Mason, 1984; Jiang et al., 2009). Kang et al. (2021) find that CEOs with unique names are more likely to be unique in making decisions that are radically different from their industry peers. These differences will also increase the complexity or risk of an audit, and thereby affecting audit fees.

To sum up, if the CEO's unique personality makes the company different from its peers, it is easy to encounter some problems that cannot be foreseen or solved by relying on industry practices or knowledge (Ye et al., 2015). These new problems may make it difficult for the routine business decision-making, and the rationality, credibility and legitimacy of their strategic models, or management patterns are more likely to be doubted (Pfeffer & Salancik, 2003; Wood, 1991), or more evidence is needed to support it. All of these will increase audit risk or audit workload, which in turn affects audit fees.

Based on the above analysis, we put up the following research hypothesis:

H1: *Ceteris paribus*, auditors charge a higher audit fee to clients with CEOs holding unique names.

3. Research design

3.1. Data and sample

Name uniqueness data comes from ‘Chinese Name Database’² supported by National Citizenship Identity Information Center (NCIIC). CEO’s surname/name uniqueness is developed by importing CEO’s name and date of birth into a R package. Since Chinese surnames are relatively fixed and do not change with birth cohort, the birth cohort is not considered in this paper when calculating surname uniqueness. However, Chinese names are likely to have period characteristics,³ so birth cohort is taken into account in the calculation of name uniqueness.

The sampling procedure is as follows: First, we exclude non-Chinese names⁴ or names with strong minority colours.⁵ These names may be special compared with ordinary Chinese people, but may be very common in the group they belong to. Since we focus on the influence of name uniqueness on individual personality traits, the name is meaningful only when it is special in the holders’ growing environment. Second, we exclude samples with a change in CEO in the current year.⁶ This paper focuses on the impact of CEOs’ personality traits on corporate decision-making and audit fees. If the CEO changes in the current year, it is questionable whether his or her personality traits have a concurrent impact on corporate decisions or auditor decisions. Third, we exclude firms pertaining to the financial industry, ST and PT companies, and those with missing variables following the existing literature and considering the differences in financial statement characteristics.

All financial and non-financial data in this paper, except for name uniqueness, are obtained from the China Stock Market and Accounting Research (CSMAR). The sample interval is from 2009 to 2019 since the disclosure of the personal information of the management started in 2008 in CSMAR. The final sample of this paper is 18,252 firm-year observations. All continuous variables are winsorised at the 1th and 99th percentiles in order to alleviate the possible effects of extreme observations. The statistical processing software is Stata 15.0, except for the name uniqueness indicator, which is obtained using R language.

3.2. Empirical model

We estimate model (1) to test the main hypothesis.

$$Audit_Fee = \beta_0 + \beta_1 Full_Name_Uniqueness + \beta_2 Controls + \varepsilon \quad (1)$$

²URL: <https://github.com/psychbruce/ChineseNames>. See Chinese Names: Chinese name database 1930–2008 (Bao et al., 2020), retrieved September 1st, 2020.

³For example, names such as ‘Jianguo’ and ‘Jianjun’ are very common around the founding of New China. With the development of the times, the number of names with individual characteristics gradually increased. Therefore, name uniqueness may vary with the birth cohort.

⁴The CEO is identified as a non-Chinese nationality if his/her name is in English. A total of 727 non-Chinese names were screened, accounting for 2.1% of the original sample according to this judgment method.

⁵The screening method for minority names is as follows: first, all samples with names with more than 3 characters are screened; second, these names are manually judged whether they belong to ethnic minority: (1) the method of judging Uyghur names is whether they are in the form of ‘first name.surname’, such as: Akbar.Maimat, A.Kurban, etc.; (2) the method to judge the Mongolian name is whether they contain words like Tana, Gele, Ulin, etc. According to this criterion, 5 minority names are excluded from our initial sample.

⁶Two or more CEOs work for a company in the same calendar year.

In model (1), the dependent variable *Audit_Fee* is the natural logarithm of audit fees. The key variable of interest is the name uniqueness. *Full_Name_Uniqueness* is the average of surname uniqueness and given-name uniqueness as developed by Bao et al. (2020). *Full_Name_Uniqueness_Dummy* is a dummy variable that equals 1 for CEOs with *Full_Name_Uniqueness* above 75th percentile, and 0 otherwise. Du (2019) suggests that the distribution function of name uniqueness is positively skewed, and 75th percentile is an appropriate threshold of name uniqueness.

Following existing research (C Cai et al., 2015; Z Li et al., 2020; Liu et al., 2018; Xiao et al., 2021), we control *Independent_Ratio*, *Top1*, *Duality*, *Size*, *Leverage*, *Sales_Growth*, *ROA*, *AR_Ratio*, *Inventory_Ratio*, *Current_Ratio*, *IPO_age*, *State*, *Loss*, *Segment*, *Return*, *Industry_HHI*, *Location*, *Opinion*, *Big4*, *Big10*, *Switch*, *Overseas*, *Finback*, *Academic*, *Degree*, *Gender*, *Industry* and *Year*. Table 1 provides detailed variable definitions.

Table 1. Variable definitions.

