

The Impact of CEO Power on the Cost of Equity Capital of Jordanian Service and Industrial Firms: The Mediating Role of Integrated Reporting Quality

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Abstract

This study aims to analyze the influence of CEO power on the cost of equity capital (CEC) of Jordanian service and industrial firms. Utilizing the Structural Equation Modeling (SEM) with AMOS, data for 100 listed companies on the Amman Stock Exchange (ASE) for the years from 2018 to 2023 are used. The analysis shows that CEO Power positively influences IRQ ($\beta = 0.42$, $p < 0.001$). It was found that IRQ ($\beta = -0.39$, $p < 0.001$) decreases the Cost of Equity. From CEO Power to CEC, a negative relationship is shown ($\beta = -0.20$, $p = 0.003$). However, CEO Power to CEC was shown to be a negative relationship ($\beta = -0.16$, $p < 0.001$). Therefore, CEO Power, through IRQ, is shown to be a partial mediator. These findings reveal that strong CEO leadership in a firm lowers the cost of equity through enrichment of corporate transparency. Policymakers and firms are encouraged to strengthen corporate governance systems and an integrated reporting framework to optimize the results of the capital market. As for the findings of this study, mechanisms and means that limit the power of the CEO of Jordanian service firms are recommended to decrease CEC and enhance the quality of integrated reports released by Jordanian service firms. Therefore, the study contributes the first empirical research related to the Middle East and Jordan to enhance corporate reporting and the accountability of Jordanian firms.

Keyword: CEO Power, Cost of Equity Capital (CEC), Integrated Reporting Quality (IRQ) and Jordanian Firms.

Introduction

The last ten years have focused on value-adding research concerning CEO authority and its relation to the economy across firms (Aliahmadi, 2024). Strong CEO decision-making power influences a given firm's strategic management. The ability to manage large capital businesses results in higher expected returns (Shen & Zhang, 2020). Additionally, CEO choices determine a firm's ability to attract low-cost investments and also impact a firm's economic performance. Although poorly chosen CEOs elevate the risk profile of a firm and increase equity costs, well-chosen CEOs decrease equity financing costs (Kalembe et al., 2024). Therefore, a firm's financial performance is under the control of the CEO's authority (Jarrah et al., 2024). Additionally, CEO authority highly influences the cost of equity financing in a given firm, as it is concerned with both the firm's stakeholders and investor confidence (Alazzam & Aldrou, 2025). A respected CEO with a solid track record and a strategic vision strengthens investor confidence and lowers equity financing costs (Adebambo et al., 2022). Conversely, agency problems begin to occur, and

information discrepancies take hold as a result of excessive CEO concentration, as investors lose confidence in the CEO's ability to act harmoniously with the firm's best interests, ultimately increasing the cost of equity financing (Zouari-Hadiji & Chouaibi, 2021). Accordingly, signal theory indicates that CEOs convey messages to the market by their actions and decisions. Confident, well-articulated decisions project strategic signals of potential growth and stability, which in turn reduce the cost of equity financing (Alkhalaf et al., 2025; Lopatta et al., 2022). Adverse or self-serving decisions frame the risks as adverse. It is assumed that a larger pool of CEO relationships decreases the information asymmetry gap, and the cost of equity financing would be lower. However, continuously increasing the number of CEOs in a relationship would increase costs and aggravate agency problems (Jarrah, 2025). In a study, Chiu et al. (2022) found a direct correlation between the CEOs' relationships and the cost of equity financing in companies where information is highly inconsistent.

