



RESEARCH ARTICLE

Analysis of the Impact of CEO Power and Internal Control Synergy on Cash Holdings: Structural Equation Model and Path Analysis

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Effective cash holdings management is essential to contemporary company governance because it supports strategic investments, ensures financial stability, and preserves flexibility in reaction to market conditions. Chief executive officer (CEO) power is the term used to describe the authority and sway a CEO has inside the company, which influences strategic direction and decision-making procedures. The goal of the research is to examine the effect of internal control synergy and CEO power on cash holdings. A sample of 245 traded firms across various industries, with data collected from financial statements, annual reports, and surveys of senior management. The questionnaire focused on aspects such as CEO power, internal control synergy (ICS), and cash holding (CH) indicators. The chi-square test, MANCOVA, multiple regression analysis, Pearson correlation, and Structural equation model (SEM) are used to test the results. Using SEM and path analysis, the research tests various hypotheses. Internal control synergy (ICS) positively influences CEO power, which significantly affects CH ($\beta = 0.25, p < 0.01, t = 3.50$). Similarly, internal control synergy has a direct negative impact on CH. The study reveals that internal control synergy (ICS) significantly modifies the relationship between CH and CEO authority, thereby mitigating its negative impact. The study highlights the potential of executive power and robust ICS in enhancing corporate financial strategies.

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1. INTRODUCTION

The CEO's impact is vital since it determines organizational operational efficiency and its strategic plan. It is often defined in terms of the ability of the CEO to steer organizational goals, regulate resources as well as influence decisions. This power stems from formal authority, tenure, personal experience, and relations with critical stakeholders, including the board of directors [1]. The CEO with high ratings is capable of providing leadership, assertiveness, and change as well as managing coordination of the targets of the company with the environment. Meanwhile, their level of influence could also cause other concerns about the organization's power relations [2]. Those financial decisions that help an organization to allocate its resources and manage its funds and cash are often characterized by such patterns.

The utilization of the influence that originates from the CEO could make a huge difference to a company. It enables fast decisions to be made, reduces bureaucracy, and encourages teamwork. It appears that strong CEOs often have the power to execute long-term strategies that could otherwise meet some resistance [3]. This ability can lead to greater levels of creativity and organizational performance by staff members whom they inspire. Also, a good CEO could contribute to the fact that they provide stability where the business environment is volatile, and provide the business with focus. While it can have its advantages, excessive amounts of CEO decision-making power can lead to several issues [4]. A robust CEO could even mitigate the controls and balances set to ensure

accountability, which might diminish the effectiveness of internal processes. This can lead to self-interested action, including engaging in strategies that may be beneficial for the individual before the common good for the organization [5]. Further, a culture of collaboration and succession planning may suffer from a situation where there is too much concentration on one individual. To minimize these risks, the frameworks of governance that meet between the highly powerful CEOs and effective systems of supervision and accountability should be set [6].

The CEO has significant power in decisions made by the company, based on its corporate strategy and financial forms. Decisions on financial policy, risk, and profits should be made by the CEO because that individual is the starting and final authority in the company. More often the board of directors is dominated by a powerful CEO and therefore can be influenced to enact strategies that fulfill its targets [7]. While this centralization of power could enhance efficient decision-making it may also happen in decisions that are short-sighted and self-serving. CEOs' authority is highlighted in the decision of CH as one of the key determinants [8]. Every establishment needs abundant cash amount in the balance sheet because it is a measure of cash flexibility and contingency in case of certain circumstances. Higher decision-making power means that the CEOs are in a position to undertake conservative actions to preserve resources for the future, hence reducing the dependency on outside funds [9]. However, based on the relative risk tolerance or preference, too much cash stock may be generated from excessive CEO power. If they feel that the board or the shareholders are not offering them adequate control, they could use cash reserves for large developments or acquisitions.

The relationship between CH and CEO authority highlights the broader dynamics between the body of financial regulations and governance structures [10]. Lacking internal control and checks on the CEO's power implies that poor financial decisions are made and that capital may be wasted or misused. Effective governance practices for instance internal controls could provide for operational and development leakproof solutions by aligning CH plans with shareholder needs [11]. Remedial ICS are important organizational controls that are meant to safeguard resources, ensure organizational efficiency, provide reliable archiving, and ensure compliance with the law. However, if all of these systems' various components are integrated and coordinated, their effectiveness is enhanced. Integrated internal control systems refer to collective components that foster risk assessment, control operations, monitoring, and information processing to create a synergy that enhances organizational performance and risk resistance [12]. The purpose of the research is to investigate how CH is impacted by CEO power and internal control synergy.

Contribution

- A sample of 245 traded companies from a range of industries is used in the study, and information is gathered through annual reports, financial statements, and surveys of senior management.
- CH is greatly impacted by CEO power, with greater authority associated with strategic cash management choices that improve the flexibility and stability of a company's finances.
- ICS improves organizational performance and financial decision-making by strengthening CEO power and directly affecting CH while reducing adverse impacts.

