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-RESEARCH ARTICLE-

MODEL OF THE RELATIONSHIP BETWEEN THE COMPETENCE OF THE CHIEF EXECUTIVE OFFICER, THE QUALITY OF INTERNAL CONTROL AND THE QUALITY OF FINANCIAL REPORTS THAT AFFECTS THE FINANCIAL EFFECTIVENESS OF COMPANIES LISTED ON THE STOCK EXCHANGE OF THAILAND

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─Abstract─

Recently, the global economy has become borderless, increasing competition. Financial efficiency determines an organization's success. Consequently, financial effectiveness is essential for a business. This prompted academics to investigate financial effectiveness aspects. This study's objective was to examine the relationship between the competency of the Chief Executive Officer (Triyani & Setyahuni), the quality of internal control, and the quality of financial reports and their impact on the financial effectiveness of companies listed on the Stock Exchange of Thailand. During the years 2015 through 2019, the sample comprised 362 businesses. The analysis of secondary data by structural equations. After controlling for variable error, the research findings revealed that the prototype model and empirical data were harmonious. The overall variable path analysis demonstrated that the competency of the chief executive officer positively affected the quality of internal control and financial performance. The size of the entity has a beneficial impact on the quality of internal control and financial efficacy.

Keywords: Competence of the Chief Executive Officer, Quality of Internal Control, Quality of Financial Reports, Financial Effectiveness, Stock Exchange of Thailand

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1. INTRODUCTION

In terms of commerce, the world has shrunk. Businesses can operate any place. Globalization encourages transnational business operations that eliminate obstacles to trade and corporate investment (Al-Matari, Al-Swidi, & Fadzil, 2014). If management lacks an in-depth understanding of the practice of internal control and cannot successfully streamline operations, the business may fail (Wang & Yu, 2015). Internal control will improve the organization's financial performance (Njeri, 2014).

Moreover, organizations are continually confronted with an escalating rate of change. There are also sustainability concerns that demand businesses to plan for the long term and the requirement for efficient and transparent disclosure from stakeholders (Chotiyaputta, 2018). A strong correlation exists between the likelihood of investors making investment decisions and the quality of financial reporting. The requirement for accurate financial reports that demonstrate business performance. As a result, regulatory bodies worldwide support enhancing financial reporting quality (Wajeetongratana, Sriyakul, & Jermsittiparsert, 2019). The company has greater potential for expansion. At the same time, investors are primarily concerned with the performance of companies and seek out those with strong returns on investment. Therefore, the performance of the company is of the highest importance. Those responsible for managing the organization must increase their work efficiency. Most studies on the relationship between management and performance focused on the unique features of managers, such as gender, age, and position consolidation, according to a survey of the relevant literature. The proportion of holding firm shares, etc. (Peni, 2014). In Thailand, the relationship between the competency of the CEO, the quality of internal control, and the quality of financial reports affecting the financial effectiveness of companies listed on the Stock Exchange of Thailand is not linked, tested, or modelled (SET). The study's findings can guide many stakeholders to support or make the following decisions: Acquire the information necessary to build higher-quality corporate governance procedures, which will result in greater financial effectiveness. It is a guideline for the company to consistently promote or expand executives' and employees' awareness of the organization's internal control system. This leads to the organization's management quality being reviewed and balanced. It is a guide for investors' decision-making, investment analysis, and the dependability of corporate governance for each investment firm. The model guides relevant entities in developing a good corporate governance system.

2. LITERATURE REVIEW

This study's conceptual framework development began with examining Jensen and Meckling's theory of agency (1976). Relationship between two parties as represented by

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the theory. The shareholders (principals) are the first party with authority. The second part is the executive (agents) who have been granted permission to manage works (Chotiyaputta, 2018). The secondary party has administrative responsibilities, reports operating outcomes, and provides shareholder rewards (Njeri, 2014). Internal control is one of the techniques firms utilize to address agent issues, like financial reporting. Providing shareholders with additional information regarding management actions helps reduce information disparities and investor risk (Ahmed & Muhammed, 2018). Companies must indicate to investors that management is working to increase shareholder wealth under good corporate governance (Beiner, Drobetz, Schmid, & Zimmermann, 2006). According to the legality theory, organizations that wish to exist in society must engage in legal activities and seek to give information voluntarily. The purpose of disclosing the information is to demonstrate to society that the organization is a good citizen and to secure the organization's continued operation and survival in society (Guthrie & Parker, 1989). Good corporate governance can apply stakeholder theory when it ensures a balance between the interests of diverse stakeholders (Njoroge, 2017).