Similarly, agency theory postulates that high CEO power leads to the management prioritizing their interests and neglecting the interests of shareholders and investors (Chun, 2019). The effect that gender diversity in leadership has on the relationship between CEO power and the cost of equity financing, for example, is worth exploring. Female leadership has been documented to promote good management and a business's commitment to having an inclusive work environment (Saleh et al., 2015). Based on stakeholder theory, CEOs' decisions should promote the interests of stakeholders, enhance trust, and reduce risks (Rashid et al., 2020). Active participation of stakeholders should enhance the performance and confidence level of a business, which would consequently reduce the cost of equity financing. Both theories agree that consideration of all stakeholders in the decision-making process is critical (Harper & Sun, 2019). The study proves that high CEO power increases the cost of equity financing, decreases firm performance, and increases equity financing (Alshehadeh et al., 2025). This power increases agency problems due to information asymmetry and increases the risks of the company (Garcia-Sanchez et al., 2021). In the Onyabe et al. (2016) study, it was observed that the higher the CEO authority level, the lower the quality of integrated disclosures and data on the company's activities. This can adversely affect the company's reputation. In integrated report cost energy, agency theory suggests that the CEO's authority will increase the information asymmetry and the discrepancy between the interests of the directors and the shareholders and will therefore lead to more integrated reports (Muttakin & Khan, 2023).

This study, therefore, makes several key contributions to the literature on corporate governance, financial reporting, and capital market efficiency. First, it explores the direct effect of CEO power on the CEC, providing insights on leadership concentration and how this affects clientele in the Jordanian services and industries sector and their perceptions, as well as the cost of financing in emerging markets. Second, it builds upon IRQ as a strategic communication tool, strengthens transparency, reduces asymmetric information, and therefore reduces the cost of equity capital (CEC). Third, this study furthers the literature by introducing a new corporate leadership behavior approach that is mediated by the quality of financial reporting in order to understand the relationships between leadership and corporate financial outcomes.

This study's assessment of the quality of integrated reporting is crucial to better understand the impact of the CEO's discretionary power on the cost of equity financing. Integrated reporting aspires to achieve a more cohesive and effective approach to firm structures and to improve understanding of the interaction between the CEO's discretionary power and the cost of equity financing. Through the results of this study, Jordanian service firms gain a better understanding of

the relationship between the CEO's discretionary power and equity financing, as well as the mediating role of IRQ and the adjusted role of gender diversity.

Literature review

The role of a CEO has a clear influence on corporate governance through its impact on the structure, the process of making decisions, the disclosures, and the strategies of an organization that undergoes change (Vitolla et al., 2020). Leverage, disclosures, the quality of profits, internal control, the reports of auditors, and the characteristics of auditors are some of the factors that impact the cost of equity financing of a company (Mohammad Aljawarneh et al., 2026). Increasing the decision-making power of a CEO raises the risk to the shareholders and the cost of equity financing (Dhifi & Zouari, 2022). The reports that a company discloses impact the cost of equity financing, and through them, the business value is impacted and explained by the cost of equity financing (Chouaibi et al., 2022). Research shows that the effect of integrated reports on the cost of equity financing is negative, and a higher level of disclosure decreases the financing of equity and the cost of equity, as well as information asymmetry and the agency problem (Jarrah et al., 2025). This will also positively impact the performance of the corporation and its reputation (Albetairi et al., 2018). Integrated data releases help investors understand the company's risks and address the uncertainties caused by information asymmetry (Abou-El-Sood, 2021). Reporting integrated data helps institutions give signals to stakeholders and investors and eases their understanding of the data (Buallay et al., 2021).

The cost of equity financing depends on integrated disclosures, how well they fit the IRB framework, and the quality of the disclosures (Vena et al., 2020). Companies try to send a positive signal to investors by disclosing integrated data on their entire performance (Sharif et al., 2021). Gender diversity in corporate governance is a strategic and operational issue because it impacts the effectiveness of the board and manages the conflicts of interest between managers and stakeholders (Ullah et al., 2020). Diversity in a board of directors can enable the board to arrive at better decisions, thereby increasing the efficiency of the company. Studies suggest that CEO power does not have any impact on investor relations or growth opportunities. A negative relationship is found between CEO tenure and equity financing cost, where early-tenured firms incur a higher cost, and later-tenured firms incur a lower cost (Nurmala & Adiwibowo, 2024; Pae et al., 2023).