Variables	Definition
<i>Audit_Fee</i>	Natural logarithm of audit fees
<i>Full_Name_Uniqueness</i>	The degree of the CEO's full name uniqueness, equals to the mean value of CEO's surname uniqueness and name uniqueness (Bao et al., 2020)
<i>Full_Name_Uniqueness_Dummy</i>	Dummy variable, equals to 1 if CEO's full name uniqueness is no less than the 75 th percentile of it, and 0 otherwise
<i>Independent_Ratio</i>	The number of independent directors over the number of total directors.
<i>Top1</i>	The proportion of the largest shareholder' shareholding.
<i>Duality</i>	Dummy variable, equals to 1 if the CEO is also the chairman, and 0 otherwise
<i>Size</i>	Natural logarithm of the total assets of the company.
<i>Leverage</i>	The debt-to-assets ratio, equal to the total liability divided by total assets
<i>Sales_Growth</i>	The growth rate of operating sales
<i>ROA</i>	Return on assets
<i>AR_Ratio</i>	Total accounts receivable scaled by total assets
<i>Inventory_Ratio</i>	Total inventory scaled by total assets
<i>Current_Ratio</i>	Current assets over current liabilities
<i>IPO_age</i>	Natural logarithm of the company's year of listing
<i>State</i>	Dummy variable, equal to 1 if a firm is ultimately controlled by the government or a state-owned enterprise, and 0 otherwise
<i>Loss</i>	Dummy variable, equal to 1 if a firm's net profit is less than 0 last year, and 0 otherwise
<i>Segment</i>	Natural logarithm of one plus the number of subsidiaries
<i>Return</i>	The yearly stock return
<i>Industry_HHI</i>	The degree of market competition in the industry, calculated by the Herfindahl index of industrial operating income
<i>Location</i>	Dummy variable, equals to 1 if a firm is located in Beijing, Shanghai, Guangdong, Tianjin, Chongqing, Jiangsu or Zhejiang, and 0 otherwise (Z Li et al., 2020)
<i>Opinion</i>	Dummy variable, equals to 1 if the firm receives a modified audit opinion, and 0 otherwise
<i>Big4</i>	Dummy variable, equals to 1 if the firm is audited by one of Big 4 audit firms, and 0 otherwise
<i>Big10</i>	Dummy variable, equals to 1 if the firm is audited by one of Big 10 audit firms, and 0 otherwise
<i>Switch</i>	Dummy variable, equals to 1 if the audit firm is changed in current year, and 0 otherwise
<i>Overseas</i>	Dummy variable, equals to 1 if the CEO has overseas experience, and 0 otherwise
<i>Finback</i>	Dummy variable, equals to 1 if the CEO has financial background, and 0 otherwise
<i>Academic</i>	Dummy variable, equals to 1 if the CEO has academic background, and 0 otherwise
<i>Degree</i>	Dummy variable, equals to 1 if the CEO's degree is college or above, and 0 otherwise
<i>Gender</i>	Dummy variable, equals to 1 if the CEO is male, and 0 otherwise
Δ	Differences of related variables before and after the CEO change
<i>Year</i>	Industry fixed effects
<i>Industry</i>	Industry fixed effects

In addition to the cross-sectional level regression, we also conduct the following change regression analysis to alleviate concerns about omitted variables.

$$\Delta \text{Audit_Fee} = \gamma_0 + \gamma_1 \Delta \text{Full_Name_Uniqueness} + \gamma_2 \text{Controls} + \varepsilon \quad (2)$$

4. Empirical results

4.1. Descriptive statistics

Table 2, Panel A, tabulates the descriptive statistics. The mean value of *Full_Name_Uniqueness* is 2.26, indicating that, on average, CEOs' full names are used about 1 in 182 people nationwide. The mean value of *Full_Name_Uniqueness_dum* is 0.25, representing that about 25% of all CEOs hold unique names. The mean value of *Audit_Fee* is 13.73, and all control variables are similar to the existing research in magnitude.

In **Table 2, Panel B**, we compare the audit fees between the two groups with different full name uniqueness of CEOs. The mean (median) value of audit fees for the group with unique names is 1.35 (0.83) million yuan, and the mean (median) value of audit fees for the group with common names is 1.28 (0.80) million yuan, indicating a statistically significant 5.30% (3.58%) higher audit fee for the unique group.

Considering that the audit fee is closely related to firm size, we also compare the unit audit fee difference between the two groups. Our results show that, in the unique full name group, the mean (median) value of audit fees per ¥10,000 of assets is 3.28 (2.60), and in the common full name group, the mean (median) value of audit fees per ¥10,000 of assets is 3.02 (2.40). The difference between the two groups is 8.51% (8.38%), and it is significant at the level of 1%; Also, the mean (median) value of audit fees per ¥10,000 of operating sales is 8.10 (5.11) in the unique full name group, while the mean (median) value of audit fees per ¥10,000 of operating sales is 7.29 (4.59) in the common full name group. The difference between the two groups is 11.09% (11.34%), which is significant at the level of 1%.

We divide the sample into ten groups according to the uniqueness of CEO's full name in **Panel C**. Companies whose CEO's full name uniqueness is above the ninth decile are defined as very unique, and companies whose CEO's full name uniqueness is below the first decile are defined as very common. It can be seen that the mean (median) values of total audit fees, audit fees per ¥10,000 of assets and audit fees per ¥10,000 of operating sales are 11.32% (6.25%), 19.13% (24.45%), and 26.94% (22.13%) higher for companies with very unique names than for companies with very common names, respectively, and the differences between the two groups are all significant at the 1% level.

4.2. Regression analysis

Columns (1) to (3) of **Table 3** show the multiple regression results of how CEOs' full name uniqueness affects audit fees. In column (1), *Full_Name_Uniqueness* and *Audit_Fee* are significantly and positively correlated at the 5% level when only industry and year fixed effects are controlled. In column (2), *Full_Name_Uniqueness* and *Audit_Fee* are significantly and positively correlated at the 1% level after controlling for all relevant variables. In

Table 2. Descriptive statistics.

