The Impact Of Sustainability Financial Data Governance, Political Connection On Financial Reporting Quality

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Research Article

Keywords: political connections, financial reporting quality, sustainable, financial data governance, decision-making

Posted Date: August 16th, 2023

DOI: https://doi.org/10.21203/rs.3.rs-3262012/v1

Abstract

In the intricate tapestry of organizational dynamics, the pivotal process of decision-making emerges as a linchpin, wielding a substantial influence over companies' viability and enduring success. This study aims to explore the multifaceted factors that underscore sustainable organizational functioning, with a focus on the pivotal role of corporate governance. While the existing literature acknowledges the presence of corporate governance data, a notable gap exists in terms of investigating the nexus between corporate data governance, political affiliations, and their potential impact on financial reporting quality.This research seeks to bridge this gap by conducting a comprehensive inquiry into this complex interplay. Meticulous data collection from 48 carefully selected firms listed on the Palestine Exchange market forms the foundation of this study. Utilizing the analytical capabilities of SPSS, a robust statistical analysis is employed to elucidate the intricate relationship between two central variables: Financial Data Accuracy (FDA) and Political Connection Advantage (PCA).The results of this meticulous analysis illuminate the matter at hand. The intertwined variables exhibit a correlated relationship with financial reporting quality. This correlation not only underscores potential influences on various dimensions but also assumes a pivotal role in the sphere of decision-making within these scrutinized firms. Furthermore, this nexus holds the potential to exert a profound influence on the strategic considerations of these organizations.

Introduction

Corporate governance is a series of actions and practices that ensures business managers are dedicated to realizing the firm's objectives while also guaranteeing that their pursuits are aligned with ethical principles, thereby ensuring the ethical maximization of stockholders' wealth (Yermack, 2017). Sustainability and long-term growth are the core objectives pursued by firms, primarily driven by profitability. In pursuit of these aims, effective corporate governance becomes indispensable, especially in areas such as data governance and IT. Corporate governance entails delegating responsibilities and decision-making authority to stakeholders within the organization. The alignment of decision-making processes with sustainable actions assumes critical significance for firms, as it directly impacts the enduring growth of the business. Therefore, a robust framework of corporate governance is essential to facilitate informed and strategic decision-making that ultimately underpins the long-term sustainability and progress of the enterprise(Ali & Green, 2012). Numerous firms allocate substantial resources towards extensive data analysis, encompassing aspects such as data storage and visualization. This strategic investment is undertaken with the overarching goal of attaining a competitive edge, enhancing overall performance, and achieving success. The capability of a firm to actively engage in data acquisition, predicated on meticulous analysis and subsequent reporting, endows it with a heightened agility concerning the quality of financial reporting. This proactive approach fosters a more flexible and adaptive stance, further augmenting the firm's potential to enhance financial reporting quality (DeStefano, Tao, & Gai, 2016).

As stated in(Palestine&Exchange 2010) Countries worldwide endeavor to attract investors for establishing new businesses. Palestine is no exception; it has actively pursued this goal by establishing the Palestine Exchange in 1995. This move has successfully enticed several firms to participate in the Palestinian market. Remarkably, despite the challenges posed by the situation in Palestine and the ongoing occupation, the Palestine Exchange has demonstrated stability. In fact, when compared to neighboring countries' exchanges, the Palestine Exchange fares at a similar level or, arguably, even better. This achievement can be attributed to various factors, including the incorporation of multiple currencies such as the US dollar and the Jordanian dinar. Moreover, investors are afforded the opportunity to trade bonds. Notably, a significant portion of the companies listed on the Palestine Exchange are situated in both the West Bank and Gaza.

This research, primarily conducted within the Asian context, represents a distinctive undertaking within the framework of Palestine. Its specific focus rests upon companies enlisted in the Palestine Exchange, with an emphasis on addressing the challenges posed by the region's inherently volatile circumstances. Through a comprehensive exploration of this facet, the study aspires to yield invaluable insights that contribute to an enhanced comprehension of how businesses manifest resilience within the inherently unstable Palestinian environment.

The economic predicaments in Palestine escalated significantly following the general election in 2006. The Israeli government's decision to halt the transfer of clearance revenue collected on behalf of the Palestinian authority, coupled with the cessation of financial support from international donors, catalyzed a profound financial crisis for the Palestinian government, particularly post the January 2006 election. This adverse development threatened to erode the authority of public institutions, exacerbating domestic tensions while simultaneously creating intricate international political challenges. This abrupt downturn effectively transformed the promising economic recovery experienced in 2004–2005 into a downward spiral. The repercussions were starkly evident, with the real GDP plummeting by a range of 5%-10% in 2006. Furthermore, unprecedented levels of unemployment and destitution ensued, with rates reaching as high as 40% and 65% respectively (Abdelkarim & Alawneh, 2009).

