Cuadernos de Economía (2022) 45, Issue 129 Page 19-27

Cuadernos de economía

www.cude.es

ARTÍCULO

The Modest Part of CEO Dichotomy in the Connection Between Ownership Structure and the Completeness of Financial Reporting in Saudi Arabia

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Jel Codes:

M14; N14

Keywords: CEO duality, institutional ownership, family ownership, completeness of financial reporting.

Abstract: This study explores the role of the chief executive officer (CEO) duality in regulating the relationship between institutional and family ownership and financial reporting completeness in Saudi Arabia. This topic is investigated by collecting data from 172 companies for 2019–2021 and analyzing it using multiple linear regression approaches. According to the findings, CEO duality, institutional ownership, and family ownership are essential for increasing the accuracy and completeness of financial reporting. The results reveal a significant relationship between family ownership and financial reporting thoroughness. In addition, there is no correlation between institutional ownership and the completeness of financial reporting. Future studies may investigate corporate governance systems, such as the board of directors, audit committee, and external auditors, about institutional versus family ownership and the thoroughness of financial reporting.

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https://doi.org/10.32826/cude.v3i129.803
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1. Introduction

Managers provide financial reports to inform stakeholders of their organizations' financial performance (Ali et al., 2021; Harban et al., 2021). Moreover, financial reporting disclosure enables the best-performing enterprises to distinguish themselves from the worst-performing firms in the financial system (Al Nawaiseh et al., 2021; Ebrahim, Ali, & Oudat, 2021). Disclosures facilitate the capital market (Solikhah et al., 2020), particularly in lowering uncertainty costs, minimizing evidence irregularity, and boosting investors' confidence in the described accounting material (Alqaraleh et al., 2018).

The financial reporting process for publicly traded corporations includes elements that increase the financial reports' accountability and openness (Idris et al., 2018). Stakeholders' interests are protected since information manipulation, which can have negative implications, is prevented. As part of these monitoring systems, the agency theory posits that ownership structure procedures should align the interests of management and shareholders (Ebrahim et al., 2021). According to the agency theory, a corporation must have an external check that is impartial and professional in its control and monitoring (Al Nawaiseh et al., 2021; Alkooheji et al., 2021). These corporate governance systems can serve as deterrents while protecting shareholders' wealth. In addition, Owusu et al. (2018) suggested that thorough disclosure could replace monitoring because ownership, apart from control, reduces agency expenses.

It might be claimed that ownership structure impacts disclosure, and since ownership arrangements vary widely between companies, the quality of board oversight of disclosures varies (Al-Bassam et al., 2018). In this way, conflicts of interest will move from management to management-minority shareholders when board members control a considerable proportion of business shares. Importantly, substantial board ownership can result in building a power base that necessitates the creation of an atmosphere conducive to managerial entrenchment, reducing outside shareholders' ability to supervise the management and possibly boosting opportunistic behavior (Salehi et al., 2020).

Aktan et al. (2018) discovered a negative relationship between executive share ownership and management's board monitoring activities in their research. Zaid et al. (2020) highlighted that the demand and motivation for transparency would be altered when managers hold most of the firm's shares. Bakar et al. (2021) also discovered a correlation between entrenched management and ownership concentration. In a related study, Simangunsong (2020) discovered that board-imposed ownership control supports shareholder expropriation. According to Jawaid Siddiqui et al. (2021), concentrated ownership might help management at the expense of minority shareholders. In the meantime, Akben-Selcuk (2019) discussed the potential influence of entrenched ownership concentration on the board on corporate transparency. According to Alawamleh et al. (2021) and Ali et al. (2020), a lack of openness could be costly for businesses.

