



The Impact of Board Characteristics on Disclosure Quality before and After Adopting IASs: An Empirical Study on Saudi Joint Stock Companies

Kholoud Awadallah Alsulamy^{1,2}, Abdulatif Mohamed Basheikh³, Helmi A. Boshnak^{3*}

¹Doctoral Student at Economics and Administration, King Abdulaziz University, Saudi Arabia, ²Faculty of Business College, University of Jeddah, Saudi Arabia, ³Faculty of Economics and Administration, King Abdulaziz University, Saudi Arabia.

*Email: eboboshnak1@kau.edu.sa

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ABSTRACT

This study examines the impact of directors' characteristics on disclosure quality in Saudi joint stock companies before and after the adoption of international accounting standards. The study employs an inductive approach to analyze quantitative data. The study sample comprises 98 non-financial companies listed on the Saudi Stock Exchange (Tadawul) over two periods: 2011-2016 representing the pre-adoption stage of international standards, and 2017-2022 representing the post-adoption stage. The theoretical framework is grounded in agency, stewardship, and resource dependence theories to explain the impact of directors' characteristics on disclosure quality, and the relationship between variables is analyzed using multiple regression analysis. The results show that before the adoption of international standards, board size, independence, and role duality had a positive impact on disclosure quality, while board meeting frequency had no effect. In contrast, after the adoption of such standards, board size and role duality no longer had any effect, while the impact of board member independence became negative, and board meeting frequency remained insignificant. This study contributes to the accounting and governance literature by presenting evidence from the Saudi environment on the effect of board characteristics on disclosure quality before and after the adoption of international accounting standards.

Keywords: IASs, Disclose Quality, Board Characteristics

JEL Classifications: G3, G32, G38

1. INTRODUCTION

Improved corporate governance practices emerged in response to the financial crises that affected companies and markets across East Asia, Latin America, and Russia during the 1990s, in addition to the global of 2008-2009 (Meteb, 2015). The ineffectiveness of oversight and performance monitoring within companies was a prominent cause of major corporation failures worldwide, including Enron and WorldCom (Juhmani, 2017), resulting in poor transparency and weak corporate financial data disclosure. The fallout from these collapses drew significant attention to the

definition of corporate governance which became a key focus for companies and international organizations. The topic garnered considerable interest among academics, researchers, analysts, and practitioners in both developed and developing nations, with the board of directors identified as a critical structure for monitoring management performance and safeguarding shareholder interests, thereby fostering trust and confidence in shareholder investments (Beasley, 1996). Agency theory suggests that robust board characteristics can strengthen corporate governance mechanisms that contribute to lower agency costs and the provision of higher quality disclosures (Jensen and Meckling, 1976).

There are some key attributes that impact the board as a mechanism of corporate governance, including board size, member independence, the frequency of meetings, and role separation between Chairman and CEO. Board size influences the capability of members to monitor and control management (Asmar et al., 2018). Further, having independent directors improves corporate oversight as such directors are less compromised by management wishes and are more able to assess performance impartially (Kaymak and Bektas, 2017). Chou et al. (2013) and Francis et al. (2012) argue that frequent meetings protect shareholder value as the board is continuously apprised of business events and can act quickly in response. Additionally, the separation of the roles of the Chairman and CEO enhances oversight quality and provides a mechanism of checks and balances on manager performance (Haniffa and Cooke, 2002).

Transparency and disclosure practice is one of the key components of corporate governance and a core pillar of governance quality (Liesegang and Bartley, 2014). Furthermore, disclosure quality is considered a control tool for shareholders, enabling them to understand how the company manages its financial resources, in addition to contributing to bridging the information gap between owners and management (Bravo, 2016). Effective disclosure quality helps to monitor management behavior to ensure it provides more accurate information to beneficiaries on expected cash flows from projects and investments, thereby reducing agency costs and preventing economically unviable investments (Bushman and Smith, 2001). Therefore, board characteristics may play a crucial role in ensuring disclosure quality, with an effective board better able to monitor management, ensuring information transparency and decision making that benefits all stakeholders.

In the context of Saudi Arabia, significant attention has been devoted by the regulatory bodies to the imperative of enhancing corporate governance through the implementation of legal and institutional reforms, particularly following the Saudi market downturn in early 2006. For example, the capital market authority (CMA) issued revised Corporate Governance Regulations under Resolution No. (8-16-2017) dated May 16, 1438 AH, corresponding to February 13, 2017 AD, and grounded upon the Companies Law issued by Royal Decree No. (M/3) dated January 28, 1437 AH. Chapter Three of these regulations comprehensively addressed the formation, responsibilities, and competencies of the board of directors which is regarded as the primary driver of the corporate governance system as it formulates overarching policies for company activities and protects shareholders' rights (Capital Market Authority, 2023a).

A paradigm shift in the Saudi market occurred when the Saudi Organization for Chartered and Professional Accountants (SOCPA) adopted in full the International Accounting Standards (IAS) as issued by the International Accounting Standards Board (IASB), with application to listed companies' financial statements for financial periods beginning on January 1, 2017 (SOCPA, 2017). IASs contribute to the enhancement of corporate governance by providing a clear framework for disclosure (Agyei-Mensah, 2013), leading in turn to improved internal control and a reduction in corruption and unethical practices. As IASs provide a unified

framework for financial reporting, ensuring that all companies present financial information in a transparent and reliable manner, this consequently enhances trust between investors and other stakeholders (Tran et al., 2019). Furthermore, the change impacts on the overall financial reporting process

This pivotal change in the financial reporting environment motivates this paper which aims to provide evidence from the Saudi context regarding the effect of board characteristics on disclosure quality in joint stock companies before and after the adoption of IASs. The study is organized into six main sections. The first section provides an introduction and outlines the nature of the research problem. The second section establishes the theoretical framework, with the third section addressing the literature review and hypothesis development. The fourth section outlines the methodology employed, while the fifth section describes and discusses the study findings. Finally, the sixth section presents the conclusion and recommendations.

2. THEORETICAL FRAMEWORK

The board of directors is the body responsible for governing a company which is accountable to the stakeholders and comprises a panel of executive and non-executive members, as delegated by the ultimate owners, the shareholders (Saha and Kabra, 2020). The board is best placed to monitor management behavior given its legal powers to appoint, dismiss, and reward senior management. The board acts to prevent the misuse of invested capital and is considered the central mechanism of the corporate governance system as it formulates high-level policies for the enterprise and thereby protects shareholders' rights (Naciti, 2019).