To provide the findings in an understandable and comprehensive way, the remaining section of the research is divided into many sections. Section 2 provides the pertinent work by reviewing earlier research and foundational studies that set the current study in context. Section 3 examines several techniques and describes the approach and research techniques used. An analysis of the outcomes and their ramifications, including the experimental data, is given in section 4. A discussion is given in Section 5. Section 6 efficiently concludes the research by highlighting the main conclusions, explaining their importance, and suggesting possible areas for further investigation.

2. RELATED WORKS

Using A-share listed companies, the research [13] examined how corporate social responsibility (CSR) affects a company's financial success. It indicated that CSR and financial success were positively correlated, with strong internal control acting as a moderator. It showed that the mediating influence of internal control was moderated by the type of management. It offered a theoretical framework for

Chinese listed companies to strengthen internal control, increase ownership, and fulfill CSR, all of which could enhance their financial position and advance sustainable development.

Addressing the leadership's internal control, integrated power, and formal power, the article [14] discovered a strong and favorable correlation between Chinese family businesses and their innovation and entrepreneurial psychology. To elaborate, formal power could be complemented by the CEO's unofficial power. The degree of internal control had a negative impact on the indices of the entrepreneurial inventive spirit, integrated power, and formal power. The findings highlighted the role of internal control and CEO power on entrepreneurial top-pedagogy creative impairment in business, in addition to specifying how internal control could simultaneously monitor as well as constrain the power of the CEO.

The relationship between media opinion and business innovation investment, as well as the effect of CEO power on business innovation investment, were explored in the investigation [15]. It stated that both elements affected the innovation investment significantly and observed that they worked very well in unison. The influence was stronger for organizations that engaged in innovation more often. Thus, the investigation consolidated the existing regarding CEO power, vector of media opinion, and the investment in business innovation in the developing market areas, while specifying the exclusiveness of the impact of CEO power in shaping judgments.

The relationship between CEO organizational identity and business CH was discussed in the article [16]. The results showed a negative relationship between business CH and CEO organizational identity under conditions of financial development and low economic risk. Higher capital extravagance and research and development (R&D) funds were associated with enhanced CEO organizational identity and could boost the worth of publicly traded equities on its balance sheet. Besides illuminating the role of psychological characteristics of executives in corporate financial decisions, the research also contributed to the CH and organizational identity.

The relationship between corporate governance practices (CGPs), board competence, and internal control systems was examined in the research [17]. The impact of CGPs in relation to the board's ability to manage a business and internal control structure was also evaluated. They used the confirmatory factor analysis and SEM by which they explained the difference of CGPs on the ICS and board capability. Effective internal control also fosters corporate governance processes and helps bolster the board in making corporate excellence achievable. Performance was evidenced in the following aspects; Increased dynamic ICS, enhanced risk reduction, and financial information produced by the board of directors.

In developing market organizations, the research [18] investigated the connection between ICS and leadership. It created a mediated moderating model by applying theories of anticipation and cognitive consistency. According to survey data from 206 Vietnamese businesses, the impact of the structure on business performance was mediated by the efficacy of internal controls. The influence of the structure on the efficacy of internal control was favorably moderated by consistent leadership. The results of the research had both theoretical and practical ramifications.

Through an emphasis on corporate innovation and financial constraint pathways, the research [19] investigated how market rivalry affected corporate CH. Data from the Chinese stock market indicated that CH was adversely impacted by market rivalry, with business innovation acting as a partly mediating factor. Full mediation was also evident in financial restrictions. Financial restraints moderated the mediating impact of corporate innovation. Quantile regression enhanced the influence of market competition, but state-owned businesses and companies with higher overall assets were less impacted.

The influence of former CEO Directors on business CH was examined in the article [20]. Because of their efficient monitoring function in lowering agency issues, it was discovered that the directors had a negative relationship with CH. In non-state-owned businesses and less competing product marketplaces, the association was stronger. When there were greater agency disputed between the biggest shareholder and smaller owners, and also between executives and shareholders, the monitoring effect was more effective. Additionally, it indicated that former CEO Directors were capable of efficiently overseeing the company's capital reserves.

It analyzed the connection between an organization's surplus CH and audit efforts in investigation [21], with a particular focus on Korean-listed non-financial corporations between 2000 and 2014. Excess CH had a considerable and favorable influence on external audit efforts, according to the results, particularly with regard to audit expenses and hours. If the CEO was a non-owner management, the company was part of a multinational business group, and the CEO had more experience, the influence was greater.

The effects of changes in top management's financial backgrounds on social responsibilities in Bangladeshi businesses that produced significant amounts of pollution were investigated in research [22]. The findings indicated a negative relationship between the financial background of senior management and their social responsibility performance. It also discovered that when a new CEO took onboard, CSR performance declined. Higher internal control quality, according to the analysis, lessens the detrimental effect that turnover changes had on CSR performance.