Investors from outside the company cannot access company information. But, outside investors can convince managers to share all information through the board (Alqaraleh, Almari, Ali, & Oudat, 2022; Harban et al., 2021; Thuneibat et al., 2022). So, full disclosure is mainly determined by the board's objective and the influence of outside shareholders (El-Bassiouny et al., 2018). According to the firm theory on ownership and control, an increase in external ownership will result in a rise in board oversight. A high amount of transparency reflects a high level of board oversight (Kilincarslan, 2021). Consequently, this study aimed to determine whether board ownership is a governance issue that influences the decision to release complete information.

In Martin et al. 's (2017) study, the factors evaluated were chief executive officer (CEO) appointments, board power, and CEO duality to discern the critical division of labor between the board chair and CEO and the inherent and legal ability of the board to assign tasks. The writers concluded that CEO duality is a result, not a measure of the board's influence. In doing so, they demonstrated the validity of the agency theory. It is also reported that the limited nature of the CEO dichotomy on the relationship between ownership structure and the completeness of financial reporting may compound the agency problem. Thus, this study presents numerous hypotheses on the impact of board features on appointing the CEO as board chair. This work contributes to the agency theory's understanding of corporate governance.

1.1 Problem statement

Complete, impartial, and error-free financial information is recognized as reliable (Alqaraleh et al., 2022; Jawabreh et al., 2022). However, Alqaraleh et al. (2018) discovered that the information supplied by corporations was insufficient. The issue of inaccurate and misleading information appears to be tied to incomplete information; hence, partial information is regarded as unimportant and unreliable (Brown et al., 2020).

Table 1.1 Disclosing items

Items	2016	2017	2018	2019
Many companies failed to adhere to the mandatory disclosure requirements in their yearly report.	66	76	78	79
Total number of companies	261	255	251	246

Source: https://www.saudiexchange.sa/ (2017, 2018, 2019, 2020).

Table 1.1 illustrates the failure of corporations to include all required information in their annual report. In 2016, 66 of 261 companies failed to disclose all required information. In 2019, it was reported that 79 out of 246 companies had failed to disclose all required information. Relating to these findings, the agency theory suggests that principals and agents frequently lack precise information, exemplifying the phenomena known as "asymmetric information."

2. Research Question

The central questions included in our study concentrate on examining the practical answers for the listed question below.

- What is the direct relationship between institutional ownership and the completeness of financial reporting?
- What is the direct relationship between family ownership and the completeness of financial reporting?
- How does duality impact the relationship between institutional ownership and the completeness of financial reporting?
- How much does the duality moderate the connection between family ownership and the completeness of financial reporting?

3. Objectives of the Study

The four main research objectives of this study are as follows:

- to investigate the relationship between institutional ownership and the completeness of financial reporting
- to investigate the relationship between family ownership and the completeness of financial reporting

- to examine the modest effects of duality variables on the connection between institutional proprietorship and the completeness of financial reporting
- The objective is to examine how dichotomy variables moderate the relationship between family ownership and the completeness of financial reporting.

4. Significance of the Study

It has also been discovered that the ownership structure of the board of directors influences the disclosure of complete information. This relationship needs to be validated for Saudi Arabia, particularly regarding how these characteristics may impact disclosure policies (Al-Ebel, 2013). This report examines the relationship between Saudi Arabia and 172 corporations from 2019-2021.

5. Literature REVIEW and HYPOTHESIS

The ownership structure is a mechanism that connects the managers' and shareholders' interests. Significantly, ownership is dispersed among publicly traded firms in the United States and the United Kingdom. In contrast, ownership in Saudi Arabian publicly traded corporations seems more concentrated or dominated by insiders. In this study, institutional and family ownership are surrogates for measuring ownership structure.

A. Institutional Ownership

The agency theory is founded on the premise that interested parties behave in their self-interest. The idea claims that both principals and agents are rational and utility-oriented. The agency hypothesis shows that problems are related to ownership structure and institutional ownership. As monitoring devices, institutional investors can reduce the need for capital markets to serve as external monitoring systems. It has been argued that institutional ownership is essential for minimizing agency conflicts by checking managerial conduct or regulating the organization (Alkooheji et al., 2021; Oudat et al., 2021). Thus, only large institutional investors are incentivized to scrutinize enterprises' management performance.