2.1 Financial Effectiveness

Financial efficacy was the dependent variable of the study. In empirical research, financial effectiveness is the most prevalent indicator of accounting performance. Financial performance is evaluated using financial statements (Altuwaijri, 2020). Financial efficiency encompasses numerous dimensions and can be quantified by return factors (Al-Matari et al., 2014; Chotiyaputta, 2018; Pumkaew et al., 2018; Wajeetongratana et al., 2019).Return on Asset (ROA), Return on Equity (ROE), and Firm Value can measure financial effectiveness.

Return on Asset (ROA) is determined by dividing net income (loss) by average total assets (Altuwaijri, 2020; Bhagat, Bolton, & Subramanian, 2010; Monastyrenko, 2014; Peni, 2014). Return on assets indicates how much profit a company produced on its total assets in a given year. A larger asset return corresponds to improved financial performance (Pumkaew et al., 2018). The greater the ROI, the greater the company's profitability with less expenditure (Monastyrenko, 2014). ROA measures the short-term success of a corporation (Al-Matari et al., 2014; Bhagat et al., 2010).

Return on Equity (ROE) is determined by dividing net income (loss) by average shareholders' equity (Altuwaijri, 2020; Monastyrenko, 2014). ROE is a metric that indicates how much profit a business generates from the money invested by its shareholders. This financial ratio's negative value is a worrisome sign for investors (Monastyrenko, 2014). In addition, ROE measures the short-term success of a corporation (Al-Matari et al., 2014).

The market price per share multiplied by the number of common shares, plus the number of liabilities divided by total assets, determines the firm's value (as evaluated by Tobin's

Q) (Bhagat et al., 2010; Indira Emmelina & Dyah, 2019; Peni, 2014). The firm's worth indicates accounting and marketing performance (Indira Emmelina & Dyah, 2019). In addition, firm value measures a company's long-term performance using stock returns as a performance indicator (Al-Matari et al., 2014; Bhagat et al., 2010).

2.2 Competence of the Chief Executive Officer

Competence is derived from the Latin verb compete (Wan Yusoff & Armstrong, 2012). Psychologists define competence as the attributes, motivations, or fundamental skills that lead to performance that exceeds "basics" because they are behavioral triggers. Competent individuals may not even know why they are productive at work. Competence is a person's ability or capacity to perform a particular task. Three categories of abilities are renowned for their effectiveness: expertise and experience-based knowledge, and basic cognitive talents (skills) such as analytical thinking skills. Competence is a person's attributes that result in effective work, including particular personal characteristics, behaviors, abilities, values, and knowledge that result in a cooperative effort for survival or expansion (Wan Yusoff & Armstrong, 2012).

The Chief Executive Officer (CEO) is an important figure in the business sector. The board of directors of a corporation selects the chief executive officer as one of the highest-ranking positions on the management team (Bhagat et al., 2010). The CEO is an executive member of the corporation with extensive experience, advanced education, and authority inside the organization (Peni, 2014). CEO is essential to the success of a company's decision-making, strategic planning, and innovation creation (Koo, 2015). Longer-term CEOs (several terms) have persuaded investors that the company will likely reach a higher level of performance due to the CEO's familiarity with the business procedures. This allows for the supervision and formulation of a company-specific strategy (Indira Emmelina & Dyah, 2019).

Studies have shown that the more education a CEO has, the more effective the internal controls are. The chief executive officer's educational background influences firms' internal control practices (Wang & Yu, 2015). Internal control is strongly and negatively connected with the combined tenure of the CEO and CFO. This shows that the longer the management relationship, the fewer the internal control vulnerabilities or faults (Campbell, Li, Yu, & Zhang, 2016). Education level, employment status, and industry experience are substantially connected with internal control quality (Li, 2019). A chief executive officer with financial competence will exacerbate the shortcomings of internal controls, and internal controls are more effective (Oradi, Asiaei, & Rezaee, 2020). The following theory is therefore proposed:

H1: The CEO's competence positively influences the quality of internal control.