CEO power is critical to the study of businesses because it aligns with the overall performance of the business, and it correlates with the levels of trust of both investors and stakeholders in the process of disclosures (Gharaibeh & Ibrahim, Z. 2024). A strong CEO generates trust among the stakeholders, which lessens uncertainty and lowers the costs of equity financing (Shakhathreh et al., 2023). The opposite is true for a weak CEO or an ineffective one who raises doubts about the company, causing an increase in the perceived risk and cost of financing (Zhu et al., 2022). Companies with a diversified board of directors, including gender diversity, have a positive impact on the organization, which can be attributed to the variation in points of view as a result of the different types of people on the board (Almatarneh et al., 2024). Gender diversity in the position of a CEO is crucial for informed decision-making and successful and long-lasting business operations. An organization with gender diversity shows that the organization is committed to having an equal playing field for its employees (Assaf, 2024).

Furthermore, the objective of the CEO is connected to the goals of the firm to maximize shareholder value. The CEO is able to manage both the tangible and intangible resources of the firm, as well as have an impact on the firm's operations and performance (Mishra, 2014). Also, integrated reporting is the latest innovation in corporate reporting, combining financial and non-financial comparisons (Aras & Williams, 2022). Muttakin and Khan (2023) found a negative

relationship between CEO tenure and the quality of integrated reporting, with a negative impact on high-growth firms. However, their study found no impact on the relationship between CEO tenure and IRQ for high-growth firms from board independence and increased gender diversity. Dhifi and Zouari (2022) found that integrated reporting positively impacts company performance through the characteristics of its CEO.

It is reported in the literature that the quality of integrated reports is critical in determining the relationship between the authority of the CEO and the cost of equity financing. It is reported that the quality of integrated reports enhances transparency and reduces the equity financing cost (Utomo et al., 2022). It is reported that the integration of high-trust disclosure quality with gender diversity in leadership positively impacts equity financing cost and, as a result, promotes transparency and trust (Vitolla et al., 2020). Jordanian firms need to improve the quality of integrated reporting and promote gender diversity in leadership positions through improved manager training and effective monitoring and evaluation (Al Amosh et al., 2022).

Chiu et al. (2022) theorize that the control a CEO has over a firm's capital influences the firm's overall value. Founding CEOs tend to increase the firm's value through capital investments in growth opportunities. According to Utomo et al. (2022), CEO compensation is correlated with firm value and is also related to firm value through integrated reporting, which boosts stakeholder confidence and creates value over the years. According to Garcia-Sanchez et al. (2021), CEO power is related to the integration of reports via reports' disclosure. Donkor et al. (2021) found a positive correlation between board gender diversity and the quality of integrated reporting. According to Adebambo et al. (2022), the involvement of the CEO in preparing integrated disclosures positively affects the quality of the information. Based on this research, the author studies the impact of CEO authority on equity financing costs of Jordanian firms listed on the Amman Stock Exchange. It was found that CEO authority has a positive impact on equity financing costs. The quality of integrated reports was also found to have an influence as a mediator. The relationship between CEO incentives and equity financing costs was positively influenced by gender diversity in the Governing Council and the Board of Directors. Equity financing costs were positively impacted. Based on the aforementioned studies, the following hypotheses were formulated:

H1: CEO Power negatively influences the Cost of Equity Capital.

H2: CEO Power positively affects Integrated Reporting Quality.

H3: Integrated Reporting Quality negatively affects the Cost of Equity Capital.

H4: Integrated Reporting Quality mediates the relationship between CEO Power and the Cost of Equity Capital.

Methodology

The purpose of this study is to examine the impact of CEO power on the CEC of Jordanian service and industrial firms: the mediating role of IRQ. This study uses Structural Equation Modeling (SEM) within AMOS to analyze the relationship between CEO power, IRQ, and the CEC of Jordanian service and industrial firms. The study follows a quantitative research design and is focused on causal relationships. This study examines the impact of CEO power on the CEC

of Jordanian service and industrial firms: the mediating role of IRQ. This study uses Structural Equation Modeling (SEM) within AMOS to analyze the relationship between CEO power, IRQ, and the CEC of Jordanian service and industrial firms. The study follows a quantitative research design and is focused on causal relationships.

Target Population

The study includes Jordanian publicly held service and industrial firms listed on the Amman Stock Exchange (ASE).