Almari (2021) identified institutional investors as a unique category of shareholders with a comparatively larger interest in shares and more voting power. It is typical for certain institutional investors to prioritize their interests by concentrating on the short-term earnings of the companies in which they invest. Nonetheless, enhancing long-term performance through solid management techniques is the primary objective for most institutional investors.

Qa'dan et al. (2018) were among those who empirically discovered a positive correlation between institutional ownership and CSO transparency. In addition, Chung et al. (2011) evaluated the relationship between corporate governance and institutional ownership among 12,093 American Stock Exchange (AMEX)-listed companies between 2001 and 2006. In keeping with prior findings, the authors noted that institutional investors appear to be interested in the stocks of companies with sound governance systems to satisfy their fiduciary duty and minimize monitoring and exit costs. So, the following hypothesis is put forward:

H1: There is a positive relationship between institutional ownership and the completeness of financial reporting.

B. Family ownership

Many contingency considerations have shown the advantages and disadvantages of family ownership. For instance, Alkooheji et al. (2021) and (Minichilli et al., 2016; Alkooheji et al., 2021; Minichilli, Brogi, and Calabr) note that firm recital appears to be sensitive to how family ownership is described or how the firm is classified, the employed sample, and the amount of time allocated for analysis purposes. Thus, contemporary research on corporate governance proposes paying greater attention to several possible scenarios. Among these variables are industry contexts, ownership, institutional arrangements, the firm's financial health, and the national or supranational phase of economic development (Almari, 2021).

This paper discusses the most recent global financial and economic crisis as a natural exogenous shock, which may aid in determining whether and how the benefits connected with the financial performance of family ownership rise during a crisis. Throughout the process, behavioral theories are developed. For instance, Harban et al. (2021) found that businesses have a variety of economic and non-economic aims that shape attitudes, perceptions, and values and, consequently, the potential for diverse coalitions within the organization.

According to Minichilli et al. (2016), the monitoring coalition of family associates appears to fundamentally represent the family's non-economic aims, values, and emotions. In addition, family-owned businesses consider both the owners' and managers' interests. Importantly, control techniques are optional for these companies. Ali (2022) and Shibly et al. (2021) theorized that this could be because supervisors will always follow the companies' interests.

According to Alkooheji et al. (2021), family enterprises have a lower efficiency. Moreover, Ciftci et al. (2019) reported that such companies aspire to pass on the business, which commonly results in nepotism, which is detrimental and causes weaknesses in professional management. Such a circumstance hinders the company's ability to hire valuable external management without ties to the controlling family (Firfiray et al., 2018). Thus, the relational-based approaches between the board members, the management team, and the owners' representatives deal with a more objective form of evaluation through market mechanisms. The managers deal with a reduced turnover rate and more secure, higher-paying positions.

Sarhan et al. (2019) stated that family businesses tend to appoint family members to the board, reducing monitoring efforts. According to the authors, this decreases the firm's perceived dependability among financial markets. According to Martnez-Ferrero et al. (2018), private information is typically kept inside the family for such businesses, reducing the information flow to outsiders. Hence, following AlQadasi et al. (2018), it is anticipated that publicly traded family businesses will disclose accounting information of inferior quality.

Chau et al. (2010) explored the empirical relationship between the extent of voluntary disclosure, the level of family ownership, and board independence. They reported that using an impartial presiding officer can reduce the influence of family ownership on disclosures. The authors also discovered a correlation between family possessions and disclosure. In Taiwan, Chu (2011) examined 786 family-owned businesses from 2002 to 2007 and found a positive correlation between family ownership and firm performance. According to the author, the link is critical when the business unit executives, top managers or executive directors, or board members are family members.