In addition, it was discovered that the knowledge of CEOs and MBA-educated CEOs affects environmental, social responsibility, and sustainability performance. This study supports stakeholders' theory by considering the impact of managerial backgrounds. CEOs with an MBA degree perform well and have a solid Corporate Social Responsibility (CSR) record on average (Huang, 2013). The educational background and tenure of the CEO affect the company's ability to share information. Companies with MBA-holding CEOs are much more likely to provide information than those without. The study demonstrates that CEO qualities can explain managerial tactics (Lewis, Walls, & Dowell, 2014). MBA-educated CEOs influence the environmental performance and disclosure information of a corporation. Specifically, CEOs must adhere to environmental management techniques that optimize the company's value and improve environmental performance. It demonstrates the company's capacity to reduce environmental expenses and customer burdens. It enables the organization to establish new market opportunities through environmentally friendly technology, processes, and products (Zahar, 2020). The CEO's educational background positively influences environmental, social, and governance disclosure (Triyani & Setyahuni, 2020). The following theory is therefore proposed:

H2: The competence of the CEO has a positive influence on the quality of financial reports.

Earnings variations can be explained by the characteristics of a company's chief executive officer. (Jaggia & Thosar, 2021; Wafa, Hela, & Hibah, 2020). Important elements include a Finance and accounting degree. The correlation between CEO investment decisions, tenure, and overall company success is good. Investors must prioritize CEOs who can positively impact company performance (Velte, 2020). A CEO with an MBA affects return on assets (ROA) (Altuwaijri, 2020; Bhagat et al., 2010; Monastyrenko, 2014; Peni, 2014), return on equity (ROE) (Altuwaijri, 2020; Monastyrenko, 2014), and business value (as assessed by Tobin's Q) (Bhagat et al., 2010; Peni, 2014). The CEO's tenure positively impacts an organization's performance as assessed by return on assets (ROA) (Saleh, Shurafa, Shukeri, Nour, & Maigosh, 2020; Velte, 2020; Zhang, Shen, & Yang, 2012), return on equity (ROE) (Saleh et al., 2020), and firm value (as measured by Tobin's Q) (Indira Emmelina & Dyah, 2019; Saleh et al., 2020).This indicates that the longer the term of the CEO, the greater the company's performance. This may result from the long-serving CEO's expertise in all facets of corporate operations and firm practices. CEOs establish their power base through time, and the longer a CEO's stay is tied to his or her expertise, knowledge, and personal commitment, the better (Saleh et al., 2020). The following theory is therefore proposed:

H3: The competence of the CEO has a positive influence on financial effectiveness.

The Chief Executive Officer's (CEO) competence consists of the following three components: (1) LEVEL: If the CEO holds a postgraduate degree, the education level of the Chief Executive Officer is set to 1. Other values have 0 (Sannino, Di Carlo, & Lucchese, 2020; Zhang et al., 2012).(2) EXPER: The CEO's financial proficiency is set

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to 1 if he or she holds a degree in accounting, finance, or business administration or has expertise in accounting and finance. Other values have 0 (Sannino et al., 2020; Zhang et al., 2012). (3) TENURE: If the tenure of the CEO exceeds 10 years, the tenure score is set to 1. Other values have 0 (Chan, Chen, & Liu, 2021; Li, 2019).

2.3 Quality of Internal Control

Positive social responsibility can be facilitated by internal controls (Li, 2019; Sun & Su, 2018). Control environment, control actions, and information and communication have a greater impact on creativity than the component at a lower level, including risk assessment and monitoring (Chan et al., 2021). Superior internal controls enhance the company's green information disclosure (Huang, 2013). An effective internal control system has a greater impact on the organization's viability (Enofe, 2016). The following theory is therefore proposed:

H4: The quality of internal control has a positive influence on the quality of financial reports.