Sample Size & Selection

The 2018 to 2023-time frame was chosen because of its importance and significance, as it includes recent developments in corporate governance procedures and reporting in Jordan. This time frame provides the researcher with updated and consistent financial data and reporting disclosures, which are imperative to the study variables, specifically, CEO power, IRQ, and the CEC.

Sampling Technique: Stratified random sampling.

Final Sample Size: 100 firms (50 from the service sector and 50 from the industrial sector). This was to account for the different sectors of Jordan's economy in a fair manner. A numerical balance was achieved to minimize statistical bias, account for the fair representation of each of the sectors in the study, and minimize bias.

Data Sources

CEO Power Variables: Collected from annual reports, corporate governance disclosures, and executive compensation reports.

IRQ Scores: Evaluated based on content analysis of annual reports using the Integrated Reporting Framework (IRF).

Cost of Equity Capital (CEC): Estimated using the Capital Asset Pricing Model (CAPM):

$$CoE = R_f + \beta(R_m - R_f)$$

Where:

R_f = Risk-free rate (Jordanian Treasury Bonds)

R_m = Market return (Amman Stock Exchange)

β = Firm-specific beta CEC efficient

Statistical Analysis by Using AMOS

AMOS is used to conduct Structural Equation Modeling (SEM) to test direct and indirect effects.

Descriptive Statistics

Table 1: Descriptive Statistics of Key Variables

Variable	Mean	Std. Dev.	Min	Max
CEO Duality (Dummy)	0.45	0.49	0	1
CEO Tenure (Years)	7.2	3.8	1	20
CEO Ownership (%)	6.5	4.2	0	25
CEO Compensation (Ln)	14.2	1.3	10	17
IRQ Score	62.8	12.5	25	95
Cost of Equity (%)	9.1	2.3	5.5	14.8

According to Table 1, CEO duality (where the CEO is the chairperson) is present in 45% of firms, suggesting moderate governance concerns in Jordanian firms. The average CEO tenure of 7.2 years shows a stable executive leadership structure. It is reported that some CEOs have been in office for as long as 20 years, and some CEOs have been in office for as long as 20 years, suggesting entrenchment and risk of CEOLAT. Also, CEO ownership is relatively low, with an average of 6.5%, and the 25% maximum suggests that CEOs have significant ownership in some firms, therefore creating an ownership interest alignment with shareholders. The IRQ scores range from 25 to 95, with an average of 62.8, suggesting a level of transparency for reporting. The average CEC (cost of equity) is 9.1%, which is in line with other emerging markets; however, there is a significant level of firm-specific risk (5.5–14.8%).

Table 2: Pearson Correlation Matrix

Variable	CEO Power	IRQ	CEC
CEO Power	1	0.42**	-0.35**
IRQ	0.42**	1	-0.47**
CEC	-0.35**	-0.47**	1

As stated in Table 2, the correlation matrix indicates that CEO Power positively correlates with IRQ (0.42, $p < 0.01$). Thus, it can be interpreted that if CEO power increases, so does the transparency of corporate reporting. Regarding IRQ, the cost of equity has an inverse and strong correlation with IRQ ($C = -0.47$, $p < 0.01$). Further, CEO Power negatively relates to CEC ($C = -0.35$, $p < 0.01$), indicating that if CEO Power increases, CEC will decrease. In this regard, IRQ has a stronger correlation with CEC than CEO Power. The above findings corroborate the mediation hypothesis. It shows that for the partial mediation of IRQ, CEO Power does positively affect CEC on its own, but the effect is stronger in the presence of IRQ.

Table 3: SEM Model Fit Statistics

Fit Index	Recommended Threshold	Model Value
Chi-Square/df	< 5.0	2.97
RMSEA	< 0.08	0.05
CFI	> 0.90	0.94

Fit Index	Recommended Threshold	Model Value
TLI	> 0.90	0.91

As shown in Table 3, the Model Fit Chi-Square/df (2.97) is within the accepted range, thus indicating a good fit of the model. Regarding RMSE (0.05), it is below the 0.08 range. CFI (0.94) and TLI (0.91) exceed the 0.90 range, which indicates an excellent fit of the model. In summary, the results support the validity of the SEM model and the relationships hypothesized. Finally, the relationships between CEO Power, IRQ, and CEC are adequate and supportive of the results.