Small and Medium-Sized Businesses (SMEs) have a superior and more robust relationship between ownership and performance than bigger businesses. Studying 465 Taiwanese enterprises from 2002 to 2006, they found that family ownership positively affects performance and that a company might initially achieve a higher profit level before experiencing a profit decline. In addition, the author stated that family ownership of more exceeding 30 percent would result in entrenchment, hence

decreasing performance. The following hypothesis is therefore presented:

H2: There is a positive association between family ownership and the completeness of financial reporting.

A. CEO duality

The agency theory supports role separation between the chairman and the chief executive officer, given that power consolidation will emerge if the same individual holds both positions. Since the CEO and the chairman are distinct individuals, judging management performance might be subject to checks and balances (Alkooheji et al., 2021). Isolated CEO duality can limit agency issues and boost the integrity of financial reporting. When the CEO is also the board chair, they may be tempted to prioritize their interests over those of others.

Ahmed Zakaria (2019) discovered a strong and positive association between non-duality and the extent of voluntary disclosures. In a related study, San Ong et al. (2019) found that organizations with separate CEO and chairman purposes are more likely to disclose additional information.

Ganesan et al. (2017) investigated the relationship between the qualities of corporate governance and the extent of sustainability disclosure, with an internal audit serving as a moderator. The results showed that an internal audit tempered the relationship between CEO duality and sustainability disclosure level. Utilizing a sample of listed Brazilian firms, Bueno et al. (2018) quantitatively analyzed voluntary disclosure, focusing on the board of directors' characteristics that influence disclosure. They discovered that the CEO and board chairperson positions negatively affected disclosure. Thus, the following hypotheses are presented in the study:

H3: CEO dichotomy restrains the relationship between institutional possession and financial reportage completeness.

H4: CEO duality moderates the connection between family possession and financial reportage completeness.

Rahayu et al. (2020) and Ismail et al. (2014) on equal footing examine the relationship between family ownership, board characteristics and financial reporting quality in Indonesia and suggest that family ownership and board independence have a positive effect on financial reporting quality. Consistent with the findings of other researchers, studies revealed that family ownership affected the thoroughness of these firms' financial reporting (Firfiray et al., 2018).

6. Methodological Technique

This section will discuss the techniques used to create estimates and test hypotheses for this study. In our study, we develop two models to explore the role of the chief executive officer (CEO) dichotomy in moderating the relationship between institutional ownership, family ownership, and financial reporting completeness in Saudi Arabia. Multiple linear regression analysis is a suitable method for examining the relationship. With this method, we may determine the relationship between the independent and dependent components while controlling for other variables.

Multiple linear regression analysis includes numerous independent variables, which helps adjust for additional variables that may influence the dependent variable. In addition, we conduct several diagnostic tests to verify the model's assumptions, such as residuals' normality, linearity, homoscedasticity, and error independence.

The annual report for 2019-2021 was examined to achieve the objectives of this study. Yearly reports were chosen due to their accessibility and availability. This was a further consideration in the selection procedure. This topic is investigated by gathering data from 172 businesses between 2019 and 2021 and analyzing the outcomes using multiple linear regression approaches.

Multiple linear regression is a statistical method for modeling the relationship between two or more explanatory variables and a dependent variable. Multiple linear regression allows for considering many independent variables instead of simple linear regression, which models the relationship between a single independent variable and a dependent variable.

The multiple linear regression model is expressed as follows:

$$y = b0 + b1x1 + b2x2 + ... + bn*xn + e$$

Where:

y represents the dependent variable

x1, x2, ..., xn signifies the explanatory variables

b0 shows the intercept

b1, b2, ..., bn represents the coefficients for each independent variable

e is the error term

Multiple linear regression seeks to identify the coefficient values b1, b2, bn that most accurately predict the value of the dependent variable y. This is commonly accomplished using the least squares method, which minimizes the sum of the squared errors between the anticipated and absolute y values.

When two or more independent variables are highly correlated, verifying for multicollinearity between the independent variables is vital before doing multiple linear regression. This can compromise the precision and dependability of the regression model.