Panel A								
Variables	Obs	Mean	Median	Std. Dev.	Q1	Q3	Max	Min
<i>Audit_Fee</i>	18,252	13.73	13.59	0.71	13.27	14.08	16.42	12.43
<i>Full_Name_Uniqueness</i>	18,252	2.26	2.20	0.50	1.89	2.57	3.80	1.41
<i>Full_Name_Uniqueness_Dummy</i>	18,252	0.25	0	0.43	0	0	1	0
<i>Independent_Ratio</i>	18,252	0.38	0.33	0.05	0.33	0.43	0.57	0.33
<i>Top1</i>	18,252	34.19	32.09	14.77	22.62	43.96	74.82	8.77
<i>Duality</i>	18,252	0.29	0	0.45	0	1	1	0
<i>Size</i>	18,252	22.13	21.94	1.27	21.23	22.81	27.03	19.54
<i>Leverage</i>	18,252	0.43	0.42	0.21	0.26	0.58	0.94	0.05
<i>Sales_Growth</i>	18,252	0.18	0.12	0.42	−0.01	0.28	2.91	−0.59
<i>ROA</i>	18,252	0.04	0.04	0.06	0.01	0.07	0.20	−0.26
<i>AR_Ratio</i>	18,252	0.12	0.10	0.11	0.04	0.18	0.47	0.00
<i>Inventory_Ratio</i>	18,252	0.15	0.12	0.14	0.06	0.19	0.73	0.00
<i>Current_Ratio</i>	18,252	2.43	1.64	2.56	1.14	2.64	18.43	0.29
<i>IPO_age</i>	18,252	9.35	8	6.69	4	15	25	1
<i>State</i>	18,252	0.35	0	0.48	0	1	1	0
<i>Loss</i>	18,252	0.07	0	0.26	0	0	1	0
<i>Segment</i>	18,252	2.54	2.49	0.91	1.95	3.14	4.98	0.69
<i>Return</i>	18,252	0.17	0.01	0.60	−0.24	0.40	2.57	−0.58
<i>Industry_HHI</i>	18,252	0.05	0.02	0.09	0.01	0.06	0.45	0.01
<i>Location</i>	18,252	0.57	1	0.50	0	1	1	0
<i>Opinion</i>	18,252	0.03	0	0.17	0	0	1	0
<i>Big4</i>	18,252	0.06	0	0.23	0	0	1	0
<i>Big10</i>	18,252	0.55	1	0.50	0	1	1	0
<i>Switch</i>	18,252	0.12	0	0.33	0	0	1	0
<i>Overseas</i>	18,252	0.07	0	0.26	0	0	1	0
<i>Finback</i>	18,252	0.06	0	0.23	0	0	1	0
<i>Academic</i>	18,252	0.19	0	0.39	0	0	1	0
<i>Degree</i>	18,252	0.87	1	0.34	1	1	1	0
<i>Gender</i>	18,252	0.93	1	0.29	1	1	1	0

Panel B: Grouping by <i>Full_Name_Uniqueness_Dummy</i>						
	Mean			Median		
	Unique	Common	Difference ^a	Unique	Common	Difference
Audit fees (million yuan)	1.35	1.28	5.30%**	0.83	0.80	3.58%**
Audit fees (yuan/ten thousand yuan assets)	3.28	3.02	8.51%***	2.60	2.40	8.38%***
Audit fees (yuan/ten thousand yuan sales)	8.10	7.29	11.09%***	5.11	4.59	11.34%***

Panel C: Grouping by deciles of *Full_Name_Uniqueness*, 'very unique' means *Full_Name_Uniqueness* is no less than the upper decile, and 'very common' means *Full_Name_Uniqueness* is no more than the lower decile

	Mean			Median		
	Very unique	Very common	Difference	Very unique	Very common	Difference
Audit fees (million yuan)	1.35	1.21	11.32%***	0.85	0.80	6.25%***
Audit fees (yuan/ten thousand yuan assets)	3.27	2.75	19.13%***	2.64	2.12	24.45%***
Audit fees (yuan/ten thousand yuan sales)	8.39	6.61	26.94%***	5.26	4.31	22.13%***

^a*** and ** denote two-tailed significance at the 1%, and 5% levels, respectively.

column (3), the coefficient on *Full_Name_Uniqueness_Dummy* is 0.029, which is significant and positive at the 1% level. All these results support *H1*, suggesting that CEO's full name uniqueness plays an important role in the pricing of audit services.

Columns (4) to (5) of Table 3 present the multiple regression results of how the change in CEOs' full name uniqueness affects audit fees. In column (4), $\Delta Full_Name_Uniqueness$ and $\Delta Audit_Fee$ are significantly and positively correlated at the 1% level when only industry and year fixed effects are controlled. In column (4), $\Delta Full_Name_Uniqueness$ and $\Delta Audit_Fee$ are also significantly and positively correlated at the 1% level after controlling for all relevant variables. Therefore, the change in name uniqueness has a significant positive impact on the change of audit fees, which further verifies our main hypothesis.

5. Robustness tests

We perform a series of sensitivity tests to check the robustness of our findings. First, as we measure CEO's full name uniqueness by taking an average of his/her last name uniqueness and given name uniqueness, this measure may not be convincing. This is because the last name represents social relationship, while the given name is the personal code, and the two may not have exactly the same impact on individual personality traits. Referring to Bao et al. (2020), we divide CEO's name uniqueness into surname uniqueness and given name uniqueness, respectively, and retest our hypothesis. Second, our final sample size is reduced by restricting one CEO in the report period. We enlarge the sample by taking the mean value of name uniqueness with more than one CEOs in the same year, and retest the main hypothesis. Third, we conduct a modified fixed effects model to alleviate concerns about omitted variables by controlling the mean value of *Audit_Fee* over the five-years before the sample period (Aghion et al., 2013; C Kim & Zhang, 2016). Fourth, we conduct a propensity score matching (PSM) method to mitigate the possible selection bias problem. Fifth, we use instrumental variable method with the mean value of name uniqueness in a five-year birth cohort as an instrument to address the possible reverse causality problems.

Table 4 reports the results of these robustness tests. As shown in Table 4, our main inferences unaltered in all these sensitivity checks. Specifically, our results are robust after taking a different measurement of name uniqueness, using an enlarged sample and PSM sample, and using the instrumental variable method.