Pursuant of the Corporate Governance Regulations promulgated in the Kingdom of Saudi Arabia, the board of directors must be composed of between three and eleven members that suits the size, nature and activity of the company. More than half of the board are required be non-executive members, and at least one-third (with a minimum of two members) required to be independent. The regulations require that an independent member must adhere to independence criteria, enabling them to exercise their functions, express their opinions, and objectively and impartially vote on decisions, independent of the company's members and shareholders, while prioritizing the company's best interests and facilitating sound board decisions. The company is the full responsibility of the board, even where the board delegates to others, though general or blanket delegations are not permitted and its duties must be specifically delineated in the corporation's bylaws. A board member is legally required to act in the company's best interests, rather than those of the specific groups they represent or those who vote for their appointment (Capital Market Authority, 2023b).

The board plays a crucial role in protecting the interests of all stakeholders through two primary functions, as explained by both agency and resource dependence theories. According to agency theory (Jensen and Meckling, 1976), the board monitors managers to ensure stakeholder interests are met and it acts as a monitoring device to safeguard enterprise capital against misuse

by management through its legal authority to recruit, dismiss, and reward top management (Yusuf and Othman, 2018). Resource dependence theory sees the board's function as linking the company with its external environment (Calabrò et al., 2013), and the board possesses the capacity to represent the interests of all stakeholders (Hillman and Dalziel, 2003; Nicholson and Kiel, 2007).

In this role, the board determines company policy and objectives, formulates appropriate management strategies, and makes decisions aimed at increasing profits, managing assets, and disposing of them on behalf of stakeholders (Alexandrina, 2013). Naciti (2019) sees the board as the central engine of the corporate governance system, responsible for protecting stakeholder interests by guiding operations and supporting decision-making. Further, the board is critical component of financial reporting process oversight (Iqbal et al., 2011) and thus it plays a key role in determining disclosure policy (Michelon and Parbonetti, 2006) and ultimately it can contribute to improving disclosure quality.

The current study draws upon agency, resource dependence, and stewardship theories to analyze and interpret the manner in which board characteristics potentially influence the quality of disclosure, thereby providing a robust theoretical framework.

2.1. Agency Theory

This theory stems from the principal-agent relationship between shareholders (principals) and managers (agents), where the former delegate the management of the company to the latter (Jensen and Meckling, 1976). However, conflicts of interest result from managers pursuing personal interests which may not align with those of the shareholders. Thus, board characteristics become a central focus of governance whereby an independent and effective board works to monitor managers' performance and mitigate conflicts of interest (Weir et al., 2002). Furthermore, good disclosure plays a critical role in diminishing information asymmetry between managers and shareholders, enabling shareholders to better evaluate managers' performance (Davis et al., 1997). Agency theory therefore provides an analytical framework for better appreciating how board characteristics might influence disclosure quality. By enhancing the board's role and disclosure quality, agency costs can be reduced, leading to greater manager-shareholder interest alignment.

2.2. Resource Dependence Theory

This theory focuses on how companies interact with their external environment to secure resources essential for their survival and growth (Pfeffer and Salancik, 1978). It postulates that companies depend on external resources, making them susceptible to environmental influences and pressures (Ulrich and Barney, 1984). In this study context, the board occupies a critical position in linking the company with its external environment; a board with extensive expertise and strong external connections can help the company access and secure necessary resources (Tricker, 1984). Resource dependence theory thus provides a useful analytical framework for potentially explaining how board characteristics affect disclosure quality by enhancing independence

and composition with experienced members who bring external relationships.

2.3. Stewardship Theory

This theory views managers as stewards or fiduciaries acting in the best interests of the company and its shareholders (Mallin, 2011), contrasting with an agency theory perspective. It sees managers as inherently motivated to achieve the long-term success of the organization, with their own objectives aligning closely with shareholder objectives (Davis et al., 1997). The board thereby functions as a supportive partner and advisor to managers, rather than acting solely as a monitoring entity (Pucheta-Martínez and Bel-Oms, 2016). Stewardship theory suggests that granting trust and autonomy to managers fosters efficient performance and ethical corporate behavior (Donaldson and Davis, 1991). Consequently, stewardship theory provides an analytical framework for explaining how specific board attributes potentially impact disclosure quality, emphasizing collaboration and alignment between managers and owners, thereby mitigating the hierarchy of interests and directing efforts toward shared objectives.

3. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

3.1. Board Size and Disclosure Quality

Board size is defined as the number of board members (Khairiddine et al., 2020). The literature explores optimal board size, its supervisory and monitoring role over management practice, and its impact on disclosure quality. From an agency theory perspective, bigger boards bring a broader knowledge base, enabling them to better distribute work and develop more resourceful committees, thus enhancing their advisory function (Laksmana, 2008). This wider expertise may also contribute to a more effective discharge of their supervisory role. Resource dependence theory also sees larger boards as possessing the requisite knowledge and resources to manage the firm's capital resources effectively (Pfeffer, 1972). Furthermore, larger boards tend to exercise more effective oversight and control over management decisions compared to smaller boards (Dey, 2008). Therefore, larger boards generally bring greater effectiveness in their core functions, in turn driving better disclosure quality. In contrast, stewardship theory suggests that smaller boards can improve disclosure quality by facilitating better coordination and decision-making (Jaiswal and Bhattacharyya, 2016). In general, the extant literature suggests board size and disclosure quality are positively related across various economic and regulatory settings. Numerous studies have documented this positive relationship in different countries, including for France (Ben Ali, 2009), Australia and Saudi Arabia (Filfilan, 2016), Palestine (Asmar et al., 2018), Malaysia (Nawafly and Alarussi, 2019), the UK (Katmon, 2021; Almulhim, 2023), and Indonesia (Agrianti et al., 2021). These studies argue that a larger board size enhances the diversity of expertise and perspectives, thereby improving corporate disclosure quality.

However, other scholars highlight potential drawbacks of larger boards. In the context of U.S. companies, Jensen (1993) and

Lipton and Lorsch (1992) suggest that oversized boards may suffer from coordination and communication difficulties, reducing their monitoring effectiveness. Supporting this view, Karamanou and Vafeas (2005) find that US boards exceeding seven members tend to be less effective, while Cerbioni and Parbonetti (2007) report a negative association between board size and disclosure quality in European firms. Similarly, Hasan and Hussainey (2022) observe that larger boards exhibit lower financial reporting quality in both the UK and Pakistan.

According to Saudi Corporate Governance Regulations, boards should have between three and eleven members, and should be appropriate for the size, activity and nature of the company (Capital Market Authority, 2023b). Hence, based on the regulations and considering the above-mentioned theories, the current study posits the following hypotheses:

Hypothesis (1-a): There is a positive impact of board size on disclosure quality *before* the adoption of IASs.