Using the Durbin-Watson statistic, we determine whether the residuals of a regression model exhibit autocorrelation and update the model as necessary to account for this autocorrelation. This enhances the accuracy and dependability of the model, resulting in more accurate predictions and a deeper understanding of the relationships between the modeled variables.

The Breusch-Pagan test determines whether a regression model's residuals exhibit heteroscedasticity. When the residuals' variance is inconsistent across all values of the independent variables, heteroscedasticity occurs. This contradicts one of the assumptions of a linear regression model, which states that the variance of the residuals should be constant (i.e., homoscedastic) across all values of the explanatory variables.

Breusch-Pagan is a chi-squared test that compares the residual variance to a linear combination of the model's independent variables. If there is a considerable discrepancy between the two, this shows that the residuals exhibit heteroscedasticity.

Using the Breusch-Pagan test, we may determine whether a regression model's residuals exhibit heteroscedasticity and adjust the model as necessary to account for this heteroscedasticity. This enhances the model's accuracy and reliability, leading to more accurate predictions and a deeper understanding of the relationships between the modeled variables.

A. Sample

The study population comprised all Saudi Exchange-listed companies with 2016-2021 data available. The sample consisted

of 201 firms out of 209 total. The number of businesses in the study sample represented 96% of the total population.

B. Data collection

The data were attained from the selected respondent corporations, specifically through annual reports published on the Saudi Exchange website. Each of these companies was a Saudi Exchange-listed company.

C. Variable definition

7. Dependent Variable

- **Completeness**

As (Benston Mande, 2015) explained, completeness refers to the requirement of reporting the necessary information with due care to meet the necessary qualitative objectives. Regarding regulatory obligations and materiality, completeness in financial reporting is vital. Moreover, according to Shniekat et al. (2022), accounting users require accurate information since it enables them to make suitable and timely judgments. In this study, the disclosures received scores of 1 and 0. Complete disclosures were given a score of 1 by the Saudi Arabia Securities Commission and the International Financial Reporting Standards (IFRS), whereas incomplete disclosures were given a score of 0. Utilizing 1 and 0 is also observed in several investigations (Alqaraleh et al., 2018).

Table 2. Components of the International Financial Reporting Standards (IFRS) disclosure index

IFRS	Disclosures
IAS 12, income levies	All obligatory disclosures
IAS 14, segment reporting	All obligatory business lines and
	earthly revelations
IAS 16, belongings, plant, and apparatus	Wholly obligatory revelations for
	enhanced property, plant, and
	Apparatus
IAS 17 occupancies	Entire obligatory revelations for
	Occupants
IAS 19, retirement profits	Whole obligatory revelations for
	definite pension benefits
IAS 23, borrowing charges	The policy of accounting for borrowing
	charge and mandatory revelations for
	capitalized borrowing charge wherever
	Appropriate
IAS 32, financial apparatuses	Information regarding types and characteristics
	of financial instruments,
	data covering interest rate
	risk, and information regarding credit Risk
IAS 33, paychecks on each share	Entire obligatory revelations
IAS 35 obsolete processes	whole obligatory revelations
IAS 36, deterioration of assets	Complete obligatory revelations
IAS 37, supplies, reliant liabilities, and liable assets	All obligatory disclosures
IAS 38, incorporeal assets	Entire obligatory revelations

Source: Alqaraleh and Ahmad (2018).

7.1 Independent variables and their measurements

The independent variables denoting ownership structures (i.e., board ownership, institutional ownership, and foreign ownership) and their measurements can be referred to in Table 2.