In addition, we replace CEO's full name uniqueness with that of the Chairman, CFO, and other management team members to test whether this relationship is specific to CEOs. At last, we perform a placebo test following Wu and Du (2021), substituting the name uniqueness of the CEOs in the sample randomly, and retest the name uniqueness effect to further mitigate the possible endogeneity issue. Unlisted results show that name uniqueness is no longer significant when using a randomly distributed uniqueness data, and when it is replaced by the name uniqueness of Chairman,⁷ CFO or other management team members. All these tables are available upon request.

⁷However, chairman's name uniqueness has a significant positive effect on audit fees when the chairman is more involved in the management of the company (e.g. high ownership concentration, non-state-owned enterprises.)

Table 3. The impact of full name uniqueness on audit fees.

Variables ^a	Audit_Fee ^b			ΔAudit_Fee	
	(1)	(2)	(3)	(4)	(5)
Full_Name_Uniqueness	0.019**	0.022***		0.078***	0.058***
ΔFull_Name_Uniqueness	(2.06)	(3.92)		(10.02)	(9.02)
Full_Name_Uniqueness_Dummy			0.029***		
			(4.38)		
Independent_Ratio/ΔIndependent_Ratio		0.046	0.043		0.135
		(0.79)	(0.73)		(1.25)
TOP1/ΔTOP1		0.000	0.000		−0.001
		(1.31)	(1.31)		(−0.52)
Duality/ΔDuality		0.007	0.007		0.005
		(1.03)	(1.03)		(0.67)
Size/ΔSize		0.310***	0.310***		0.216***
		(69.66)	(69.72)		(4.94)
Leverage/ΔLeverage		−0.105***	−0.103***		−0.090
		(−4.17)	(−4.11)		(−0.98)
Sales_Growth/ΔSales_Growth		0.008	0.008		0.021**
		(1.06)	(1.03)		(2.19)
ROA/ΔROA		−0.545***	−0.543***		−0.238***
		(−9.28)	(−9.25)		(−2.80)
AR_Ratio/ΔAR_Ratio		0.106***	0.104***		0.350*
		(3.26)	(3.21)		(1.89)
Inventory_Ratio/ΔInventory_Ratio		−0.052*	−0.052*		0.105
		(−1.82)	(−1.82)		(0.96)
Current_Ratio/ΔInventory_Ratio		−0.009***	−0.009***		0.003
		(−6.49)	(−6.50)		(0.89)
IPO_age/ΔInventory_Ratio		0.005***	0.005***		−0.008
		(8.58)	(8.59)		(−0.12)
State/ΔState		−0.040***	−0.041***		0.052
		(−5.12)	(−5.19)		(0.95)
Loss/ΔLoss		0.082***	0.082***		0.015
		(6.78)	(6.79)		(1.17)
Segment/ΔSegment		0.149***	0.149***		0.076***
		(33.63)	(33.63)		(3.74)
Return/ΔReturn		−0.003	−0.003		0.004
		(−0.44)	(−0.45)		(0.47)
Industry_HHI/ΔIndustry_HHI		0.022	0.022		0.098
		(0.30)	(0.29)		(0.60)
Location/ΔLocation		0.122***	0.122***		0.222***
		(18.98)	(19.02)		(3.70)
Opinion/ΔOpinion		0.110***	0.109***		−0.001
		(6.12)	(6.09)		(−0.06)
Big4/ΔBig4		0.695***	0.695***		0.194**
		(36.50)	(36.53)		(2.52)
Big10/ΔBig10		0.032***	0.031***		−0.015
		(5.41)	(5.41)		(−1.36)
Switch/ΔSwitch		−0.055***	−0.055***		−0.006
		(−6.06)	(−6.05)		(−0.58)
Overseas/ΔOverseas		−0.023**	−0.022**		0.026
		(−2.02)	(−1.97)		(1.55)
Finback/ΔFinback		−0.010	−0.009		−0.012
		(−0.81)	(−0.78)		(−0.71)
Academic/ΔAcademic		−0.020***	−0.020***		0.010
		(−2.85)	(−2.85)		(0.97)
Degree/ΔDegree		−0.006	−0.007		0.008
		(−0.82)	(−0.89)		(0.60)
Gender/ΔGender		0.036***	0.038***		−0.022*
		(3.42)	(3.55)		(−1.65)
Constant	13.082***	6.134***	6.177***	0.048	0.118
	(317.78)	(64.08)	(65.51)	(1.30)	(1.47)
Industry	Yes	Yes	Yes	Yes	Yes
Year	Yes	Yes	Yes	Yes	Yes

(Continued)

Table 3. (Continued).

Variables ^a	<i>Audit_Fee</i> ^b			<i>ΔAudit_Fee</i>	
	(1)	(2)	(3)	(4)	(5)
<i>N</i>	18,252	18,252	18,252	1998	1998
<i>Adj. R</i> ²	0.178	0.717	0.717	0.057	0.204

^aVariable names after '/' are specific to regressions in column (4) and column (5) when the dependent variable is *ΔAudit_Fee*.

^bT-statistics are reported in parentheses and ***, **, and * denote two-tailed significance at the 1%, 5%, and 10% levels, respectively. The following tables are the same.

6. Further analysis

6.1. Name uniqueness VS Name meaning

Our main regression results suggest that auditors tend to factor CEO's full name uniqueness into their audit pricing decisions. A natural question arises of whether these unique names have a specific meaning that affect auditors' decisions. Following existing literature, we measure the cultural colour of CEOs' names in terms of three dimensions: name valence (Gebauer et al., 2012), name warmth, and name competence (Newman et al., 2018),⁸ and test whether the cultural colour of CEOs' names has an impact on audit fees. Unlisted results suggest that none of these meanings influences audit fees significantly, and it is the uniqueness of CEO's full name that really matters.