The connection between CH before and after the global financial crisis and the board of directors was examined in the article [23]. It emphasized demographic traits including board size, independent directors, and CEO duality. The findings indicate that under normal circumstances, a monitoring board lowers CH, but CEO duality and boards of directors raise holdings. Board members became more involved in assisting the company survived during times of crisis. The investigation implied that the external environment of a company influenced the effects of the board's features.

The efficacy of audit committees, CEO authority, and profit quality in Ugandan-regulated companies were all examined in the investigation [24]. 136 businesses provided information through questionnaire surveys. The findings indicated that while the effectiveness of audit committees had a positive correlation with earnings quality, CEO power had a negative impact on profit quality. The research contended that the CEO's influenced limits stakeholders' ability to assess the company's financial realities by fostering a transparent accounting environment. Perceptions and indirect consequences of CEO power and audit committee efficacy were used in the investigation to evaluate profits quality.

Through an analysis of corporate risk management and CEO influence, the research [25] investigated dividend policy. It identified established CEOs who raise dividends without shareholder oversight or regulatory scrutiny by analyzing data. It indicated that competing incentives cancel each other effectively because it shows no correlation between dividends and the managerial skills of the CEO. However, the analysis revealed that only insurers with highly capable CEOs had dividend signaling effects on potential accountancy profitability, indicating that they produced sustainable profits.

3. METHODOLOGY

The effect of ICS and CEO power on CH in 245 publicly listed companies is investigated in this study. Analysis was done on information from annual reports, financial statements, and surveys of top management. Figure 1 shows the conceptual framework, the independent variables are Risk Management Practices (RMP), Internal Control Synergy (ICS), Corporate Social Responsibility (CSR), Firm Size (FS), Strategic Investment (SI), and Corporate Governance Structure (CGS). The dependent variable is CH and the mediating variable is CEO power.

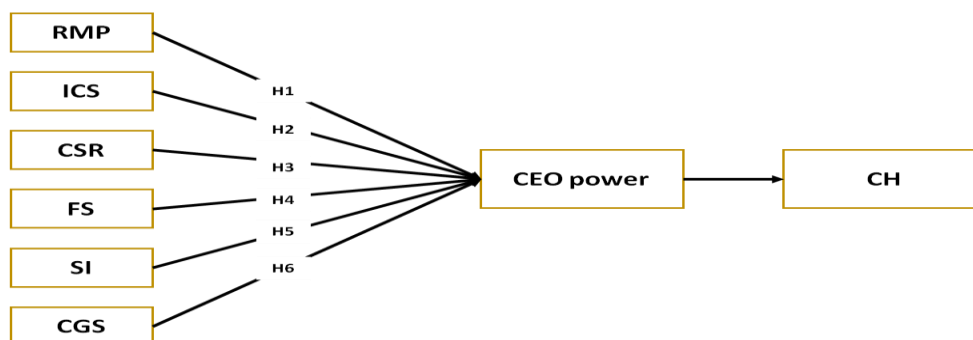


Figure 1: Conceptual framework

3.1 Sample

The data for this study was collected from a sample of 245 publicly traded firms across various industries. Information was sourced from financial statements and annual reports, which provide detailed insights into the firm’s financial performance and operations. Additionally, surveys were conducted with senior management to gather subjective data on key factors such as CEO power and internal control practices. This combination of qualitative and quantitative data enabled a comprehensive analysis of the relationship between CEO power, ICS, and CH across different industries. Figure 2 and Table 1 show companies according to CEO education, experience, company size, and industry type. Manufacturing enterprises comprise the greatest component of the sector (32.65%), followed by service (24.49%), technology (22.46%), retail (12.24%), and finance (8.16%), according to the industry distribution. Small companies comprise 40.82% of all enterprises, followed by medium-sized companies at 36.73% and large companies at 22.45%. There is a reasonable distribution of CEO experience, with 40.82% having 5–10 years, 34.69% having above 10 years, and 24.49% having less than 5 years. In terms of education, 48.98% of CEOs have a bachelor's degree, compared to 51.02% who have a master's.

Table 1: Demographic data

Variables	Categories	Frequency (n)	Percentage (%)
Industry Type	Manufacturing	80	32.65%
	Service	60	24.49%
	Technology	55	22.46%
	Retail	30	12.24%
	Finance	20	8.16%
Firm Size	Small(Lessthan 100 employees)	100	40.82%
	Large(Morethan 500 employees)	55	22.45%
	Medium(100 – 500 employees)	90	36.73%
CEO Experience	Less than 5 years	60	24.49%
	5 - 10 years	100	40.82%
	More than 10 years	85	34.69%
CEO Education Level	Bachelor’s Degree	120	48.98 %
	Master’s Degree	125	51.02%