Table 3. Measurements of the variables

Variable	Code	Measurement	Supporters
Institutional ownership	IO	The proportion of dividends outstanding held by institutional shareholders	(Alkooheji, Salem Oudat, & JA Ali, 2021; Chu, 2011)
Family ownership	FO	Total ordinary shares held by family directors at the personal, family, and corporate levels	(Almari, 2021; Oudat, Ali, Hezabr, & Qeshta, 2021)
CEO duality	Duality	Companies employing the duality form stay implied with 0, whereas those retaining the non-duality form remain implied by 1	(Alkooheji et al., 2021)

7.2 Regression Model

For the period between 2019 and 2021, the impact of ownership structure on the timely financial reporting of Saudi exchange-listed companies was analyzed, and the following multiple regression model was developed:

Examining the moderating effect of CEO dichotomy on the relationship between ownership structure and the completeness of financial reporting of Saudi exchange-listed companies over the period 2019–2021, the following multiple regression model was developed:

Model 1

$$CFR = \beta 0 + \beta 1\ IO + \beta 2\ FO + \varepsilon i$$

Model 2

$$CFR = \beta 0 + \beta 1(IO \times Duality) + \beta 2(FO \times Duality) + \varepsilon i,$$

where

CFR = completeness of financial reporting

IO = institutional ownership

FO = family ownership

Duality = CEO duality

8. Description of the Data

It is apparent from Table 3 that the descriptive statistics outputs were affected by the model variables. In the

descriptive statistics, the mean, standard deviation, minimum, and maximum were all included. In Table 3, the mean value for the completeness of financial reporting (CFR) ranges from 0 to 1, with a minimum value of 0 and a maximum value of 1, indicating that the CFR of the sampled firms is not significantly different.

Table 4 further reveals that institutional ownership (IO) has a mean value of 2.355698, ranging between 0 and 365 members. The family ownership (FO) descriptive result reveals a mean value of 0.460581 with minimum and maximum values of 0.1 and 0.9, respectively. In addition, the mean value of the CEO dichotomy is 0.1453488, with minimum and maximum values of 0 and 1, respectively.

Table 4. Descriptive statistics

	CFR	IO	FO	Duality
Mean	0.7945736	2.315698	0.4600581	0.1453488
Standard deviation	0.4044049	27.76226	0.1473948	0.3527942
Kurtosis	3.126461	170.0013	2.878106	5.050068
Skewness	-1.458239	12.99996	0.4075824	2.012478
Minimum	0	0	0.1	0
Maximum	1	365	0.9	1

None of the correlation coefficients in the table are more than 0.80. This indicates no multicollinearity problem since the variables could not be deleted. Alqaraleh, Thuneibat, and Nour advocated for a correlation coefficient of 0.8. (2020).

Table 5. Correlation matrix

	CFR	IO	FO	Duality
CFR	1.000	0.0591	0.0289	-0.5242
IO	0.0390	1.000	0.0359	-0.0216
FO	0.0188	0.0259	1.000	-0.0532
Duality	-0.6341	-0.0314	-0.0431	1.000

The first independent variable, IO, did not affect the accuracy of financial reporting, according to Table 5. The results did not support the first hypothesis H1, which postulated a considerable positive correlation. The results contradicted Qa'dan and Suwaidan's (2018) study, which identified institutional investors as a distinct class of stockholders with disproportionately more prominent ownership positions and voting power.

Yet, the study's results supported H2 because they demonstrated a strong positive correlation between FO and CFR. According to the findings of AlQadasi and Abedin's (2018) study, it is anticipated that listed family businesses will produce accounting data of inferior quality. The outcome corresponded with this anticipation.

Table 6. Empirical results

Regression results ($SFR_t = \beta_0 + \beta_1 IO_t + \beta_2 FO_t + \varepsilon_t$)				
	Coef.	**Std. Err.**	**P > |t|**	**VIFs**
Constant	0.910701	0.045899	0.0000	-
IO	0.003386	0.006617	0.6090	1.00
FO	1.735420	0.047177	0.0000	1.00
R^2 = 0.7510 Adj. R^2 = 0.7232 Significance of *F* = 0.0000 Breusch-Pagan (Prob > chi^2) = 0.0021 Durbin-Watson = 1.9313				

In the moderation analysis, duality was utilized as the moderator variable to examine its impact on the connection between the study independents (IVs) and the primary dependent variable (DV) in the small sample research. Hence, the multiple regression analysis was conducted in three phases.