6.2. What drives the effect of name uniqueness on audit fees

Our main results suggest that audit pricing is affected by CEOs' full name uniqueness. Then, is it rational for auditors to make such a decision? The positive association between CEOs' full name uniqueness and audit fees may be explained by two related but not identical interpretations. First, CEOs with unique names tend to make strategies deviant from the industry central tendency, which may lead to extreme performance – either big win or big loss (Tang et al., 2011), and increase audit risk or workload. Second, CEOs with unique full names tend to have unique management styles, which may make it difficult to audit, and increase audit risk or workload.

We conduct a three-step mechanism analysis suggested by Wen et al. (2004) to test the two possibilities.

$$\text{Audit_Fee} = \beta_0 + \beta_1 \text{Full_Name_Uniqueness} + \beta_2 \text{Controls} + \varepsilon \quad (3)$$

$$\text{Mediator} = \lambda_0 + \lambda_1 \text{Full_Name_Uniqueness} + \lambda_2 \text{Controls} + \varepsilon \quad (4)$$

$$\text{Audit_Fee} = \theta_0 + \theta_1 \text{Full_Name_Uniqueness} + \theta_2 \text{Mediator} + \theta_3 \text{Controls} + \varepsilon \quad (5)$$

where *Mediator* is the mechanism to be tested, and the controls are the same as model (1).

⁸The name valence dimension measures the degree of positivity of an individual's name through the degree of positivity of the meaning of each character, and the warmth dimension measures the warmth of an individual's name by whether the character has warm characteristics such as 'warm and friendly', while the competence dimension measures the ability of an individual's name by whether the character has the characteristics of 'capable and smart'. All relevant data is available on request.

Table 4. Robustness tests.

Variables	2SLS					
	Change Independents	Expand samples	Fixed effect model	PSM	First stage	Second stage
	(1) ^a	(2)	(3)	(4)	(3)	(5)
<i>First_Name_Uniqueness</i>	0.013*** (3.18)					
<i>Surname_Uniqueness</i>		0.010** (2.44)				
<i>Full_Name_Uniqueness</i>			0.021*** (3.78)	0.019** (2.46)	0.027*** (3.29)	
<i>Mean_Audit_Fee_of_Prior_5_years</i>				4.426*** (33.21)		
<i>IV^b</i>					0.967*** (7.90)	
<i>Fitted_Full_Name_Uniqueness</i>						0.369*** (3.54)
<i>N</i>	18,252	18,252	18,450	8042	6611	18,252
<i>Adj. R²</i>	0.717	0.717	0.721	0.766	0.713	0.657

^a All dependent variables are *Audit_Fee*. Intercept, control variables, industry fixed effects, year fixed effects are controlled but not reported for brevity.

^b IV is the instrumental variable, which equals the average CEOs' name uniqueness in a 5-year birth cohort.

We use strategic deviance as a mediator to test the first possibility, and audit effort as a mediator to test the second possibility. We control strategic deviance when testing audit effort to examine whether there are other factors, in addition to strategic deviance, that drive more audit workload by CEO's full name uniqueness. Referring to Tang et al. (2011) and Ye et al. (2015), we measure the strategic deviance from six dimensions: advertising intensity, capital intensity, fixed asset newness rate, R&D intensity, management overhead efficiency, and financial leverage. Strategic deviance emphasises the deviation, anomaly and uniqueness of corporate strategies, compared with the industry as a whole. The larger the indicator, the more unique the firm's strategic decisions. We use audit report lag – the natural logarithm of the time period between a company's fiscal year end and the date of the audit report – to measure the extra effort paid by auditors. Lobo and Zhao (2013) point out that audit report lag is closely related to auditors' effort, and is a reasonable proxy for auditors' input and workload.

Columns (1) to (3) of Table 5 report the results of the mechanism analysis of Strategic_Deviance. Column (1) is the same as our main hypothesis. Column (2) shows that *Full_Name_Uniqueness* has a significant positive effect on *Strategic_Deviance* at the 1% level. Column (3) suggests that both *Full_Name_Uniqueness* and *Strategic_Deviance* have a significant positive effect on *Audit_Fee* and the coefficient of *Full_Name_Uniqueness* is slightly smaller in magnitude after controlling for *Strategic_Deviance*. This result reveals that *Strategic_Deviance* is a partial mediator between *Full_Name_Uniqueness* and *Audit_Fee*.⁹

⁹Existing literature shows that when CEOs are more aggressive, audit fees will be higher. So are CEOs with unique names more aggressive? And is this an alternative explanation of the higher audit fee? Referring to Liu (2016) etc., this paper constructs an indicator called strategic aggressiveness and examines the relationship between CEOs' full name uniqueness and strategic aggressiveness. Unlisted findings reject the above possibility. The results show that the CEO's name uniqueness is not significantly correlated with the strategic aggressiveness. Relevant results are available on request.

Columns (4) to (6) of Table 5 are the results of the mechanism test of *Audit_Effort*. Column (4) is the main regression result after controlling *Strategic_Deviance*. Column (5) suggests that *Full_Name_Uniqueness* has a significant positive effect on *Audit_Effort* at the 5% level after controlling *Strategic_Deviance*. All three indicators are significant positive in column (6), and the coefficient of *Full_Name_Uniqueness* is reduced slightly, indicating that audit effort associated with CEO's full name uniqueness is driven by factors apart from strategic deviance. In conclusion, both strategic deviance and other effects of CEO's full name uniqueness play an important role in promoting audit fees.

6.3. An alternative explanation – first impression effect

Starting from the psychological theory of others' perceptions of name uniqueness, Mehrabian (2001) finds that people tend to associate one's name characteristics with that person. A person with a unique name is usually considered to be unusual, which forms the first impression others have of the individual. Therefore, our main findings on the role of CEOs' full name uniqueness in audit pricing could be open to the alternative explanation of cognitive bias, i.e. it is the first impression rather than personality traits brought by name uniqueness that are considered by auditors when making audit fee decisions.