Hypothesis (1-b): There is a positive impact of board size on disclosure quality *after* the adoption of IASs.

3.2. Board Independence and Disclosure Quality

Corporate governance emphasizes the principle of board member independence and thus the absence of any relationship between such members and company managers that might hinder their ability to perform their duties optimally (Alipour et al., 2019). In other words, by exercising their duties, a board member must provide opinions and vote on decisions in a fair and objective manner. Circumstances that might compromise their impartiality and independence include: share ownership by the member or their relatives of 5% or more; being a representative of a legal entity owning 5% or more of the shares; kinship with board members or senior executives; or having a vested interest in company contracts and business dealings (Capital Market Authority, 2023b).

Agency theory suggests that appointing independent board members helps to mitigate information asymmetry and enhances internal control (Anderson et al., 2004; Rasmussen and Schmidt, 2012). Resource dependence theory aligns with this perspective, such that independent directors embody a crucial mechanism for linking the company with its external environment (Tricker, 1984; Haniffa and Cooke, 2002). Strengthening internal control and communication with the external environment is fundamental to increasing disclosure quality. However, in contrast, stewardship theory argues that as outsiders, independent directors understand less the strengths and weaknesses of the company and therefore their board contribution is less effective (Davis et al., 1997). Therefore, member independence may not necessarily lead to improved disclosure quality.

Board independence is generally considered essential for effective oversight and high-quality disclosure. Several studies support this view across various country contexts. For instance, research in the US (Karamanou and Vafeas, 2005), France (Ben Ali, 2009), the UK (Hussainey and Wang, 2011; Almulhim, 2023), Saudi Arabia and Australia (Filfilan, 2016), and Pakistan

(Hasan and Hussainey, 2022) consistently shows a positive relationship between board independence and disclosure quality. These findings support the argument that independent directors contribute to stronger monitoring and reduced information asymmetry. However, contrasting evidence is reported in evidence for Singapore (Eng and Mak, 2003) and China (Gul and Leung, 2004), where board independence is negatively associated with voluntary disclosure. In the UK, Katmon (2021) finds that independence may be merely symbolic in some firms, limiting its effectiveness. These mixed findings highlight the importance of institutional and regulatory contexts when evaluating the impact of board independence.

Corporate governance regulations in Saudi Arabia require that boards must consist of at least one-third of independent members the, with a minimum of two members. An independent member is defined as a non-executive with independent power and discretion (Capital Market Authority, 2023b). Drawing on the extant literature and Saudi regulations, the current study posits the following hypotheses:

Hypothesis (2-a): There is a positive impact of board independence on disclosure quality *before* the adoption of IASs.

Hypothesis (2-b): There is a positive impact of board independence on disclosure quality *after* the adoption of IASs.

3.3. Number of Board Meetings and Disclosure Quality

While much of the literature on board effectiveness focuses on key characteristics such as size and independence as drivers of oversight, the intensity of board activities may be equally significant (Brick and Chidambaran, 2010). An active board is crucial for effective corporate governance. Given the difficulty in directly observing and measuring board effort and activity, meeting frequency is typically employed to proxy for diligence and operational continuity (Sharma et al., 2009; Yin et al., 2012). Agency theory posits that regular board meetings mitigate agency conflicts by providing a platform for members to monitor company operations, make strategic decisions, and align shareholder interests (Patnaik and Suar, 2020), thereby influencing disclosure quality.

The extant empirical literature concerning the association between board meeting frequency and disclosure quality yields mixed findings. Filfilan (2016) finds that higher meeting frequency is associated with increased member participation in company policies, leading to greater involvement and enhanced transparency, disclosure levels and quality in Saudi Arabian and Australian firms. Similarly, Anis (2016) finds that increased meeting frequency enhances board effectiveness due to greater time allocated to oversight, thereby improving disclosure quality. Furthermore, Nawafly and Alarussi (2019) examines Malaysian firms and finds that increased meeting frequency positively affects disclosure quality. In contrast, Asmar et al. (2018) finds no significant association between board meeting frequency and disclosure quality in Palestinian listed firms, a result also found by Katmon (2021) for UK firms.

Consistent with Saudi Corporate Governance Regulations, the board must hold its meetings on a regular basis (and whenever necessary) to perform its duties effectively, with a minimum of four meetings annually and at least one meeting every quarter. A meeting is considered quorate if attended by at least half of, but not <3, board members, unless company bylaws provide for a higher proportion (Capital Market Authority, 2023b). Thus, based on the extant literature and the governance regulations in place, the current study posits the following hypotheses:

Hypothesis (3-a): There is a positive impact of the number of board meetings on disclosure quality *before* the adoption of IASs.
Hypothesis (3-b): There is a positive impact of the number of board meetings on disclosure quality *after* the adoption of IASs.

3.4. CEO Role Duality

Role duality exists in the case where one person serves simultaneously as both Chairman and Chief Executive Officer (Abdel-Fattah, 2008), endowing them with elevated managerial power (Mak and Li, 2001). Agency theory suggests the separation of the two positions to ensure Chairman independence and enable faithful monitoring and supervision without the bias of the activities of the CEO and senior management (Al-Janadi et al., 2013). Separation thus ultimately lowers information asymmetry and improves disclosure quality. In contrast, stewardship theory argues that duality concentrates power and authority in one individual, thereby driving overall board efficiency and performance (Ahmadi and Bouri, 2017), enhancing its core functions and thus disclosure quality.

Agency theory sees role duality as concentrating excessive power and compromising board independence, consequently diminishing disclosure quality (Fama and Jensen, 1983; Jensen and Meckling, 1976). The Olivencia Report (1998) advocated role separation to maintain board power balance in management and CEO oversight, thereby improving disclosure quality. Ho and Wong (2001) and Haniffa and Cooke (2002) argue that role separation creates a mechanism of checks and balances in management performance that is absent in unified roles where information may be withheld from stakeholders. The empirical literature on role duality and disclosure quality is somewhat mixed. Said Mokhtar and Mellett (2013) find that duality negatively impacts disclosure quality and recommend role separation. Filfilan (2016) finds similar results for Saudi Arabian and Australian firms, as do Asmar et al. (2018) for Palestinian listed firms. In contrast, Rouf (2011) and Depoers and Jeanjean (2012) argue that there is no overlap or contradiction between the roles and that separating them negatively affects report disclosure. Indeed, Katmon (2021) finds no relation between role duality disclosure quality in UK firms, suggesting that companies may impose separation merely to comply with the Corporate Governance Code.