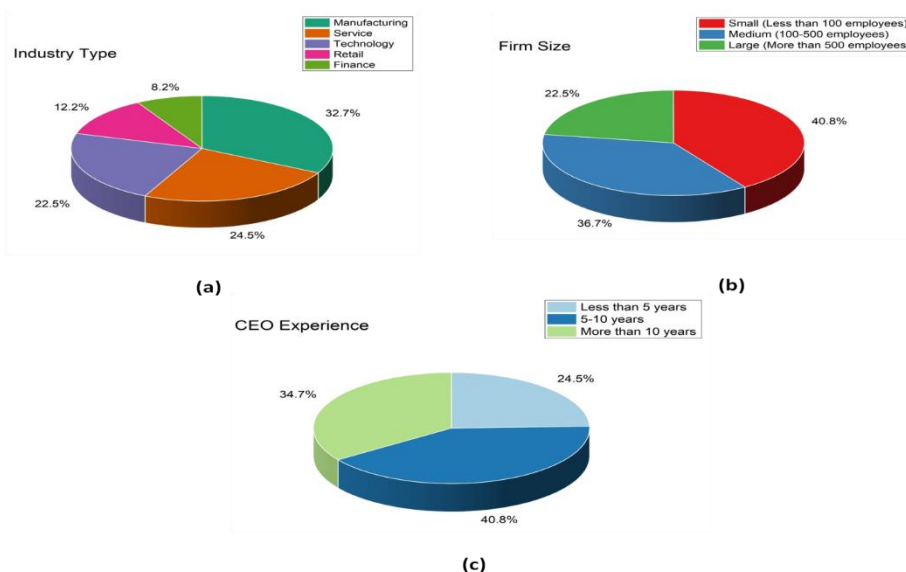


Figure 2: Demographic data (a) Industry type (b) Firm size (c) CEO experience

3.2 Research Hypothesis

H1: RMP shows a significant correlation with **CH**, enhancing the role of **CEO power** as a mediator (RMP → CEO Power → CH).

H2: ICS demonstrates an effective connection with CH, enhancing the role of CEO Power as a mediator (ICS → CEO Power → CH).

H3: CSR shows a positive correlation with CH, enhancing the role of CEO Power as a mediator (CSR → CEO Power → CH).

H4: FS demonstrates a strong association with CH, enhancing the role of CEO Power as a mediator (FS → CEO Power → CH).

H5: SI indicates an effective association with CH, enhancing the role of CEO Power as a mediator (SI → CEO Power → CH).

H6: CGS shows a significant correlation with CH, enhancing the role of CEO Power as a mediator (CGS → CEO Power → CH).

3.3 Research design

This investigation employed an online survey to gather the opinions of management. The survey consisted of 16 questions designed to collect responses on a 5-point Likert scale. There was a scale from "strongly agree" to "strongly disagree" on which participants could indicate how much they agreed or disagreed with each statement. This method made it easier to gather data accurately and provided a thorough grasp of the management's experience and perspectives. The feedback was quantified due to the methodical approach, which critically enhanced the research findings with qualitative data. This allowed different responses to be compared and analyzed.

3.4 Method of data analysis

To assess the impact of ICS and CEO power on CH, mixed methods approach that includes qualitative and quantitative analysis was used to investigate the connections among the variables. The research hypotheses were evaluated using the following techniques, SEM, MANCOVA, Pearson correlation, multiple regression analysis, and chi-square test. CEO power functions as a mediating variable between the independent variables (RMP, ICS, CSR, FS, SI, and CGS) and the dependent variable (CH).

4. RESULT

A variety of statistical techniques were used in this study to examine the connections among CH, ICS, and CEO power. While MANCOVA assisted in examining the impact of independent factors on dependent variables while adjusting for associated variables, the Chi-square test is used to assess the categorical factors' self-determination. The effect of each independent variable on CH was examined using multiple regression analysis, with CEO power serving as a mediating factor. To provide reliable and dependable findings, the measurement model was validated and the suggested hypotheses were tested using SEM. To evaluate the direction and degree of linear correlations between important variables, Pearson correlation was also computed. These techniques provide a thorough understanding of the research framework.

➤ SEM

The path analysis's findings demonstrate how several independent variables relate to CEO power and how this affects CH is demonstrated in Figure 3 and Table 2. The direction and intensity of the association between variables are shown by the path coefficients (β). There is a substantial correlation between RMP and CEO power, which has an impact on CH, as indicated by β of 0.18, p – value of 0.03, and t – value of 2.10. This implies that higher CEO power results from improved RMP, which has a favorable impact on CH. In contrast, ICS has a very significant route with β of 0.25, a t – value of 3.50, and a p -value of less than 0.01. This suggests that CEO power is increased by more robust ICS, which has an enormous effect on CH. With an average path coefficient of 0.20, p – value of 0.05, and a t -value of 2.00, CSR has a marginally significant effect, demonstrating that CSR initiatives have a slight but discernible impact on CEO power and indirectly on CH. There are less strong correlations between the routes from FS and SI to CEO power and eventually to CH. With p – value of 0.08 and t – value of 1.80, the path coefficient for FS is 0.12, indicating that it is not significant. This implies that CH and CEO power are not directly impacted by FS. Comparably, SI has t – value of 1.90, p – value of 0.07, and a path coefficient of 0.10, all of which correspond to an insignificant connection. With a path coefficient of 0.30, a p -value of less than 0.01, and a t -value

of 4.00, the route from CGS to CEO power and eventually to CH is very significant. The strong correlation indicates that the most important aspect of this model is CGS, which is crucial for increasing CEO power and influencing CH.