Zweigenhaft (1981) suggests that the first impression of being considered as 'unique' due to his/her name uniqueness will diminish over time. In this case, we expect the impact of full name uniqueness on audit fees to be greater for the first-year audit engagements, if the first impression effect holds. Otherwise, we expect no significant relationship between the effect of full name uniqueness on audit fees and whether it is a first-year engagement.

We explore the first impression effect on the relationship between CEOs' full name uniqueness and audit fees by dividing the sample into initial-year audit engagement and non-initial-year audit engagement subsamples. Following Han and Chen (2007), Zhang et al. (2018), we consider whether this is a first-time audit engagement from both audit firm (columns 1–2 of Table 6) and auditor level (columns 3–4 of Table 6). The results suggest that the coefficients of *Full_Name_Uniqueness* in both of the two subsamples are statistically significant at both audit firm level and auditor level, and the differences between the two subsamples are not significant. This finding helps to rule out the above mentioned alternative explanation, suggesting that the impact of name uniqueness on audit fees cannot be explained by the first impression effect.

Table 5. The mechanism of the relationship between full name uniqueness and audit fees.

Variables	(1) <i>Audit_Fee</i> ^a	(2) <i>Strategy_Diviance</i>	(3) <i>Audit_Fee</i>	(4) <i>Audit_Effort</i>	(5) <i>Audit_Fee</i>
<i>Full_Name_Uniqueness</i>	0.022*** (3.92)	0.112*** (3.58)	0.021*** (3.72)	0.008** (2.28)	0.020*** (3.64)
<i>Strategy_Diviance</i>			0.007*** (4.83)	0.001* (1.67)	0.007*** (4.79)
<i>Audit_Effort</i>					0.058*** (4.77)
<i>N</i>	18,252	18,076	18,076	18,039	18,039
<i>Adj. R</i> ²	0.717	0.147	0.718	0.136	0.718

^aIntercept, control variables, industry fixed effects, year fixed effects are controlled but not reported for brevity.

6.4. Factors influencing the effect of name uniqueness

6.4.1. The impact of CEOs' characteristics

The upper echelon theory states that executives' upbringing and personal traits are key factors affecting the formation of their major decisions (Hambrick & Mason, 1984). We expect the impact of name uniqueness on audit fees to be more pronounced for firms whose CEOs' personal traits and upbringing make them more likely to be influenced by name uniqueness.

Extant literature finds that the impact of name uniqueness on CEO's personality traits varies with gender. Peng and Wei (2006) suggest that male executives are more confident, and Kang et al. (2021) suggest that CEOs' confidence enlarges the impact of their name uniqueness on corporate strategic distinctiveness. Therefore, we expect that male CEOs' name uniqueness has a greater impact on audit fee.

Deng and Zeng (2011) point out that work experience in financial institutions will endow executives with professional financial knowledge and skills to make more rational professional judgements in business operations and investment and financing decisions. Following this logic, we expect that financial work experience will allow CEOs to make more professional and stable corporate decisions, reducing the impact of CEOs' personality traits on corporate decisions, and thus reducing its impact on audit fees.

The overseas study experience of executives will develop their international perspective and multicultural perceptions (Zhou et al., 2017). In a diverse overseas cultural environment, name uniqueness in the Chinese cultural context is weakened, thereby weakening the effect of name uniqueness on their personality traits and reducing its impact on audit fees.

We retest our main hypothesis using subsamples of firms with male and female CEOs, CEOs with and without financial background, and CEOs with and without overseas study experience. Table 7 reports the empirical results that are consistent with the above expectations. Specifically, the effect of CEOs' full name uniqueness on audit fees is only robust in male CEOs subsample, CEOs without financial background subsample, and CEOs without overseas study experience subsample. All these results suggest that CEOs' full name uniqueness works on audit fees through its effect on personality traits.

6.4.2. The impact of analysts' attention

The impact of analysts' attention on capital market participants is always a hot issue of interest for scholars. Existing literature suggests that given analysts' professional

Table 6. Full name uniqueness and audit fees – First impression effect.

Variable	Audit firm engagement level		Auditor engagement level	
	First-year	Non-first-year	First-year	Non-first-year
	(1)	(2)	(3)	(4)
	<i>Audit_Fee</i> ^a	<i>Audit_Fee</i>	<i>Audit_Fee</i>	<i>Audit_Fee</i>
<i>Full_Name_Uniqueness</i>	0.040** (2.39)	0.020*** (3.40)	0.025*** (3.68)	0.019** (2.02)
<i>N</i>	2219	16,033	11,520	6707
<i>Adj. R</i> ²	0.705	0.719	0.715	0.700

^aIntercept, control variables, industry fixed effects, year fixed effects are controlled but not reported for brevity.

analytical capabilities and unique information dissemination channels, a more comprehensive and multi-faceted picture of management will be revealed and amplified by increased analysts' attention (Pan et al., 2011). With this logic, the impact of CEO's personality traits will be amplified if it is followed by more analysts, thus increasing its impact on auditors' risk perceptions, and thus increasing audit fees. Referring to Xie and Ai (2014), we use the number of analysts (*No_of_Analysts*) and the number of research reports (*No_of_Research_Reports*) following a company in one year as measures of analysts' attention, with higher *No_of_Analysts* and *No_of_Research_Reports* indicating higher analysts' attention. Our sample is divided into high analysts' attention group and low analysts' attention group according to the year-industry median of analysts' attention, and the grouping regression results are shown in Table 8. The results are robust only in higher *No_of_Analysts* and higher *No_of_Research_Reports* subsamples, suggesting that auditors' perception of name uniqueness is important.

6.4.3. The impact of auditors

Extant literature shows that occupational gender discrimination is common in China. Female auditors face greater professional risks, and are reluctant to disagree with the auditee (Wang et al., 2014), resulting in a weaker inhibitory effect on accrual management and lower audit quality (Ye & Yu, 2011). On this basis, we expect that female auditors are less likely to increase audit fees due to CEOs' name and behaviour uniqueness. The results in columns (1) and (2) of Table 9 are in line with this expectation – the coefficient of *Full_Name_Uniqueness* is not significant when the auditor¹⁰ is female, and this coefficient is significantly positive at the 1% level when the auditor is male.