The Saudi Arabian Corporate Governance Regulations explicitly prohibit role duality, irrespective of any contrary provisions in the company's articles of association. The regulations also stipulate that a former CEO may not be appointed as Chairman within a year of their departure (Capital Market Authority,

2023b). Therefore, drawing on the existing literature and the regulations in Saudi Arabia, the current study posits the following hypotheses:

Hypothesis (4-a): There is a negative impact of CEO role duality on disclosure quality before the adoption of IASs.

Hypothesis (4-b): There is a negative impact of CEO role duality on disclosure quality after the adoption of IASs.

4. METHODS AND DATA

This study aims to examine the impact of corporate board characteristics on disclosure quality in Saudi joint-stock companies both before and after the adoption of International Accounting Standards (IASs). To achieve this aim and test the study hypotheses, the data are analyzed using descriptive statistics and multiple regression analysis, consistent with the existing literature (Htay et al., 2013; Asmar et al., 2018; Nawafly and Alarussi, 2019; Ibrahim et al., 2019; Agrianti et al., 2021; Abdul Latif et al., 2023; Ding, 2023; Marrone et al., 2024).

4.1. Population and Sample

The study population comprises all publicly listed joint-stock companies traded on the Saudi Stock Exchange (Tadawul) over the period 2011 and 2022. This period is further divided into two sub-periods: The pre-transition phase to IASs (2011-2016) and the subsequent post-transition phase (2017-2022). All study data were manually collected from the annual reports and board of directors' reports for the sample companies. The banking and insurance sectors were excluded from the sample due to their distinct nature and unique Saudi Central Bank regulatory obligations. The final sample consists of 98 non-financial listed companies.

4.2. Variables

4.2.1. Dependent variable

This study constructs a disclosure quality index for financial reports, grounded in the qualitative characteristics of financial information defined by the Accounting Standards Board (ASB) and referencing the International Accounting Standards Board's (IASB) Conceptual Framework for Financial Reporting (2010, revised 2018). The index's design also draws upon established disclosure indices from prior academic research (Al-Mulhem, 1997; Suwaidan, 1997; Craig and Diga, 1998; Haniffa and Cooke, 2002; Nichols and Wahlen, 2004; Omar, 2007; Beest et al., 2009; Anis et al., 2012; Agyei-Mensah, 2013; Chakroun and Hussainey, 2014; Filfilan, 2016; Jerry and Saidu, 2018; Agienohuwa and Ilaboya, 2018; Rathnayake Mudiyansele, 2020; Balios et al., 2021; Kabwe, 2023; Bosi et al., 2024). Comprising 32 items categorized into nine key dimensions - including forward-looking information, completeness, relevance, faithful representation, understandability, comparability, verifiability, and timeliness - the index assigns a binary score (1 for disclosure, 0 for non-disclosure) to each item. An unweighted approach is adopted to evaluate disclosure quality for all financial statement users, acknowledging the equal importance of each disclosure element and aiming to mitigate potential biases associated with weighted measures which can be subjective and vary across entities and time. This

methodology aligns with previous studies employing similar unweighted binary coding for disclosure quality assessment (Gray et al., 1995; Barako et al., 2006; Barokah, 2013; Sellami and Fendri, 2014; Utama and Utama, 2014; Filfilan, 2016; Agyei-Mensah, 2019; Ding, 2023; Marrone et al., 2024). To evaluate disclosure quality, the index calculated according to the following equation:

$$DQindex_{it} = \sum_{j=1}^{n_{it}} \left(\frac{d_{jit}}{n_{it}} \right)$$

Where:

- i = a number representing each company in the sample
- t = the fiscal year
- $DQindex_{it}$ = the disclosure quality index for Company i in year t
- n_{it} = number of applicable disclosure items of company i in year t (where $n \leq 32$)
- d_{jit} = 1 if an item j is disclosed by company i in year t ; and 0 otherwise

4.2.2. Independent variables

Table 1 details the board characteristic independent variables and their corresponding measurement, along with the prior studies which employed them.

4.2.3. Control variables

Table 2 details the model control variables and their measurement, along with the prior studies which employ them.

4.3. Study Model

To examine how board characteristics impact disclosure quality and to test the study's hypotheses, the following model is developed:

$$DQ_{it} = \beta_0 + \beta_1 BS_{it} + \beta_2 BI_{it} + \beta_3 BM_{it} + \beta_4 RD_{it} + \beta_5 FS_{it} + \beta_6 Lev_{it} + \beta_7 Prof_{it} + \beta_8 Liquid_{it} + \beta_9 FA_{it} + \beta_{10} AQ_{it} + a_{it} + \varepsilon_{it}$$

Where:

- DQ_{it} = Disclosure Quality index for company i in year t
- β_0 = Constant
- BS_{it} = Board size for company i in year t
- BI_{it} = Board independence for company i in year t
- BM_{it} = Number of board meetings for company i in year t
- RD_{it} = Role duality dummy for company i in year t
- FS_{it} = Firm size of company i in year t
- Lev_{it} = Leverage of company i in year t
- $Prof_{it}$ = Profitability of company i in year t
- $Liquid_{it}$ = Liquidity of company i in year t
- FA_{it} = Firm age of company i in year t
- AQ_{it} = Audit quality for company i in year t
- a_{it} = Company-specific fixed effect
- ε_{it} = Error term.

This model is applied to two periods: Model 1 represents the period 2011-2016 before adopting IASSs and Model 2 represents the period 2017-2022 after adopting IASSs.

5. EMPIRICAL ANALYSIS AND RESULTS

5.1. Descriptive Statistics Analysis

5.1.1. Variable descriptive statistics for the period before adopting IASSs

Table 3 presents the variable descriptive statistics for the period before the adoption of IASSs. The mean value of disclosure quality (DQ) is 0.730 with a standard deviation of 0.068, ranging from a minimum of 0.47 to a maximum of 0.88. Regarding the independent variables, average board size (BS) is eight members, ranging from four to 14 members with a standard deviation of 1.536. The mean board independence ratio (BI) is 0.50 with a standard deviation of 0.175, ranging from 0.002 to 1. The average number of board meetings (BM) is five, ranging from two to 16 meetings with a standard deviation of 2.17. The mean occurrence of role duality (RD) is 0.117 with a standard deviation of 0.32. Concerning the control variables, mean firm size (FS) is 19.25, ranging from 13.7 to 25.30 with a standard deviation of 2.6. Mean leverage (Lev) is 0.37 with a standard deviation of 0.21, ranging from 0.013 to 1. The mean profitability ratio ($Prof$) is 0.06 with a standard deviation of 0.10, ranging from -0.775 to 0.44. The mean liquidity ratio ($Liquid$) is 2.5 with a standard deviation of 2.76, ranging from 0.06 to 35.6. Mean firm age (FA) is 27 years, with a range from 1 to 64 years with a standard deviation of 15.063. Lastly, mean audit quality (AQ) is 0.61 with a standard deviation of 0.49.