It was also discovered that organizations with high-quality internal control disclosures had superior performance. Compliance with stringent internal control rules aids in achieving internal control's goals. Realizing internal control objectives is a solid foundation for boosting profitability as measured by return on assets (Al-Thuneibat, Al-Rehaily, & Basodan, 2015; Alshbili, Elamer, & Beddewela, 2018; Ndiaye, Bo, Azenga, & Kwamboka, 2019; Njeri, 2014; Zhang et al., 2012). ROE (Ndiaye et al., 2019; Zhang et al., 2012).and company value (as assessed by Tobin's Q) are positively correlated (Al-Thuneibat et al., 2015; Gilandeh, Khodabakhshi, & Pakdel, 2016; Zhang et al., 2012). The following theory is therefore proposed:

H5: The quality of internal control has a positive influence on financial effectiveness.

According to the COSO model, the quality of internal control (QIC) consists of five components: (1) Control environment (CE), (2) Risk assessment (RA), (3) Control actions (CA), (4) Information and communication (IC) (5) Monitoring and evaluation (ME). The score is 1 if the company has clearly described and applied. Other values have 0 (Jianfei & Yiran, 2011; Khlif, Samaha, & Amara, 2021).

2.4 Quality of Financial Reports

The accuracy of the information given through the financial reporting process can define the quality of financial reports. To improve the quality of financial reports, corporations must voluntarily extend the extent and quality of the information they present. This guarantees that market players are well-informed to make a logical investment, loan, etc., decisions. This high-quality information enables increased transparency, reduces information asymmetry, and satisfies investors' and stakeholders' needs (Martnez-Fernández, 2014). Currently, the format of financial reports is unified across various domains. Concerning society, the environment, and sustainability, monetary and non-monetary information is released to reflect the company's vision, mission, values, and strategy. Everything the company conducts impacts the creation of the present and future value (Thailand, 2014). Disclosures complement the financial information system in providing data on business strategies, economic performance, the environment, and society. CSR data replies to questions from various stakeholders, including employees, shareholders, investors, customers, and competent authorities. This data illustrates the wide expectations of society on the role of business in the community (Nguyen, Vu, Nguyen, & Le, 2021). Corporate Social Responsibility disclosures have a positive impact on all measures of financial performance, as measured by ROA and ROE (Alareeni & Hamdan, 2020; Bidhari, Salim, Aisjah, & Java, 2013; Hussain, 2015; Kasbun, Teh, & San Ong, 2016; Nguyen et al., 2021) and firm value (measured by Tobin's Q) (Alareeni & Hamdan, 2020; Hussain, 2015).

H6: The quality of financial reports positively influences financial effectiveness.

The quality of financial reports (QFR) that emphasize environmental (Pumkaew et al.), social, and sustainability (SUS) aspects (Bidhari et al., 2013; Kasbun et al., 2016; Malik, Wang, Naseem, Ikram, & Ali, 2020) The Stock Exchange of Thailand, 2020; Zahar, 2020. If the firm is described and applied for with clarity, the score is set to 1. Other values have 0 (Bidhari et al., 2013; Malik et al., 2020).

2.5 Size of Business

The entity's size, which reflects the company's accessible resources or total assets, represents the company's financial position, through which the company will gain future economic advantages from the assets to generate cash flows. Diverse sectors of society are focusing increased attention on large firms. People are under increasing pressure to disclose their social activities to justify their enterprises, and major corporations must manage their working capital successfully. As a result, total assets are seen as adequate indicators of the size of a business. Companies with a high total asset value are regarded to be large. Due to the asset value of each firm, a company with minimal total assets is deemed a tiny business. Each industry's addresses are vastly varied.

Consequently, the firm's size is estimated using the Natural Logarithm (an irrational symbol that represents an estimate) of the total assets at the end of the accounting period to adjust the values so that they correspond more closely with the numbers in the base. A study of prior research revealed that the company's size affects its internal control system (Jianfei & Yiran, 2011). Disclosure of CSR financial reports is positively influenced by the firm's size (Alshbili et al., 2018; Saleh et al., 2020). ROA (Karim, Manab, & Ismail, 2020), ROE and firm value (measured by Tobin's Q) are positively and significantly influenced by the enterprise's size (Karim et al., 2020), and (Tobin's Q) (Karim et al., 2020). The following theory is therefore proposed:

H7.1: A business's size positively influences internal control quality.

H7.2: The size of a business positively influences the quality of financial reports.