Consequently, the prevailing circumstances have engendered a multitude of challenges for the Palestinian government, prompting the exploration of reduced expenditures as a viable solution. However, this approach becomes notably intricate under the constraints of the lockdown system, which has led to a depletion of the government's workforce. Amidst these trials, the government's credibility has been undermined, a factor that is particularly problematic given the pressing need for public trust during these times.

Balancing the dilemma of high salaries for employees against the imperative of retaining a motivated workforce presents a complex conundrum. While excessive compensation can strain the government's financial resources, insufficient remuneration may negatively impact employee morale, thereby impeding their productivity. This scenario exacerbates the challenge of attracting and retaining highly skilled and proficient Palestinian workers. The disparity between public and private sector wages stems from a combination of economic and political factors, with the public sector often establishing a baseline that the private sector mimics.In conclusion, the intricate interplay between wage differentials in the public and private sectors is intertwined with various dynamics, including health and education. This complex issue forms an integral part of the larger economic and political landscape, requiring careful consideration and strategic planning.(Miaari, 2020).

In the realm of governance analysis, it is noteworthy that researchers have yet to establish a linkage between the governance of sustainable financial data and innovative accounting practices. Remarkably, there appears to be an absence of research papers that delve into this crucial interplay. However, it's important to acknowledge that there may be other research endeavors that have been overshadowed or overlooked within this context(Sorin, Ramona, & Adrian, 2012). This research embarks on an exploration of the impact of innovative accounting practices on the coherence of financial reporting, as well as the reciprocal influence of financial reporting on the efficacy of decision-making within companies. The key finding of this study is the direct correlation between the quality of financial reporting and the effectiveness of financial reporting itself. This aligns with the observations made in preceding studies within the literature.Furthermore, the research underscores the significance of extending this study to other countries, emphasizing the potential value in testing the relationship between financial reporting quality and political connections within various national contexts. Such an approach is deemed pivotal in fostering high-quality financial reporting practices, which in turn bolsters a firm's capacity to attract increased investor interest. This perspective aligns with the prevailing sentiment evident in the literature, highlighting the broader applicability and importance of investigating the interplay between financial reporting quality and political connections across diverse geographical and socio-economic landscapes. (Simpson, Tamayo, & Research, 2020).

Literature Review

traditional accounting is renowned for presenting financial statements with distinct figures that convey these numbers to stakeholders, be they investors, managers, or the community. A novel concept, termed financial reporting quality, has emerged, revolutionizing the conventional depiction of financial statements. This novel approach transforms the essence of accounts, pursuing specific objectives. Employing financial reporting quality within a company leads to a metamorphosis of financial statements, achieved by deviating from the confines of traditional accounting norms. Notably, the conventional approach predominantly focuses on certain statements that cater to stockholders' interests, especially investors, potentially misleading them and presenting an altered depiction(Griffiths, 1986; Osaze, 1998).

As is often the case, conflicts frequently arise within many companies, manifesting in disagreements between managers and shareholders, as well as among shareholders themselves. Corporate governance serves as a pivotal avenue for addressing these conflicts, effectively serving as a mechanism to mediate and mitigate such issues. This is achieved through dual means: retaining authority within a select group of shareholders or appointing a board of directors directly from the shareholder pool. These mechanisms empower shareholders to exert influence and oversight over company management, thereby fostering a system of checks and balances that promotes effective governance and decision-making (Odia & Ogiedu, 2013). By employing either of these methods, the first being the consolidation of authority among a limited number of shareholders, and the second involving the election of a board of directors from among the shareholder body, companies can effectively monitor and steer their management processes. These approaches facilitate a structured oversight mechanism, enabling active scrutiny and control over the company's operations and strategic directions (Ali Shah, Butt, & Bin Tariq, 2011).

Corporate governance is extensively examined within the realm of Accounting literature, considering its academic significance (Cohen, Krishnamoorthy, & Wright, 2004). However, a contention within agency theory supports the notion that well-structured governance frameworks yield improved quality in financial reporting within the marketplace. Managers can utilize information derived from ownership, yet its separation from control can introduce discrepancies in this information (Berle & Means, 1991).

Shareholders, as investors, naturally prioritize the outcomes of their investments, which predominantly translate into profits. However, in order to assess managerial effectiveness, they require pertinent information that aids in evaluating management performance. Consequently, an efficient monitoring system is sought to offer insights into a company's performance. Unfortunately, instances arise where managers do not furnish accurate information, deceiving shareholders. In such instances, the provided information loses its utility for stakeholders, consequently disrupting the alignment between company information and market valuation. This scenario underscores the vital role of researchers and analysts who intervene to ensure that the information translates into tangible results within the company. Their involvement bridges the gap between information dissemination and its practical manifestation, enhancing transparency and enabling more accurate assessments of managerial performance(Richardson & Tinaikar, 2004).