Table 2: Path analysis

Path	Path Coefficient (β)	p-value	t-value	Significance
RMP → CEO power → CH	0.18	0.03	2.10	Significant
ICS → CEO power → CH	0.25	< 0.01	3.50	Significant
CSR → CEO power → CH	0.20	0.05	2.00	Marginally Significant
FS → CEO power → CH	0.12	0.08	1.80	Not Significant
SI → CEO power → CH	0.10	0.07	1.90	Not Significant
CGS → CEO power → CH	0.30	< 0.01	4.00	Significant

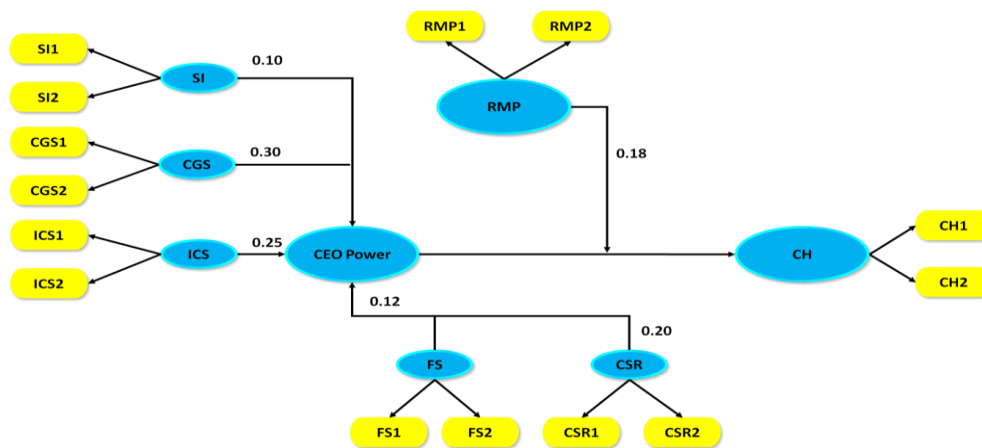


Figure 3: Path analysis

➤ **Multiple regression analysis**

The findings provide illumination on the connections between the study's dependent variables and several independent factors. Unstandardized coefficients (B), standardized coefficients (β), t -values, p -values, R^2 , and adjusted R^2 values are used to evaluate each variable as shown in Table 3 and Figure 4. RMP has t - value of 3.50, p - value of 0.01, and unstandardized and standardized coefficients of 0.25 and 0.30, respectively. This effect, which demonstrates a significant positive correlation among the variables, is supported by the relatively high t - value and low p - value. The unstandardized coefficient for SI is 0.40, the standardized coefficient is 0.36, t - value is 4.10, and p - value is < 0.01. This suggests that the dependent variable has demonstrated a substantial and highly significant positive influence with an R^2 value of 0.14 and an adjusted R^2 of 0.13. Statistically significant positive connections are shown by other hypotheses, including ICS and CSR, which exhibit moderate effects with t -values of 3.00 and 3.60, respectively, and p -values less than 0.01. For FS, a t -value of 2.80 and a coefficient of 0.20 indicate the weakest association, which is still significant but has less explanatory power. With the exception of FS, all of the hypotheses show a substantial positive correlation with the dependent variable, which significantly increases the explanatory power of the model.

Table 3: Values for Multiple regression analysis test

Variables	B	β	t-Value	p - Value	R^2	Adjusted R^2
RMP	0.25	0.30	3.50	<0.01	0.09	0.08
ICS	0.30	0.28	3.00	<0.01	0.07	0.06
CSR	0.35	0.32	3.60	<0.01	0.11	0.10
FS	0.20	0.22	2.80	<0.01	0.05	0.04
SI	0.40	0.36	4.10	<0.01	0.14	0.13
CGS	0.28	0.25	3.20	<0.01	0.08	0.07