H7.3: The size of a business has a positive influence on financial effectiveness.

Measurement of business size (SIZE) is based on each company's total assets. Each company in each industry has a vastly distinct asset value. Therefore, the Natural Logarithm determines the enterprise's size (Karim et al., 2020; Saleh et al., 2020).

2.6 Concentration of Shareholders

There is a Concentrated Ownership Structure and large shareholders in Thailand. Before being listed on the stock exchange, most of the company's infrastructures were built by limited liability companies or family firms. The proportions of major stockholders and little shareholders are distinct. Consequently, the company's management and direction control depend on the previous power group, the company's largest stakeholder (Wiwattanakantang, 2001). Thailand's shareholder structure has been largely constant throughout history. The majority of the big shareholders are family members. Therefore, a considerable proportion of ownership in Thailand can be deemed predetermined, and the danger of a reversal is significantly reduced. Thai company ownership is significantly more concentrated than in the West (Jumreornvong, Treepongkaruna, Prommin, & Jiraporn, 2018). According to a review of prior studies, the top five shareholder concentrations had a beneficial effect on the disclosure of internal controls (Leng & Li, 2011). The concentration of the top five shareholders affected the disclosure of corporate social responsibility financial reports (Majeed, Aziz, & Saleem, 2015). The shareholder concentration structure (5 main) influences performance positively as evaluated by ROA (Abbas, Aslam, Naheed, & Aamir, 2019), ROE, and firm value (Tobin's Q) (Jadoon & Bajuri, 2015). The following theory is therefore proposed:

H8.1: Concentration of shareholders positively influences the quality of internal control.

H8.2: The concentration of shareholders positively influences the quality of financial reports.

H8.3: Concentration of shareholders has a positive influence on financial effectiveness.

The concentration of shareholders (CON) is measured by the concentration of the top 5 major shareholders (Leng & Li, 2011).

3. RESEARCH METHODOLOGY

The researcher obtains data from companies listed on the Thailand Stock Exchange. To gather comprehensive data for assessing multiple factors, the researcher chooses a business that fits the following criteria: (1) The firm's fiscal year ends on December 31, (2) The company's stock is traded on the Stock Exchange of Thailand, and (3) the

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company has provided complete information for the five years from 2015 to 2019. (4) Do not choose organizations that are undergoing rehabilitation as a sample group or may be delisted because they are managed differently than typical corporations. (5) Do not select a sample group from the finance industry, the real estate fund industry, or the real estate investment trust industry, as their accounting standards differ from those of other industry groups. (6) Do not select a group of securities on the MAI stock exchange, as the tax treatment differs from that of a typical corporation. Consequently, 362 companies were chosen from the sample group. Evaluation of the Data-Model Fit based on a study of reasonable structural linkages. The statistics used to examine the probability of fit and harmonization of empirical data with the theoretical path model are: (1) The statistical value used to verify the fit of the theoretical path model with actual data; and (2) the statistical value used to examine the harmonization of empirical data with the theoretical path model (p-value). (2) An index used to evaluate model compatibility with empirical data. (CMIN/DF: Relative Chi-square. (3) Comparison Fitness Index (CFI). (4) Root Mean Square Approximation Error (RMSEA) (Vanichbuncha, 2013).