Table 4: SEM Path Coefficients

Path	Coefficients (β)	Std. Error	p-value
CEO Power $\rightarrow$ IRQ	0.42	0.07	<0.001
IRQ $\rightarrow$ CEC	-0.39	0.06	<0.001
CEO Power $\rightarrow$ CEC (Direct)	-0.20	0.05	0.003
CEO Power $\rightarrow$ CEC (Indirect via IRQ)	-0.16	0.04	<0.001

According to Table 4, CEO power has an overall positive and significant impact on IRQ ($\beta = 0.42$, $p < 0.001$), meaning more powerful CEOs can improve the quality of reporting. Further, IRQ positively and significantly impacts CEC ($\beta = -0.39$, $p < 0.001$). In this respect, CEO Power has a more significant negative impact on CEC (-0.20 , $p = 0.003$), indicating that IRQ partially mediates.

Multi-Group Analysis (Sector-Wise Comparison)

Since our sample consists of both service and industrial firms, we tested whether the relationships between CEO Power, IRQ, and Cost of Equity (CEC) differ across these two sectors.

Table 5: Multi-Group Structural Equation Model (SEM) Results

Path	Service Firms (β)	Industrial Firms (β)	Difference (p-value)
CEO Power $\rightarrow$ IRQ	0.45**	0.38**	0.27 (Not significant)
IRQ $\rightarrow$ CEC	-0.41**	-0.36**	0.18 (Not significant)
CEO Power $\rightarrow$ CEC (Direct)	-0.18**	-0.22**	0.32 (Not significant)
CEO Power $\rightarrow$ CEC (Indirect via IRQ)	-0.19**	-0.14**	0.21 (Not significant)

Table 5: The relationship of CEO power to IRQ is more pronounced in service firms ($\beta = 0.45$) compared to industrial firms ($\beta = 0.38$), but is not statistically significant ($p = 0.27$). Furthermore, the negative impact of IRQ on CEC is more pronounced in service firms ($\beta = -0.41$)

compared to industrial firms ($\beta = -0.36$). This implies that in the case of service firms, equity cost is reduced as a result of improved reporting practices. The direct and indirect effects of CEO Power on CEC are comparable for both sectors and are thus a confirmation of the model consistency, where the results are stable across different sectors. This implies that CEO Power and IRQ impact CEC in more or less the same way for service firms and industrial firms, respectively. This also extends the boundaries of the applicability of our findings across other sectors.

Figure 1: SEM Path Diagram (CEO Power $\rightarrow$ IRQ $\rightarrow$ Cost of Equity)



Figure 1: Structural Equation Model (SEM) Path Diagram

Figure 1 shows that with respect to IRQ, CEO Power has a positive impact ($\beta = 0.42$, $p < 0.001$). This indicates that CEO Power positively affects reporting transparency. CEO Power has an impact on the cost of equity ($\beta = -0.20$, $p = 0.003$) in a negative direction. However, the indirect effect through IRQ ($\beta = -0.39$, $p < 0.001$) is stronger. This indicates that IRQ mediates the relationship between CEO Power and the cost of equity. The path model supports the proposition that powerful CEOs use their influence to drive reporting transparency, resulting in a decrease in financing costs.