Du (2019) suggests that firm income statements are more likely to be restated when the CEO has the same surname as the auditor. Based on this, we expect that the effect of CEO's full name uniqueness on audit fees is not significant when the CEO and the auditor share the same last name. The results in columns (3) and (4) of Table 9 support this expectation.

6.4.4. The impact of corporate characteristics

Jensen (2019) proposes that the financial distress of a company forces management to take positive actions to improve operational and managerial efficiency. Oliver (1992) finds

Table 7. Full name uniqueness and audit fees – The impact of CEOs' characteristics.

Variable	Gender		Financial background		Overseas study experience	
	Male (1) ^a	Female (2)	With (3)	Without (4)	With (5)	Without (6)
<i>Full_Name_Uniqueness</i>	0.021*** (3.68)	0.013 (0.74)	−0.002 (−0.10)	0.024*** (4.14)	−0.005 (−0.13)	0.023*** (4.06)
<i>N</i>	17,052	1200	1025	17,227	530	17,722
<i>Adj. R²</i>	0.720	0.710	0.737	0.718	0.727	0.718

^aAll dependent variables are *Audit_Fee*. Intercept, control variables, industry fixed effects, year fixed effects are controlled but not reported for brevity.

¹⁰Considering that Chinese audit reports are usually signed by two auditors: one is the review auditor (the first signee), and the other is the project manager (the second signee). X He et al. (2018) find that project auditors play a more important role in auditing, so we use the data of project auditors when measuring auditors' personal traits.

Table 8. Full name uniqueness and audit fees – The impact of analysts' attention.

Variable	No_of_Analysts		No_of_Research_Reports	
	High (1) ^a	Low (2)	High (3)	Low (4)
<i>Full_Name_Uniqueness</i>	0.034*** (4.75)	0.001 (0.11)	0.033*** (4.55)	0.002 (0.27)
<i>N</i>	11,651	6601	11,403	6849
<i>Adj. R²</i>	0.737	0.663	0.734	0.671

^a All dependent variables are *Audit_Fee*. Intercept, control variables, industry fixed effects, year fixed effects are controlled but not reported for brevity.

Table 9. Full name uniqueness and audit fees – The impact of auditors.

Variable	Auditors' gender		Surnames	
	Male (1) ^a	Female (2)	Same (3)	Different (4)
<i>Full_Name_Uniqueness</i>	0.035*** (3.87)	0.011 (0.97)	0.142 (1.07)	0.026*** (4.50)
<i>N</i>	7029	4480	105	16,114
<i>Adj. R²</i>	0.690	0.735	0.730	0.714

^a All dependent variables are *Audit_Fee*. Intercept, control variables, industry fixed effects, year fixed effects are controlled but not reported for brevity.

that when a company's performance is in trouble, recombining resources, relearning and transforming are the main strategies to settle this problem. XG He et al. (2017) point out that when a company is in a state of suboptimal health, it tends to 'think about change' to improve this situation by means of strategic adjustment. In other words, companies in operational or financial distress will take strategies that are different from those of normal companies. In this case, the distinct strategies brought about by CEOs' unique personality will become less unique in this sample. Therefore, we expect the impact of CEOs' full name uniqueness on audit fees to be smaller when the company faces greater operational or financial risk.

With reference to the existing literature, we explore the impact of operational risk and financial risk¹¹ on the relationship between full name uniqueness and audit fees, using financial leverage¹² and financial constraints¹³ to measure financial risk, and loss in the previous year¹⁴ and operating performance¹⁵ to measure operational risk, respectively.

¹¹In addition, we test the impact of corporate governance on the relationship between full name uniqueness and audit fees. Similar to the results above, the impact of CEO's name uniqueness on audit fees is not significant when the corporate governance is relatively low (high separation of ownership and control, invalid internal control); and this name uniqueness effect is significant otherwise. Due to space limitations, the result is not reported, but it is available upon request.

¹²We divide our sample into high financial risk group and low financial risk group according to the year-industry median of financial leverage.

¹³Financing constraints is measured by the SA index (Hadlock & Pierce, 2010). We divide our sample into high financial risk group and low financial risk group according to the year-industry median of financing constraints.

¹⁴If the company suffers a loss in the previous year, it is regarded as high operational risk group, otherwise, it is regarded as low operational risk group.

¹⁵If the company's performance is worse than the year-industry median, it is regarded as high operational risk group, otherwise, it is regarded as low operational risk group.

Table 10. Full name uniqueness and audit fees – The impact of corporate characteristics.

Variable	Financial leverage		Financial constraints		Loss		Performance	
	High (1) ^a	Low (2)	High (3)	Low (4)	Yes (5)	No (6)	Good (7)	Bad (8)
<i>Full_Name_Uniqueness</i>	0.012 (1.45)	0.032*** (4.49)	0.010 (1.33)	0.031*** (4.03)	0.001 (0.05)	0.025*** (4.32)	0.000 (0.03)	0.042*** (5.40)
<i>N</i>	9245	9007	9050	9202	1339	16,913	9007	9245
<i>Adj. R²</i>	0.731	0.652	0.604	0.786	0.668	0.721	0.706	0.731

^a All dependent variables are *Audit_Fee*. Intercept, control variables, industry fixed effects, year fixed effects are controlled but not reported for brevity.

The results in Table 10 indicate that the impact of CEOs' full name uniqueness on audit fees holds only in subsamples with less operational and financial risks.