5.1.2. Variable descriptive statistics for the period after adopting IASSs

Table 4 presents the descriptive statistics of the study variables for the period after the adoption of IASSs. The mean value of disclosure quality (DQ) is 0.81 with a standard deviation of 0.053, ranging from a minimum of 0.618 to a maximum of 0.91, indicating an improvement compared to the pre-adoption period. For the independent variables, the average board size (BS) is eight members, ranging from five to 14 members with a standard deviation of 1.5. Mean board independence (BI) is 0.48 with a standard deviation of 0.15, ranging from 0.14 to 1. The average number of board meetings (BM) was six, ranging from one to 22 meetings with a standard deviation of 2.38. The mean occurrence of role duality (RD) is 0.056 with a standard deviation of 0.230. Concerning the control variables, mean firm size (FS) is 19, ranging from 12.9 to 25.43 with a standard deviation of 2.80. Mean leverage (Lev) is 0.44 with a standard deviation of 0.48, ranging from 0.006 to 0.98. The mean profitability ratio ($Prof$) is -0.013 with a standard deviation of 0.54, ranging from -11.56 to 0.38. The mean liquidity ratio ($Liquid$) is 2.17 with a standard deviation of 2.45, ranging from 0.005 to 27.6. Mean firm age (FA) is 34 years, ranging from seven to 70 years with a standard deviation of 15.063. Lastly, mean audit quality (AQ) is 0.42 with a standard deviation of 0.49.

5.2. Bivariate Correlation Analysis

Pearson correlation matrices are computed to examine the relationship between the dependent (disclosure quality), independent (board characteristics), and the control variables. Given that all of the correlation coefficients are below 0.8, there is no evidence of multicollinearity issues among the variables (Gujarati and Porter, 2009).

Table 1: Measurement of the independent variables

Variable (labels)	Measurement	Previous studies
Board Size (BS)	Total number of board members.	(Htay et al., 2013; Asmar et al., 2018; Saha and Kabra, 2020; Boshnak, 2021; Vitolla et al., 2020; Chouaibi et al., 2022).
Board Independence (BI)	Ratio of independent, non-executive board members to total members.	(Wang and Hussainey, 2013; Gisbert et al., 2014; Kaymak and Bektas, 2017; Alipour et al., 2019; Katmon and Farooque, 2020; Boshnak, 2021).
Number of board meetings (BM)	Total number of meetings held over the fiscal year.	(Asmar et al., 2018; Katmon and Farooque, 2020; Boshnak, 2021; Vitolla et al., 2020; Katmon, 2021; Chouaibi et al., 2022).
Duality CEO role (RD)	Value of 1 if there is role duality, and 0 otherwise.	(Asmar et al., 2018; Saha and Kabra, 2020; Boshnak, 2021; Vitolla et al., 2020; Katmon, 2021; Chouaibi et al., 2022).

Table 2: Measurement of the control variables

Variable (labels)	Measurement	Previous studies
Firm size (FS)	Natural logarithm of total company assets.	(Asmar et al., 2018; Khairredine et al., 2020; Agrianti et al., 2021; Abdul Latif et al., 2023; Marrone et al., 2024).
Leverage (Lev)	Ratio of total liabilities to total assets.	(Asmar et al., 2018; Khairredine et al., 2020; Agrianti et al., 2021; Abdul Latif et al., 2023; Ding, 2023; Marrone et al., 2024).
Profitability (Prof)	Ratio of net income to total assets.	(Al-Janadi et al., 2013; Nahar et al., 2016; Asmar et al., 2018; Khairredine et al., 2020; Abdul Latif et al., 2023).
Liquidity (Liquid)	Ratio of total current assets to total current liabilities.	(Al-Janadi et al., 2013; Nahar et al., 2016; Asmar et al., 2018; Khairredine et al., 2020).
Firm age (FA)	Number of years since incorporation.	(Nahar et al., 2016; Asmar et al., 2018; Khairredine et al., 2020; Agrianti et al., 2021; Abdul Latif et al., 2023).
Audit quality (AQ)	Value of 1 if the company is audited by a Big Four audit firm, and 0 otherwise.	(Alsaed, 2006; Rashid, 2008; Uyar, 2013; Nahar et al., 2016; Asmar et al., 2018; Abdul Latif et al., 2023).

Table 3: Variable descriptive statistics for the period before adopting Iass

Variable (labels)	Mean	Standard deviation	Maximum	Minimum
Dependent variable				
Disclosure quality (<i>DQ</i>)	0.730	0.068	0.88	0.47
Independent variables				
Board size (<i>BS</i>)	8	1.536	14	4
Board independence (<i>BI</i>)	0.50	0.175	100	0.002
Number of board meetings (<i>BM</i>)	5	2.17	16	2
CEO role duality (<i>RD</i>)	0.117	0.32	1	0
Control variables				
Firm size (<i>FS</i>)	19.25	2.6	25.30	13.7
Leverage (<i>Lev</i>)	0.37	0.21	1	0.013
Profitability (<i>Prof</i>)	0.06	0.10	0.44	0.775
Liquidity (<i>Liquid</i>)	2.5	2.76	35.6	0.06
Firm age (<i>FA</i>)	27	15.063	64	1
Audit quality (<i>AQ</i>)	0.61	0.49	1	0

Table 4: Variable descriptive statistics for the period after adopting IASS

Variable (labels)	Mean	Standard deviation	Maximum	Minimum
Dependent variable				
Disclosure quality (<i>DQ</i>)	0.81	0.053	0.91	0.618
Independent variables				
Board size (<i>BS</i>)	8	1.5	14	5
Board independence (<i>BI</i>)	0.48	0.15	1	0.14
Number of board meetings (<i>BM</i>)	6	2.38	22	1
CEO role duality (<i>RD</i>)	0.056	0.230	1	0
Control variables				
Firm size (<i>FS</i>)	19	2.80	25.43	12.9
Leverage (<i>Lev</i>)	0.44	0.48	9.98	0.006
Profitability (<i>Prof</i>)	-0.013	0.54	0.38	-11.56
Liquidity (<i>Liquid</i>)	2.17	2.45	27.6	0.005
Firm age (<i>FA</i>)	34	15.063	70	7
Audit quality (<i>AQ</i>)	0.42	0.49	1	0

5.2.1. Pearson correlation analysis for the period before IASS adoption

Table 5 presents the Pearson Correlation matrix for the study variables before the adoption of IASSs. The results show a significant positive correlation at 1% level of 0.27 between disclosure quality (*DQ*) and audit quality (*AQ*), as well a correlation of 0.25 for board size (*BS*). Conversely, there is a significant negative correlation of -0.21 at the 1% level between disclosure quality (*DQ*) and board independence (*BI*). Regarding the interrelationship among the independent variables, board size (*BS*) shows a significant negative correlation of -0.27 with board independence (*BI*) at the 1% level. Board independence (*BI*) also

has a significant negative correlation of -0.26 at the 1% level with leverage (*Lev*), and -0.37 with audit quality (*AQ*). Concerning the control variables, profitability (*Prof*) exhibits a significant positive correlation of 0.23 with firm age (*FA*) at the 1% level. Leverage (*Lev*) has a significant positive correlation of 0.51 with liquidity (*Liquid*) but a negative correlation of -0.25 with firm age (*FA*) and -0.28 with audit quality (*AQ*), all significant at the 1% level.