To achieve the significant purpose of the study, the variables under the IVs were examined in direct relationship with the DV in the first stage. In the second phase, the moderator variable, duality, was added to the model to examine its impact on audit lag. At the last stage, the moderator duality was introduced into the regression equation, identical to the first model; however, the initial value of the IVs was multiplied by the value of the intervening variable to account for the mediation interaction.

Table 7. Empirical results (moderator: Duality)

Regression results ($SFR_t = \beta_0 + \beta_1 IO_t + \beta_2 FO_t + \beta_2 duality_t + \beta_3 IO \times duality_t + \beta_4 I \times duality_t + \varepsilon_t$)				
	Coef.	**Std. Err.**	**P>|t|**	**VIFs**
Constant	0.910701	0.045899	0.0000	-
IO	0.002890	0.006363	0.6500	1.00
FO	1.766383	0.039497	0.0000	1.00
Duality	-0.183174	0.184963	0.0220	1.00
IO × Duality	1.421304	0.479748	0.0030	1.14
FO × Duality	-1.610858	0.304058	0.0000	1.91
R^2= 0.7712 Adj. R^2 = 0.8021 Significance of *F* = 0.0000 Breusch-Pagan (Prob > chi^2) = 0.0016 Durbin-Watson = 1.8507				

The relevant study variables are reported in Table 6. The findings supported H3: *CEO duality moderates the connection between institutional ownership and the completeness of financial reporting*. Moreover, the findings supported H4, which assumed that duality moderates the positive relationship between FO and CFR.

9. Conclusion

This study aimed to examine the minor role of CEO dualism in the relationship between ownership structure and financial reporting completeness in Saudi Arabia. Based on the test results from the regression models, the following hypotheses were derived: CEO duality enhanced institutional ownership and the completeness of financial reporting of Saudi Arabian companies, and institutional ownership had no effect on the completeness of financial reporting of these companies (Al-Khadash et al., 2019). This contradicted the conclusions reached by previous researchers on the subject (Sadaf et al., 2019).

The results validated our hypothesis that CEO duality may be related to family ownership and thorough financial reporting. The data also indicated that family ownership affected the thoroughness of these companies' financial reporting, comparable with the findings of previous researchers (Firfiray et al., 2018).

This study's findings have significant limitations. They could not be extended to the Saudi Arabian public sector. The investigators also discovered a breach of knowledge in financial reporting. In addition, multiple sample portions had to be comprehended, which the researchers cited as a disadvantage. The investigators required additional research in Saudi Arabia and the surrounding region.

The study concludes that family ownership influences the thoroughness of companies' financial reporting, which is like other researchers' findings (Al-Najjar et al., 2017). The research has various implications:

The study provides additional evidence that family ownership can alter financial reporting, which can help better understand the factors affecting the completeness and accuracy of financial reporting.

Governance's significance: According to the research, good corporate governance standards are critical for guaranteeing thorough and accurate financial reporting, particularly in family-owned businesses. This underlines the necessity for good governance processes and monitoring to ensure that corporations provide accurate and transparent financial information.

Investors, regulators, and other stakeholders worried about the potential influence of family ownership on financial reporting may scrutinize family-owned companies more closely due to this study.

Policy implications: The study may also have policy consequences, as regulators and policymakers may consider the findings when formulating financial reporting requirements and policies, especially for family-owned businesses.

Overall, the study gives beneficial insights into the impact of family ownership on financial reporting, which can be helpful for investors, regulators, politicians, and other stakeholders concerned with ensuring complete and accurate financial reporting.

To discuss the study's insufficiency, additional research is required. Investigators should examine several enterprises and public sector organizations and employ additional techniques. Further research may examine commercial governance structures such as the board of directors, audit committees, and external auditors. All of these were addressed by sources other than this study.

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