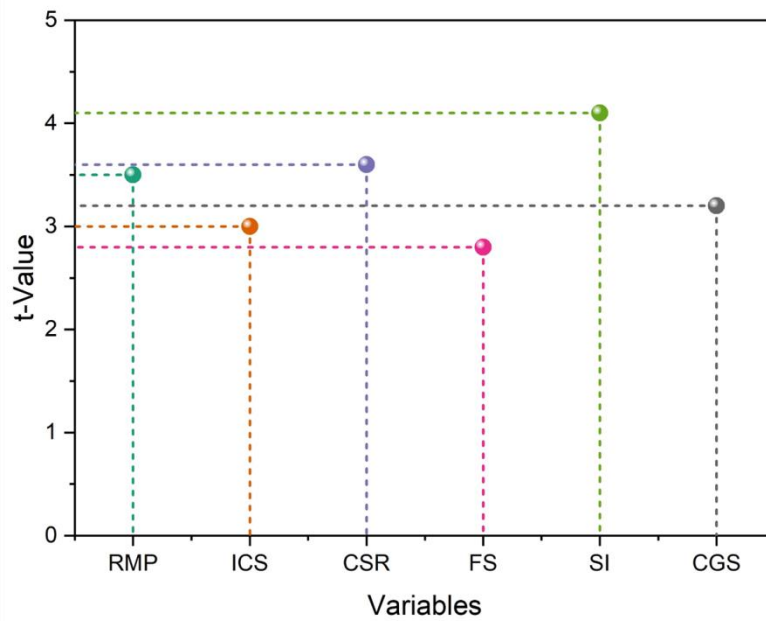


Figure 4: Multiple regression analysis performance

➤ **Pearson correlation**

The correlation matrix between several variables is shown in Table4; each value denotes the direction and intensity of the association between two or more variables. FS, SI, CGS, ICS, RMP, CEO power and CSR are the variables. Values ranging from -1 to 1 represent correlations; positive values signify a positive association, while negative values signify an inverse one. Some relationships are marked with “**” and “*” to indicate statistical significance, where “**” means significance at $p < 0.01$ and “*” means significance at $p < 0.05$. A moderately favorable association between RMP and CEO power is shown by the correlation between RMP and CEO power of 0.42^{**} (significant at $p < 0.01$), which means that a company's RMP is likely to be stronger as CEO power rises. A high positive association between CEO power and CSR is also demonstrated by the 0.52^{**} correlation between CEO power and CSR (also significant at $p < 0.01$), which suggests that a more significant CEO power is likely to have more influence over CSR efforts. ICS and CSR (0.49^{**}) and ICS and FS (0.41^{**}) are two more significant correlations that demonstrate the favorable relationship between ICS, FS, and CSR. These associations provide illumination on the relationships that exist between organizational procedures and governance.

Table 4: Values for Pearson correlation test

Variable	RMP	CEO power	ICS	CSR	FS	SI	CGS
RMP	1.00	0.42**	0.24**	0.38**	0.29**	0.18*	0.22**
CEO power	0.42**	1.00	0.45**	0.52**	0.33**	0.39**	0.31**
ICS	0.24**	0.45**	1.00	0.49**	0.41**	0.38**	0.36**
CSR	0.38**	0.52**	0.49**	1.00	0.34**	0.40**	0.44**
FS	0.29**	0.33**	0.41**	0.34**	1.00	0.31**	0.33**
SI	0.18*	0.39**	0.38**	0.40**	0.31**	1.00	0.35**
CGS	0.22**	0.31**	0.36**	0.44**	0.33**	0.35**	1.00

➤ **MANCOVA**

The correlation between various variables by presenting the findings of a number of variables is demonstrated in Table 5 and Figure 5. The following statistics are used to evaluate each variable: the F-value from an analysis of variance (ANOVA), the p-value showing statistical significance, the mean (average score) and standard deviation (SD), and the partial eta squared (η^2) indicating the effect size. With $p - value$ of 0.005 , $F - value$ of 5.42 , a standard deviation of 0.85 , and a mean of 3.72 , RMP is statistically significant ($p < 0.05$). A moderate effect size is shown by (η^2) of 0.082 , which shows

that the independent variable has a significant but not excessive influence on the dependent variable. The results for ICS are also significant, with a slight effect size of $\eta^2 = 0.102$, a mean of 4.10, SD of 0.67, an F-value of 6.88, and a p-value of 0.001. The F-values, p-values, and effect sizes of other hypotheses, such as CSR, FS, SI, and CGS, differ, and their importance varies as well. CGS has the greatest F-value of 7.45, a p-value of 0.000 (highly significant), and an effect size of 0.115, indicating a significant correlation, but CSR has *p* – value of 0.015, significant at 0.05, and a lesser effect size of 0.065. Together, these findings demonstrate the importance and potency of the connections under investigation.