4. RESEARCH RESULTS

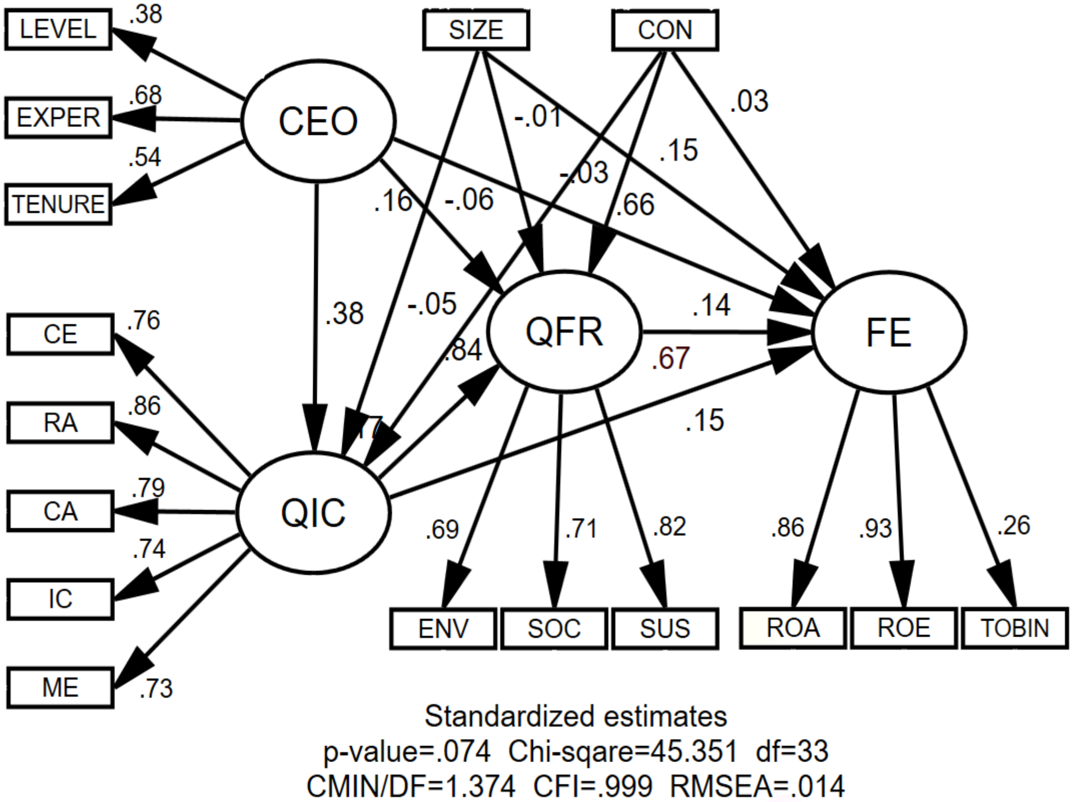

Figure 1: The Empirical Data was Shown with The Theoretical Model after Adjusting the Correlation Model Error.

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Table 1: Displays the Element Weight of The Observable Variable

Variables			Beta	b	SE.	C.R.	p	R^2
LEVEL	<---	CEO	0.379	0.558	0.053	10.429	***	0.144
EXPER	<---	CEO	0.681	1.000				0.464
TENURE	<---	CEO	0.538	0.719	0.103	6.946	***	0.289
CE	<---	QIC	0.765	0.618	0.023	26.618	***	0.585
RA	<---	QIC	0.864	0.828	0.028	29.285	***	0.746
CA	<---	QIC	0.791	0.953	0.035	27.405	***	0.626
IC	<---	QIC	0.742	0.955	0.037	25.694	***	0.551
ME	<---	QIC	0.733	1.000				0.537
ENV	<---	QFR	0.693	0.875	0.037	23.413	***	0.480
SOC	<---	QFR	0.706	0.630	0.027	23.466	***	0.498
SUS	<---	QFR	0.816	1.000				0.666
ROA	<---	FE	0.864	0.498	0.016	30.598	***	0.746
ROE	<---	FE	0.926	1.000				0.857
TOBIN	<---	FE	0.259	0.953	0.107	8.880	***	0.067

Remarks: ***$p<0.001$

Figure 1 and Table 1 show the competence of the chief executive officer variables (CEO), which have sub-components 3 variables with standard component weights (Beta) in descending order as follows: The CEO's financial expertise (EXPER) (0.68), followed by the CEO's tenure (TENURE) (0.54) and the CEO's education level (LEVEL) (0.38). The quality of the internal control variable (QIC), which has sub-components 5 variables with standard component weights (Beta) in descending order as follows: risk assessment (RA) (0.86), followed by control activities (CA) (0.79), control environment (CE) (0.76), information and communications (IC) (0.74) and the monitoring and evaluation (ME) (0.73). The quality of financial reporting variables (QFR), which has sub-components 3 variables with standard component weights (Beta) in descending order as follows: sustainability (SUS) (0.82), followed by social (SOC) (0.71) and environmental (Pumkaew et al.) (0.69). The financial effectiveness variable (FE), which has sub-components 3 variables with standard component weights (Beta) in descending order as follows: return on equity (ROE) (0.93), followed by return on assets (ROA) (0.86) and firm value (TOBIN) (0.26).