7. Conclusion

Using Chinese name uniqueness data developed in Bao et al. (2020), this paper explores the impact of CEOs' name uniqueness on audit fees, and finds that: (1) name uniqueness has a significant positive correlation with audit fees. (2) the main reason why name uniqueness affects audit fees is its impact on corporate strategic deviance, rather than the first impression brought by name uniqueness to auditors. (3) male CEOs, CEOs without financial backgrounds, and CEOs without overseas study experience are influenced more by name uniqueness, and thus the impact of name uniqueness on audit fees. (4) analysts' attention amplifies the impact of name uniqueness on audit fees. (5) male auditors and auditors with different surnames from the CEOs increase audit fees due to executive name uniqueness and behavioural uniqueness. (6) firms with lower financial risk or lower operational risk are significantly influenced by CEO's name uniqueness. All these findings suggest that auditors price CEO's name uniqueness through its influence on CEOs' personality traits and thus corporate decisions.

This paper is the first to discuss the influence of CEOs' personality traits on audit fees from the perspective of name uniqueness. The main implications of this paper are as follows: First, the results suggest that the subtle influence of names on personal growth is very important and can even affect the formation of their personality traits and thus their career decisions. This means that future research on executive decision-making styles can refer to their name uniqueness and growth experience. Second, from the perspective of professional information authenticators, the corporate cultural atmosphere or decision-making styles influenced by CEOs' personality traits will significantly affect their audit risk or workload, which deserves the attention and consideration of capital market participants. Third, CEOs' unique personality—pursuing to be unusual, which is different from aggressiveness or conservatism studied before, may also affect audit fees.

Although this paper examines how name uniqueness affects audit fees through strategic deviance and audit effort, both of them are only partial mediators, and their proportion to the total effect is limited. We do not find out other mediators that name uniqueness affects corporate decision-making. Name uniqueness can affect a company's cultural atmosphere and thus its business risk. In view of the availability of research data,

this paper has not obtained relevant evidence, which is a limitation of this research and deserves further exploration in future studies.

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Appendix A

A simple concept of ‘as his name is, so is he’ existed in the *Bible Samuel (1)* as early as B.C. Name, as an important symbol of an individual’s identity, accompanies an individual’s life and has an important long-term impact on an individual’s psychology and behaviour. Numerous psychological studies in this area emerged after the 1980s has verified this idea. In 2015, a public service advertisement ‘My Name’ stood out from 129 videos made by 12 companies, and was played in China’s CCTV Spring Festival Gala, attracting people’s attention to the issue of names. In 2017, a ‘Name-tag Tearing’ event at Columbia University specifically targeting at ‘Chinese names’ sparked a big discussion of discrimination and xenophobia on campus. Soon after that, a Chinese student made a video called ‘Say My Name’, which was only 2 minutes and 33 seconds long, but had more than 3 million plays in 5 days and was broadcast on CCTV news channel. Even in the age of personalisation, unique names have attracted a lot of attention. For example, a father in Xi’an named his daughter ‘Wang Zherongyao’ (the name of a popular game), which attracted criticisms from netizens. While another father in Jinan wanted to name his daughter ‘Beiyan Yunyi’ (a name of 4 characters, which is quite rare in a Chinese name), but was refused by household registration office. It is easy to find that a unique name will bring some trouble to its owner, and there are lots of studies on the impact of names on individuals.

Name, as a person’s identity code in his/her social life, is one of the most important signs to distinguish oneself from others (Allport, 1937). From a traditional point of view, a name is given by others, and it is full of the givers’ expectations to its owner. In China especially, where the culture of Chinese characters is extensive and profound, names represent the ardent expectations of parents and other relatives for their descendants (Watzlawik et al., 2016). The groundbreaking study of names, Walton (1937), points out that the name is a determining factor that affects an individual’s future personality development, friendships, and success in life. Existing literature finds that names are associated with ones’ physical attractiveness (Erwin, 1993), academic performance (Ford et al., 1984), psychological adjustment (Twenge & Manis, 1998), and masculine/feminine traits (Erwin, 2006; Bao, Chen, Lin, & Liu, 2016). Besides, name uniqueness has a significant influence on personality traits. This is because:

1. A unique name often accompanies a special growing environment. Names are given by parents, who are also the genetic providers and nurturers. If a child’s name is unique, then the influence of his/her parents on him/her will not be limited to the uniqueness of the name itself, but may also include the unique value of his/her parents. As existing research finds, if parents are affected by a shift in cultural values, they will find ways to help their children stand out and become unique individuals. These parents prefer to give their children unique names (Twenge et al., 2010).

2. A unique name affects an individual’s self-perception. The ‘Looking-glass Self’ theory holds that the ‘mirror self’ is to use other people’s views as a mirror to know oneself. Names will affect others’ evaluations of the owner’s physical attractiveness (Erwin, 1993) and personality (Mehrabian, 1992). And this evaluation will affect the owner’s self-perception and indirectly affect the owner’s psychology and behaviour (Su & Ren, 2015). A person with a unique name is seen by others as an unusual person (Cotton et al., 2008; Mehrabian, 2001). This perception of others will continue to subtly influence the self-perception of those with unique names from childhood onwards – that they are extraordinary – and this may later really becomes their personality trait (H Markus & Cross, 1990; Tajfel, 1982).

3. People with unique names have unique character traits. Research by Snyder and Fromkin (1980) shows that the more unique a name is, the more individuals will show a strong need for unique characteristics. A strong need for an individual’s unique characteristics determines the ‘individualistic’ tendencies of a person (HS Kim & Markus, 1999; Lynn & Snyder, 2002; HR Markus & Kitayama, 1991; Oyserman et al., 2002). The unique name and the owner’s demand for uniqueness are both part of the personality characteristics of the name owner, and also the embodiment of their personal cultural values (H Cai et al., 2018). Varnum and Kitayama (2011) find in a study conducted in the United States and Canada that the greater the proportion of children with special names in a region is, the more individualistic ideas prevails in that region. Ogihara et al. (2015) propose that name uniqueness is an effective indicator to measure individual’s tendency towards individualism.