Table 5: Values for MANCOVA test

Variables	Mean	SD	F-value	p-value	η^2
RMP	3.72	0.85	5.42	0.005	0.082
ICS	4.10	0.67	6.88	0.001	0.102
CSR	3.88	0.74	4.21	0.015	0.065
FS	3.95	0.80	3.75	0.025	0.058
SI	4.02	0.72	6.35	0.002	0.097
CGS	4.18	0.65	7.45	0.000	0.115

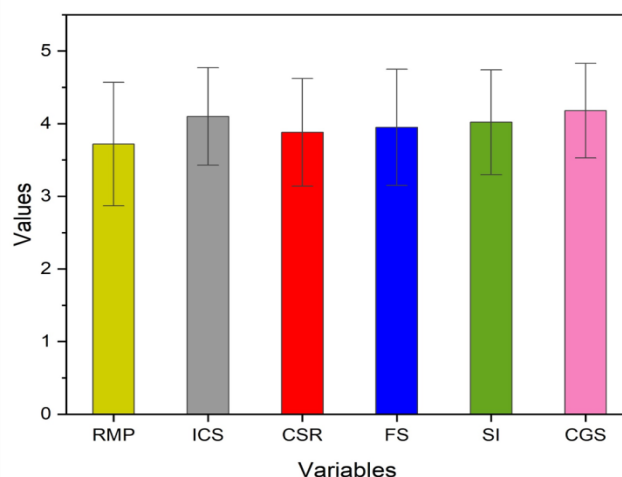


Figure 5: MANCOVA performance

➤ **Chi-square test**

The results presented here are a set of assumptions that were assessed for model fit using a chi-square (χ^2) test. To determine if the observed data aligns with the anticipated values under the tested model, the chi-square test is employed in Table 6 and Figure 6. The degree of difference between the observed and predicted data is shown by the χ^2 value for each variable, the number of independent sources of information is indicated by the *df* (degrees of freedom), and *p* – value contributes to determining the finding's statistical significance. Statistical significance is shown by p-values for hypotheses RMP, ICS, CSR, SI and CGS being less than 0.05. This indicates that the connection providing these variables describe is strongly supported by the available data. With *p* – value of 0.001 and a significant χ^2 value of 15.32, RMP specifically indicates a strong association. Additionally significant are ICS ($\chi^2 = 8.76, p = 0.033$) and CSR ($\chi^2 = 12.45, p = 0.002$), which validate significant connections in the model. The most significant finding, suggesting a very strong association, is SI ($\chi^2 = 18.24, p = 0.000$). CGS confirms another important route in the model with statistical significance ($\chi^2 = 9.67, p = 0.021$). However, *p* – value for variables FS ($\chi^2 = 5.12, p = 0.077$) is higher than 0.05, suggesting that it is not significant. Given that the observed data does not substantially deviate from the predicted model, it would appear that the link outlined in FS does not offer enough support to be considered significant. As a result, variable FS does not support the correlation.

Table 6: Values for the Chi-square test

Variables	χ^2 Value	df	p-value	Significance
RMP	15.32	2	0.001	Significant
ICS	8.76	3	0.033	Significant
CSR	12.45	2	0.002	Significant
FS	5.12	2	0.077	Not Significant
SI	18.24	3	0.000	Significant
CGS	9.67	3	0.021	Significant