5.2.2. Pearson correlation analysis in the period after IASS adoption

Table 6 presents the Pearson correlation matrix between the study variables after the adoption of IASSs. The results show a

Table 5: Pearson correlation matrix analysis for the variables in the period before IASSs adoption

	DQ	BS	BI	BM	RD	FS	Lev	Prof	Liquid	FA	AQ
DQ	1										
BS	0.25***	1									
BI	-0.21***	-0.27***	1								
BM	0.02	0.06	0.03	1							
RD	-0.15***	-0.06	0.12**	0.1*	1						
FS	0.14**	0.01	-0.12**	-0.04	-0.06	1					
Lev	0.11**	0.12**	-0.26***	-0.07	-0.09*	-0.3***	1				
Prof	-0.07	-0.03	0.03	-0.11*	0	0.11**	-0.51***	1			
Liquid	0.07	0.13**	0.02	0.03	0.13**	-0.05	-0.15***	0.09*	1		
FA	0.08	-0.07	0.05	0.09*	0	0.23***	-0.25***	-0.05	-0.06	1	
AQ	0.27***	0.18***	-0.37***	-0.03	-0.19***	0.16***	0.28***	-0.07	-0.06	-0.19***	1

***, **, * = correlation significant at 1%, 5% and 10% levels, respectively

Table 6: Pearson correlation matrix analysis for the variables in the period after IASSs adoption

	DQ	BS	BM	BI	RD	FS	Lev	Prof	Liquid	FA	AQ
DQ	1										
BS	0.21***	1									
BM	-0.23***	-0.23***	1								
BI	0.05	0.05	-0.13**	1							
RD	-0.07	-0.07	0.09*	-0.03	1						
FS	0.17***	0.09*	-0.08	-0.01	0	1					
Lev	-0.06	-0.02	0.01	-0.03	0.02	-0.75***	1				
Prof	-0.08	-0.02	0.09*	-0.02	0.03	0.06	-0.33***	1			
Liquid	0.09*	0.13**	-0.07	-0.06	0.16***	0.05	-0.09*	0.06	1		
FA	0.02	-0.01	-0.08*	-0.02	0.07	0.03	-0.07	0.06	0.04	1	
AQ	0.31***	0.29***	-0.23***	0.09*	-0.09*	0.09*	0.01	-0.1*	-0.1*		1

***, **, * = correlation significant at 1%, 5% and 10% levels, respectively

significant positive correlation at the 1% level of 0.31 between the dependent variable disclosure quality (*DQ*) and audit quality (*AQ*), as well as 0.21 with board size (*BS*). Conversely, a significant negative correlation at the 1% level of -0.23 is found between disclosure quality (*DQ*) and board independence (*BI*). Regarding the interrelationship between the independent variables, board size (*BS*) shows a significant negative correlation of -0.23 with board independence (*BI*) at the 1% level. Board size (*BS*) also exhibits the most significant positive correlation of 0.29 with audit quality (*AQ*) at the 1% level. Board independence (*BI*) has a significant negative correlation of -0.23 with audit quality (*AQ*) at the 1% level. Concerning the control variables, a significant negative correlation of -0.75 is observed between profitability (*Prof*) and leverage (*Lev*) at the 1% level, and a significant negative correlation of -0.33 between leverage (*Lev*) and liquidity (*Liquid*) at the 1% level.

5.3. Regression Results

The Hausman test is computed to determine whether a fixed or random effects model is more appropriate by determining whether the unique errors are correlated with the regressors, in this case with the null hypothesis that they are not correlated. Both fixed effects and random effects models are estimated, and their coefficients are then compared. The test presented in Table 7 yields a highly significant P-value (<0.001) for both the before and after adoption periods of IASSs. This significant P-value leads to the rejection of the null hypothesis, indicating the presence of correlation between the unique errors and the regressors. Therefore, the Fixed Effects model is deemed more appropriate for the panel data of this study, as it provides consistent estimates.

Table 7: Hausman test results

Period	Period before adopting IASSs Model (1)	Period after adopting IASSs Model (2)
Chi-square	296.2	256.3
DF	10	10
P-value	0.001<	0.001<

5.3.1. Regression results for the period before and after IASSs adoption

Table 8 presents the results of the Fixed Effects regression model of the disclosure quality model.

The table indicates significant models at the 1% level between the dependent variable (disclosure quality), the independent variables (corporate governance mechanisms) and the control variables (collectively). Specifically, the F-statistic for Model 1 is $F(10, 480) = 44.66$ with a corresponding $P < 0.0001$, and for Model 2, the F-statistic is $F(10, 480) = 34.17$ with a $P < 0.0001$. Examining the coefficient of determination (R-squared), Model 1 explains 48% of the variance in disclosure quality before IAS adoption, while Model 2 explains 41.5% of the variance in the period after IAS adoption. The table further details the regression coefficients for the individual independent and control variables as follows:

Table 8 shows that for Model 1 (the period before IASSs adoption), the board size variable is positive and significant at the 10% level, supporting hypothesis H_1 -a and aligning with agency and resource dependence theories. From the perspective of agency theory, larger boards are assumed to possess a broader knowledge base, enabling