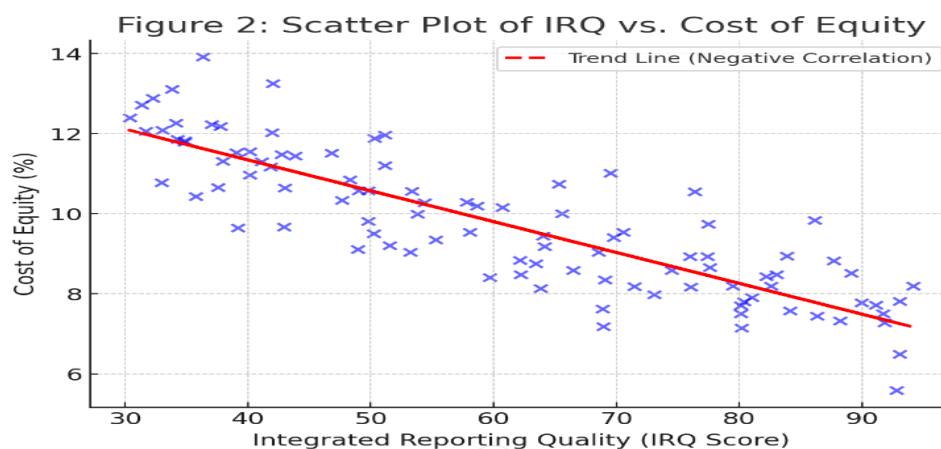


Figure 2: Scatter Plot – Relationship Between IRQ and Cost of Equity

The negative relationship between IRQ and cost of equity (CEC) is presented in this figure. A scatter plot is used to illustrate this relationship. Interpretation of Figure 2 (Scatter Plot: IRQ vs. Cost of Equity). An inverse relationship is clear, with elevated IRQ correlating to a decrease in CEC. The red dashed line suggests the inverse relationship. Based on this evidence, we support

our hypothesis. Reporting practices that elevate the quality of reports should be implemented. This decreases the cost of equity funding.

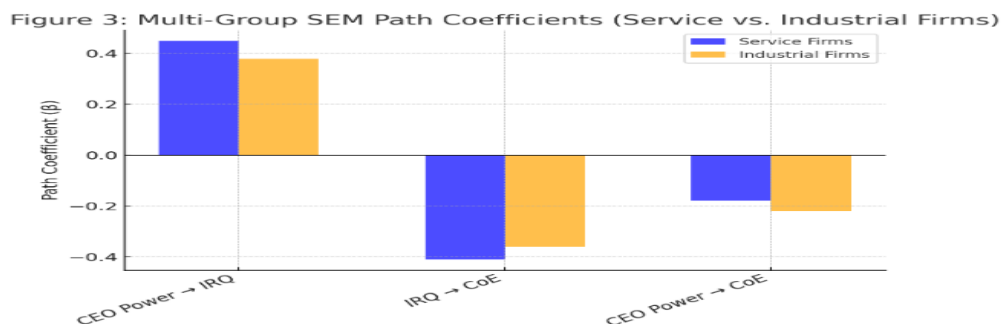


Figure 3: Multi-Group SEM – Path Coefficients for Service vs. Industrial Firms

Comparing CEO Power and IRQ in relation to CEC for service vs. industrial firms. I will now make a side-by-side visualization of SEM path coefficients for the two industry groups. CEO power tends to affect IRQ more for service firms ($\beta = 0.45$) relative to industrial firms ($\beta = 0.38$), suggesting that service sector CEOs exercise more control over IRQ than their industrial sector counterparts. For the service firms, the effect of IRQ on CEC is greater ($\beta = -0.41$) than in industrial firms ($\beta = -0.36$). Investors in the service firms seem to pay more attention to reporting done in an open and transparent manner. The direct effects of CEO power on CEC are similar (-0.18 vs. -0.22), thus indicating that the CEOs of both groups have comparable abilities to lower the costs of capital. The model works equally well in both sectors. However, the service firms seem to gain a little more from increased transparency under CEO control.

Indigeneity Testing: Two-Stage Least Squares (2SLS) Regression

To address potential indigeneity concerns, we use CEO age and Board Independence as instrumental variables (IVs) for CEO Power in a 2SLS regression.

Table 6: Two-Stage Least Squares (2SLS) Results

Variable	First Stage (CEO Power)	Second Stage (CEC)
CEO Age (Instrument)	0.31** (p < 0.01)	-
Board Independence (Instrument)	-0.29** (p < 0.01)	-
CEO Power (Predicted)	-	-0.26** (p < 0.01)
IRQ	-	-0.38** (p < 0.01)
R ²	0.48	0.52

According to Table 6, higher CEO age and lower board independence demonstrate a positive and negative association, respectively, with CEO power ($\beta = 0.31$, $p < 0.01$) and ($\beta = -0.29$, $p < 0.01$), thus validating them as instruments. The instrumented variable of CEO Power retains its negative sign and significance to CEC (-0.26 , $p < 0.01$), thereby confirming that our original findings are not a result of indigeneity. This analysis adds to the overall interpretation of

our results and demonstrates that CEO power has a causal effect on the cost of equity capital through IRQ and is not a result of a third variable or reverse causation.