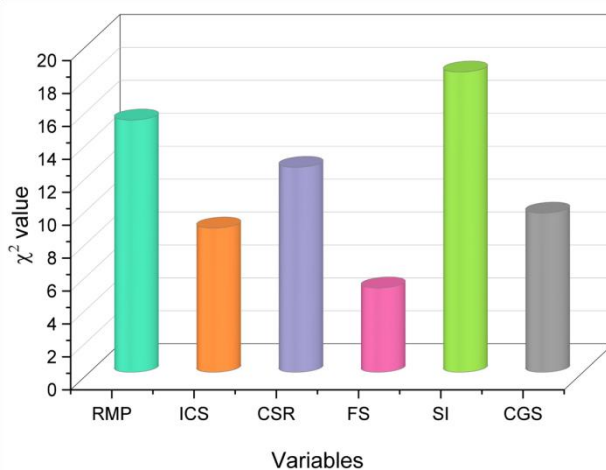


Figure 6: χ^2 performance

5. DISCUSSION

The path coefficients show how strongly variables are related to one another, while p-values and t-values identify significance. The significant path coefficient for RMP is 0.18 ($p = 0.03, t = 2.10$), but the significant effect for ICS is greater ($\beta = 0.25, p < 0.01, t = 3.50$). While FS and SI are not significant, other connections, such as $asCSR(\beta = 0.20, p = 0.05, t = 2.00)$, are marginally significant. The findings show that each concept has significant connections. In RMP, the standardized coefficient of 0.30 and the unstandardized coefficient of 0.25 show a somewhat favorable impact, and t-value of 3.50 and p-value of <0.01 corroborate statistical significance. The explanatory power is moderate, as indicated by the corrected R^2 of 0.08. With coefficients ranging from 0.20 to 0.40 and all statistically significant at $p < 0.01$ for the remaining hypotheses, similar trends are observed. Variable levels of variation in the dependent variable are explained by the models, as indicated by the adjusted R^2 values, which range from 0.04 to 0.13. Significant correlations between different variables are displayed in the correlation matrix. For instance, there is a partially positive correlation of 0.42** between RMP and CEO power, suggesting that risk management techniques get better as CEO power rises. A substantial positive correlation of 0.52** between CEO power and CSR indicates that CEOs with greater influence are more likely to have an impact on CSR activities. Stronger internal controls are associated with improved FS and CSR, as evidenced by other significant correlations between ICS and FS (0.41**) and ICS and CSR (0.49**). Each variable has its mean, SD, F-value, p-value, and (η^2) that displays the results of the test. A moderate effect size is shown by RMP's mean of 3.72, SD of 0.85, F-value of 5.42, p-value of 0.005 (significant at $p < 0.01$), and η^2 of 0.082. A significant finding is also shown by ICS, which has a bigger effect size ($\eta^2 = 0.102$) and a p-value of 0.001. η^2 displays the percentage of variation that each variable could be responsible for because the F-value and p-value demonstrate how strong the relationship appears. The relationship between CH and CEO power is influenced by various factors such as RMP, ICS, CSR, FS, SI, and CGS. Strong correlations are shown by significant paths such SI ($\chi^2 = 18.24, p = 0.000$), CSR ($\chi^2 = 12.45, p = 0.002$), and RMP ($\chi^2 = 15.32, p = 0.001$). A weaker or nonexistent association is shown by the fact that FS ($p = 0.077$) is not significant.

6. CONCLUSION

The power and influence a CEO has within the organization, which affects strategic direction and decision-making processes, is referred to as CEO power. Examining the impact of CEO power and ICS on CH is the research's main objective. Information gathered from financial statements, annual reports, and senior management surveys for a sample of 245 traded companies across a range of industries. The results are tested using the chi-square test, MANCOVA, multiple regression analysis, Pearson correlation, and SEM. The result obtained for chi-square test, RMP ($\chi^2 = 15.32, p = 0.001$), ICS ($\chi^2 = 8.76, p = 0.033$), CSR ($\chi^2 = 12.45, p = 0.002$), SI ($\chi^2 = 18.24, p = 0.000$), and CGS ($\chi^2 = 9.67, p = 0.021$) significantly impact CH through CEO power, while FS ($\chi^2 = 5.12, p = 0.077$) is not significant. For MANCOVA test, all hypotheses are significant ($p < 0.05$), with CGS shown the strongest effect ($F = 7.45, \eta^2 = 0.115$) and FS is the weakest ($F = 3.75, \eta^2 = 0.058$). Effect sizes range from moderate to strong, confirming the variables as meaningful impact. For multiple regression analysis, all variables are significant ($p < 0.01$) with moderate to strong effects ($\beta = 0.22-0.36$), and the variance explained ranges from $R^2 = 0.05-0.14$. SI has the strongest impact ($\beta = 0.36, R^2 = 0.14$), making it the most influential predictor. For Pearson correlation, CEO power shows strong correlations with CSR (0.52^{**}) and ICS (0.45^{**}), highlighting its influence on corporate strategies and controls. CSR is also closely linked to FS (0.34^{**}) and CGS (0.44^{**}), reflecting the interconnectedness of CSR, FS, and CGS. For SEM, the results demonstrate that company performance is significantly impacted by CEO power through RMP ($\beta = 0.18, p = 0.03$), ICS ($\beta = 0.25, p < 0.01$), and CGS ($\beta = 0.30, p < 0.01$), while CSR ($\beta = 0.20, p = 0.05$) is marginally significant and FS ($\beta = 0.12, p = 0.08$) and SI ($\beta = 0.10, p = 0.07$) are not significant. This emphasizes how crucial CEO power is in regulating these connections.

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Appendix 1

Variables	Question
RMP	To what extent does the implementation of RMP in the organization help in identifying and mitigating potential risks?
	How frequently are RMPs reviewed and updated in the organization to address evolving risks?
ICS	How effective is the synergy between internal ICS across various departments in ensuring organizational effectiveness?
	To what extent does ICS contribute to reducing inefficiencies and improving performance within the organization?
CSR	How actively does the organization engage in CSR initiatives aimed at addressing environmental and social issues?
	To what extent does the organization's CSR activity align with its overall business strategy and values?
FS	How would you categorize the FS of the organization based on the total number of employees?
	How does the FS influence the organization's ability to make strategic investments and manage risks?
SI	To what extent does SI play a role in the organization's long-term growth and competitive advantage?
	How frequently does the organization assess its SI to ensure alignment with its business objectives?
CGS	How would you rate the transparency of the organization's CGS in terms of decision-making processes?
	To what extent does the CGS ensure effective oversight and accountability in the organization?
CH	How would you rate the current CH of the organization, considering its financial performance and overall stability?
	To what extent do the organization's policies on employee well-being and satisfaction contribute to its overall CH?
CEO power	How would you rate the influence of CEO power on the key decision-making processes within the organization?
	How much does CEO power influence the organization's governance and strategic direction?