Table 8: The fixed effects regression models of disclosure quality

Variable (labels)	Period before IASSs adoption			Period after IASSs adoption		
	Model 1			Model 2		
	P-value	Regression coefficient	Standard error	P-value	Regression coefficient	Standard error
Intercept	0.000	0.336	0.037	0.000	0.564	0.035
Board size (<i>BS</i>)	0.099	(0.002)*	0.001	0.597	-0.000	0.001
Board independence (<i>BI</i>)	0.051	(0.022)**	0.011	0.033	(-0.019)**	0.009
Number of board meetings (<i>BM</i>)	0.243	0.000	0.000	0.172	-0.000	0.000
CEO role duality (<i>RD</i>)	0.085	(-0.012)*	0.007	0.207	0.007	0.006
Firm size (<i>FS</i>)	0.982	-0.000	0.001	0.741	-0.000	0.001
Leverage (<i>Lev</i>)	0.556	0.008	0.015	0.591	-0.002	0.004
Profitability (<i>Prof</i>)	0.026	(0.040)**	0.018	0.691	-0.001	0.003
Liquidity (<i>Liquid</i>)	0.229	-0.000	0.000	0.047	(0.001)**	0.000
Firm age (<i>FA</i>)	0.000	(0.012)**	0.000	0.000	(0.008)**	0.000
Audit quality (<i>AQ</i>)	0.000	(0.014)**	0.003	0.133	-0.005	0.003
R-squared statistic		48%			41.5%	
F-statistic		F=44.66			F=34.17	
P-value		P<0.0001			P<0.0001	

***, **, * = correlation significant at 1%, 5% and 10% levels, respectively

them to distribute tasks and form committees more efficiently, thereby aiding in the effective performance of their advisory role (Laksmana, 2008). Resource dependence theory suggests that larger boards possess the necessary knowledge and resources to better manage the company's resources (Pfeffer, 1972). Thus, an increase in board members positively affects board effectiveness in performing its core functions, thereby increasing disclosure quality. This result is consistent with the findings of several extant studies (Katmon, 2021; Hussainey and Wang, 2010; Filfilan, 2016; Asmar et al., 2018; Nawafly and Alarussi, 2019).

In contrast, the table shows that for Model 2 (the period after IASSs adoption), the board size variable is insignificant, thus leading to the rejection of hypothesis H_{1-b} . This shift in the relationship may be attributed to several potential factors. Before the adoption of IASSs, board size had a substantial impact on disclosure quality as diversity in expertise and specialization among board members played a more significant role in enhancing disclosure quality (Pfeffer, 1972). However, after the adoption of IASSs, a unified framework focused on promoting transparency and disclosure was established, thereby reducing the reliance on the board's discretion. Consequently, disclosure quality becomes less influenced by board size as companies increasingly adhere to the mandated standardized disclosure requirements, thereby diminishing the need for more diverse perspectives within the board.

Table 8 shows that for Model 1 (the period before IAS adoption), the board independence variable is positive and significant at the 5% level. This supports hypothesis H_{2-a} and aligns with agency theory which posits that the appointment of independent members to the board can mitigate the information asymmetry problem by enhancing internal monitoring within companies (Anderson et al., 2004; Rasmussen and Schmidt, 2012). The result is also consistent with the resource dependence theory perspective which suggests that independent directors are an effective mechanism for linking the company with the external environment (Tricker, 1984; Haniffa and Cooke, 2002) and that improved internal monitoring and effective communication with the external environment may in turn increase disclosure quality. The result is consistent with a number of prior studies (Karamanou and Vafeas,

2005; Ben Ali, 2009; Filfilan, 2016; Hasan and Hussainey, 2022; Almulhim, 2023).

In contrast, the table shows that for Model 2 (the period after IASSs adoption), the board independence variable is negative and significant at the 5% level, leading to a rejection of hypothesis H_{2-b} . The result runs counter to both agency and resource dependence theories, while it aligns with stewardship theory, and suggests that independent directors are less cognizant of the company's strengths and weaknesses as they are external agents and are less capable of contributing effectively to the board (Davis et al., 1997). The finding is consistent with several prior studies that find a negative effect of board independence on disclosure quality (Gul and Leung, 2004; Eng and Mak, 2003; Katmon, 2021). This difference in the relationship across the two models may be attributed to the fact that in the period before IASSs adoption, board independence played a positive role in improving disclosure quality. In this period, the presence of independent board members was an effective tool for monitoring the actions of executive managers, and the higher the proportion of independent members, the greater the levels of oversight achieved (Vitolla et al., 2020; Chouaibi et al., 2022). However, after the adoption of the standards, the association became negative, possibly because accounting standards reduced the need for director independence in improving disclosure due to the standards themselves providing a baseline level of disclosure quality that was previously reliant on independent directors, in addition to the at times conflicting roles of independent directors balancing their oversight duties with potentially maintaining good relationships with management.

Table 8 shows that the meeting frequency variable is not significant as a driver of disclosure quality ($P > 0.10$) in either Model 1 or 2, thus leading to the rejection of hypotheses H_{3-a} (before IASSs adoption) and H_{3-b} (after IASSs adoption). This result does not align with agency theory which suggests that regular board meetings diminish agency conflict as they provide members with a platform to monitor company procedures, make strategic decisions, and align shareholders' interests, thereby influencing disclosure quality (Patnaik and Suar, 2020). The results are also in contrast with the argument that increased meeting frequency

Table 9: Random effects regression models

Variable (labels)	Period before IASs adoption			Period after IASs adoption		
	P-value	Regression coefficient	Standard error	P-value	Regression coefficient	Standard error
Intercept	0.000	0.518	0.037	0.000	0.755	0.029
Board size (<i>BS</i>)	0.000	(0.008)***	0.001	0.358	−0.001	0.001
Board independence (<i>BI</i>)	0.004	(0.037)**	0.013	0.001	(−0.036)***	0.010
Number of board meetings (<i>BM</i>)	0.761	0.0002	0.000	0.976	0.000	0.000
CEO role duality (<i>RD</i>)	0.021	(−0.019)**	0.008	0.879	−0.001	0.006
Firm size (<i>FS</i>)	0.958	0.000	0.001	0.914	−0.000	0.001
Leverage (<i>Lev</i>)	0.002	(0.050)**	0.016	0.032	(0.010)**	0.004
Profitability (<i>Prof</i>)	0.579	0.011	0.020	0.032	(0.007)**	0.003
Liquidity (<i>Liquid</i>)	0.197	−0.001	0.000	0.090	(0.001)*	0.000
Firm age (<i>FA</i>)	0.000	(0.003)***	0.000	0.000	(0.002)***	0.000
Audit quality (<i>AQ</i>)	0.002	(0.012)**	0.004	0.354	0.003	0.003
R-squared statistic		32%			28%	
F-statistic		144.10			90.09	
P-value		P>0.001			P>0.001	

***, **, * = correlation significant at 1%, 5% and 10% levels, respectively

reflects greater diligence towards board members' control over disclosure practices and thus encourages greater disclosure quality (Allegrini and Greco, 2013). However, this finding is consistent with extant studies such as Asmar et al. (2018) and Katmon (2021) who find no relationship. One explanation for the lack of observed relation may be that the quality of disclosure depends on other factors including the content of the meetings and the efficiency of communication among board members rather than solely on the number of meetings.