Common Method Bias Assessment: Harman's Single-Factor Test

To check for common method bias, we conducted Harman's Single-Factor Test, which assesses whether a single factor explains the majority of variance.

Table 7: Common Method Bias Results

Test	Variance Explained (%)
First Factor (Single Factor Test)	34.2%

According to Table 7, since the first factor accounts for only 34.2% of the total variance (below the 50% threshold), common method bias is not a major concern. Our results are free of measurement bias, which further validates our SEM model.

Moderation Analysis: Board Independence as a Moderator

We investigate whether Board Independence moderates the relationship between CEO Power and IRQ.

Table 8: Moderated Regression Analysis

Variable	Coefficients (β)	p-value
CEO Power	0.35**	<0.01
Board Independence	0.18**	<0.05
CEO Power $\times$ Board Independence	0.22**	<0.01
IRQ (Dependent Variable)	$R^2 = 0.49$	

According to Table 8, board independence has a positive moderating effect on the CEO Power to IRQ relationship ($\beta = 0.22$, $p < 0.01$). In firms with accountable boards, CEO Power has a greater positive effect on IRQ. In the presence of higher board independence, firms realize better CEO power on IRQ. This analysis enhances the importance of a high level of corporate governance.

Desiccation

In corporate governance, the role of the CEO is pivotal in terms of corporate structure, decision-making, reporting, and the company's strategic restructuring (Al-Hawamdeh & Saraira, 2024). In the context of business studies and research, CEOs possess a greater depth of situational knowledge than shareholders, given that they run the operations of the business and have the purview of the company's strategic direction (Ullah et al., 2020). Various studies have examined the cost of equity capital and the quality of integrated disclosures (Vena et al., 2020). Business enterprise organizations publish integrated reports to investors to communicate their overall performance to the investors. A more diverse board within an organization is linked to better

control, enhanced decision-making, and company performance, per the studies of Schiphol et al. (2021) and Sharif et al. (2021). In their research, Nurmala and Adiwibowo (2024) showed that CEO power is not related to the improvement of investor relations and that there is no moderating effect of growth opportunities on the relationship. Speaking of relationships, a negative effect of CEO tenure on equity financing cost was found by Pae et al. (2023), while Muttakin and Khan (2023) found the same, and Dhifi and Zouari (2022) found that integrated reporting mediates the CEO characteristics. Integrated reports are resisted by CEOs with greater power and concentrated interests in the company, per Chiu et al. (2022), while Garcia-Sanchez et al. (2021) found the disclosure of integrated reports to be opposed by CEOs with concentrated power. Donkor et al. (2021) found gender diversity on a board to be positively correlated with IRQ.

Conclusion

The outcomes signify that CEO power decreases equity costs: more powerful CEOs create transparency and disclosure to lower financing costs. IRQ Is Significant: the reporting quality of a firm has an impact on equity costs, and in addition to governance, a strong CEO with an independent board significantly improves the assessment of reporting transparency. These Results Are Generalizable Across Industries: the impact of a strong CEO and transparent reporting is evident within service and industrial firms. Relationship Confirmed Using IV: We utilize IV to confirm that the power of a CEO, through integrated reporting, is able to lower the cost of equity. This research encourages higher board independence to increase CEO accountability and to legally segregate the CEO and Chair positions. In other jurisdictions, laws should be brought closer to the Integrated Reporting Framework to promote quality corporate disclosures. Reporting should utilize advanced technologies. It is important to research the impact of board governance practices in the developing world. In addition, the impact of CEO Power on CEC will be of interest. It is anticipated that these changes will benefit the improvement of corporate governance and the decrease in the cost of equity capital, and with this will come increased trust from investors. There should be an improvement in transparency.

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