From Table 2, the structural equation analysis results are shown in Figure 1; summarizing the data review after the correlation analysis of the hypothetical split model, it was found that the following seven hypotheses were accepted: H1: chief executive officer (CEO) competence had a positive influence (0.38) on the quality of internal control (QIC), H3: chief executive officer (CEO) competence has a positive influence (0.66) on financial effectiveness (FE), H4: quality of internal control (QIC) has a positive influence (0.84) on quality of financial reports (QFR), H5: quality of

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internal control (QIC) positive influence (0.15) on financial effectiveness (FE), H6: quality of financial reporting (QFR) positive influence (0.14) on financial effectiveness (FE), Assumption, H7.1: the size of business (SIZE) positive influence (0.16) on quality of internal control (QIC) H7.3: the size of business (SIZE) positive influence (0.15) on financial effectiveness (FE).

Table 2: The Approximation of The Model Variable

			Beta	**b**	**SE.**	**C.R.**	**p**	**Remarks**
CEO	--->	QIC	0.378	0.128	0.022	5.826	***	Support H1
CEO	--->	QFR	-0.061	-0.012	0.008	-1.568	0.117	Reject H2
CEO	--->	FE	0.657	0.259	0.041	6.348	***	Support H3
QIC	--->	QFR	0.841	0.506	0.021	24.277	***	Support H4
QIC	--->	FE	0.155	0.180	0.067	2.691	0.007**	Support H5
QFR	--->	FE	0.140	0.270	0.116	2.333	0.020*	Support H6
SIZE	--->	QIC	0.157	0.011	0.002	5.638	***	Support H7.1
SIZE	--->	QFR	-0.013	-0.001	0.001	-0.473	0.636	Reject H7.2
SIZE	--->	FE	0.145	0.012	0.002	6.139	***	Support H7.3
CON	--->	QIC	-0.049	-0.032	0.017	-1.923	0.055	Reject H8.1
CON	--->	QFR	-0.028	-0.011	0.011	-1.028	0.304	Reject H8.2
CON	--->	FE	0.031	0.024	0.014	1.693	0.090	Reject H8.3

Remarks: ***p<0.001, **p<0.01, *p<0.05

5. CONCLUSION AND DISCUSSION

This study aimed to examine the association between CEO competency and organizational performance. The level of internal control and the quality of financial reporting influence the financial effectiveness of Thailand's Stock Exchange-listed companies. The findings indicated that the competence of chief executive officers positively affected the quality of internal control and financial performance (H1 and H3) (Peni, 2014; Wang & Yu, 2015). The quality of internal control positively affects the quality of financial reporting and the financial effectiveness of an organization. (H4 and H5) (Enofe, 2016; Li, 2019; Zhang et al., 2012). Financial reports' quality positively affects financial performance (H6) (Alareeni & Hamdan, 2020). Size affects internal control and financial performance (H7.1 and H7.3) (Jianfei & Yiran, 2011).

Additionally, it was discovered that the competency of CEOs did not affect the quality of financial reports (H2). There was no correlation between business size and the quality of financial reporting (H7.2). The concentration of shareholders does not affect the quality of internal control, the quality of financial reporting, or the effectiveness of the company's finances (H8.1 H8.2 and H8.3). To investigate why this study contradicts earlier research, additional studies are required.

Among the limitations of this study are the Stock Exchange of Thailand sample data. Numerous companies have insufficient information; hence, such information cannot be studied. The study concentrated on internal governance procedures and ignored external elements that may substantially impact the organization's financial success. To plan finances and mobilize resources with optimum efficacy, the chief executive officer and the management team should continuously expand their understanding of accounting, finance, and corporate management. Moreover, in designing policies related to the contribution of environmental, social responsibility, and sustainability, policymakers should continue to act beyond the boundaries required by laws or agencies to create good images and good reputations, which affect stock prices, company value, customers, suppliers, and creditors, thereby making the organization long-term sustainable. Additional research could include variables such as internal controls, as measured by the number of audit committees; the number of audit committee meetings has a positive effect on the financial effectiveness of the company; and an analysis of a separate business model that may reveal differences or provide more precise information.

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