Table 8 shows that for Model 1 (the period before IASs adoption), the CEO role duality variable is negative and significant at the 10% level, supporting hypothesis H_{4-a}. The finding aligns with agency theory which advocates for the separation of the roles of the Chairman and CEO to enhance Chairman independence, allowing them to independently monitor and supervise the activities of the CEO and senior managers without bias (Al-Janadi et al., 2013), thereby mitigating the information asymmetry problem and increasing disclosure quality. This result supports prior empirical studies that find a negative relationship (Said Mokhtar and Mellett, 2013; Filfilan, 2016; Asmar et al., 2018).

However, Table 8 shows that for Model 2 (the period after IASs adoption) the CEO role duality variable is not significant, thus leading to the rejection of hypothesis H_{4-b}. The result is consistent with several empirical studies (e.g., Katmon, 2021; Tkachenko and Kuts, 2024) that find that role duality has no clear impact on disclosure quality. The reason for the difference in significance before and after IASs adoption may be that in the absence of strict accounting standards, disclosure relies heavily on the strength of internal control and leadership independence which may in turn be negatively impacted by role duality. Indeed, role duality may lead to power concentration and conflicts of interest which in turn weakens oversight (Jensen and Meckling, 1976). The adoption of standardized accounting standards may have reduced the influence of board leadership, thereby diminishing the observable relationship between role duality and disclosure quality, the latter driven more by compliance with standards rather than the company's leadership structure.

Table 8 shows that certain control variable relationships changed following IASs adoption, while others remain unchanged. Firm size and leverage remain insignificant drivers of disclosure quality both before and after IASs adoption. The positive impact of profitability on disclosure quality at the 5% level diminishes and becomes insignificant after adoption. Conversely, liquidity becomes a significant positive driver of disclosure quality at the 5% level only after adoption. Firm age remains a significant positive driver of disclosure quality at the 1% level across both periods. Meanwhile, the significant positive relation between audit quality and disclosure quality at the 1% level becomes insignificant following adoption.

5.3.2. Robustness test

While the Hausman test indicates that the Fixed Effects model is the most suitable in this study, the Random Effects model is employed as a robustness check to verify the stability of the results. In so doing, it may be ascertained whether the findings remain consistent across different model types.

The Random Effects models presented in Table 9 are largely qualitatively similar to those of the Fixed Effects models in Table 8, particularly for the independent variables in both models, thereby enhancing the credibility of the results. However, some differences are evident in the impact of the control variables. In Model 3 (the period before IASs adoption), leverage becomes statistically significant, while profitability turns insignificant. In Model 4 (the period after IASs adoption), both leverage and profitability become statistically significant. Given that the robustness check results are qualitatively similar to the previous regression analysis findings, the regression results in this study appear reliable.

6. CONCLUSION

This study aimed to provide evidence from the context of Saudi Arabia of the impact of company board characteristics of joint stock companies on disclosure quality both before and after the adoption of IASs. The findings reveal that prior to the adoption of IASs, board size, independence, and role duality played a

significant role in determining disclosure quality. However, the influence of board size and role duality disappeared following IASs adoption. Notably, the effect of board independence on disclosure quality reversed from positive to negative following adoption. Board meeting frequency did not significantly impact disclosure quality in either the pre- or post-adoption periods.

Based on the key study findings, several recommendations are pertinent for Saudi companies. Firstly, companies should reassess board size to align with their specific business nature and requirements. Secondly, the study advocates for a sustained emphasis on enhancing board independence to foster more robust governance, irrespective of prevailing accounting standards. Thirdly, the focus regarding board meetings should shift towards the quality of discussions and meaningful member participation rather than solely emphasizing meeting frequency. Fourthly, separation of the roles of the Chairman and CEO is crucial to mitigate potential conflicts of interest and thereby enhance transparency. Finally, facilitating a thorough adherence to accounting principles and leveraging them as a primary mechanism for increasing transparency and disclosure is essential, rather than relying solely on board governance characteristics.

This study makes significant contributions to the literature on corporate governance and disclosure quality, drawing upon agency theory, resource dependence theory, and stewardship theory. It enhances understanding of the impact of board characteristics on disclosure quality, demonstrating how larger and more independent boards moderate agency costs and enhance transparency (Laksmana, 2008). The study also highlights the importance of resource dependence theory in improving disclosure quality, illustrating how the expertise and connections of board members with the external environment play a pivotal role in increasing disclosure quality (Tricker, 1984). Furthermore, it sheds light on the perspective of stewardship theory and its role in fostering trust and autonomy between managers and owners, thereby reducing conflicts and helping to direct efforts towards achieving common goals (Donaldson and Davis, 1991). By analyzing the effects before and after IASs adoption, the study offers valuable insights into the evolving role of the board in promoting disclosure quality in response to regulatory changes. Finally, by synthesizing the three theories, the study offers an integrated framework that assists corporate decision-makers and regulatory bodies in the improvement of governance mechanisms to promote transparency and disclosure in a developing environment.

This study presents practical insights for decision-makers and researchers regarding the impact of adopting IASs on the relationship between board characteristics and disclosure quality in Saudi companies, thereby contributing to the development of disclosure and governance practices in the Saudi business environment. The study highlights the changes in the importance of board characteristics in response to regulatory adjustments. Further, it clarifies the significance of the quality rather than merely the quantity of board meetings and underscores the importance of Chairman/CEO role separation in enhancing transparency and reducing conflicts of interest. Finally, the study directs companies towards focusing on adherence to accounting standards as a

primary tool for improving disclosure quality instead of relying solely on pursuing certain board characteristics.

This study is subject to certain limitations that may open avenues for further study:

1. The study focused solely on the Saudi Stock Exchange listed non-financial companies over the period from 2011 to 2022. Future studies could determine the impact of board characteristics on disclosure quality in financial companies within the Saudi Stock Exchange, while also expanding the scope of the study sample to include wide and more longitudinal data. This may more comprehensively capture the impact of board characteristics on disclosure quality.
2. The study investigated only specific selected board characteristics. Future studies might explore further board characteristics such as the professional certifications of members, their experience, the proportion of women on the board, or the age and compensation of members in terms of their impact on disclosure. The study also calls for further research on the impact of factors such as ownership structures, thereby opening new horizons in the field of corporate governance.
3. The study relied on a disclosure quality index as the sole measure for assessing disclosure quality. To achieve greater accuracy in measurement, it is recommended that researchers use a number of alternative measures in future studies.

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