In pursuit of wealth augmentation, the impetus of motivation compels management to divulge distinctive information to external shareholders beyond the confines of company ownership. This division in ownership creates an environment where managers can introduce financial information nuances with the intent of misleading external shareholders. Empirical observations indicate that a lack of recognition by investors regarding this selective disclosure can result in a skewed allocation of resources. However, the imperative for robust corporate governance remains consistent, encompassing both shareholders and the broader community. This demand ensures the preservation of accountability, transparency, and ethical conduct within organizations, thereby maintaining a harmonious equilibrium in the corporate landscape (Habib & Azim, 2008).

A positive repercussion of corporate governance, particularly concerning financial reporting, is the provision of trustworthy financial information to stakeholders within the market. This achievement is facilitated through dual avenues. Firstly, enhanced financial information quality is ensured through corporate governance mechanisms that center on profit-oriented activities. Numerous pieces of empirical literature underscore the presence of managers who engage in opportunistic profit manipulation, which can distort the accuracy of accounting earnings as an indicator of a firm's financial health. By implementing an effective enterprise governance system, the dissemination of reliable accounting information to users of financial statements is secured. This is achieved by curbing managers' propensity for opportunistic profit handling. Moreover, corporate governance serves to align investors' priorities with those of managers, thereby enhancing the transparency of accounting reports and bolstering the credibility of the entire accounting process. This alignment engenders a collaborative environment where both shareholders and managers work harmoniously to maintain the integrity of financial reporting, ultimately reinforcing the confidence stakeholders place in the financial information disseminated.(Watts & Zimmerman, 1986). The inquiry into the impact of financial data governance on sustainability has garnered considerable attention within the domain of firm financial efficiency. Firms that prioritize Corporate Governance are inclined to allocate additional resources to Corporate Social Responsibility (CSR) initiatives, thereby enhancing consumer awareness and fortifying the core values of the company. Notably, an augmented alignment between managerial and shareholder interests is observed in businesses with substantial managerial ownership. This alignment contributes to an elevated firm valuation, consequently elevating the efficacy of management decisions.(Crutchley, Jensen, Jahera Jr, & Raymond, 1999).

In recent years, notable discussions and deliberations concerning corporate sustainable development have emerged as pivotal topics within both the business and academic spheres. This modern management paradigm recognizes the significance of achieving corporate growth and enhanced productivity, while concurrently advocating for the pursuit of social objectives. Particularly, this approach is attuned to addressing environmental issues, such as environmental conservation, social justice, equality, and the advancement of local communities. The concept of sustainable corporate development encompasses proactive measures aimed at fostering economic growth and ensuring the enduring competitiveness of businesses over the long term.(Kamble, Gunasekaran, & Gawankar, 2020).

Companies opt to disclose voluntary details pertinent to their operations if the benefits of disseminating such information outweigh the associated costs. These suppositions suggest that these disclosure rates yield positive economic ramifications, leading to outcomes such as heightened transparency. This enhanced transparency, in turn, exerts a positive influence on business outcomes, thereby improving overall performance(Enache & Hussainey, 2020). Accounting theory postulates that the capital market serves as a valuable resource for companies, aiding them in projecting future outcomes through the provision of precise and comprehensive information that proves beneficial to investors. One avenue through which this information is made accessible is optional disclosure. Enterprises employ transparency as a strategic instrument to mitigate the volatility of knowledge between stakeholders and managers. This practice contributes to lowering capital costs for businesses, augmenting stock values, and ultimately enhancing shareholders' wealth.

the varying levels of investor sophistication influence the dependence on benefit classes. Some investors, particularly those with access to strategic information, may abstain from additional disclosures since certain details are accessible to a limited group. Consequently, market competition among investors could decrease due to this discrepancy. Conversely, ordinary investors, lacking the augmented disclosures, experience information inconsistencies vis-à-vis administrators. Moreover, this safeguards them against sophisticated investors. This variation in demand among stockholders may lead to shifts in exposure and enhance management's accountability to shareholders.

In a scenario of complete information, transparency systems offer limited advantages, as investors safeguard themselves against inadequate contracts and reduced justification. Consequently, both detection and corporate governance assume responsibility for managers. Voluntary disclosures serve to mitigate knowledge asymmetry and minimize private benefit accumulation by top management, which can result from undisclosed outcomes. Corporate governance measures curtail the opportunities for managers to disseminate misleading information while concurrently motivating them to furnish authentic data, consequently reflecting the company's true state.

Thus, both options frameworks and corporate governance reporting likely maintain a complementary relationship, the implications of which can resonate throughout a company's performance (Kalay, 2015). (Enache & Hussainey, 2020).

The term "financial reporting quality" is frequently utilized colloquially in several European countries, including Switzerland, Austria, Germany, Luxembourg, as well as Norway, Sweden, and Finland. Despite this widespread usage, there is a notable absence of research analyzing financial reporting quality in detail. In instances where the term is referenced, it becomes evident that it is primarily defined within the context of identifying negative trends(Hołda & Staszel).

From a data-centric standpoint, there appears to be a correlation that lends some support to the trend of creative accounting. This correlation arises from the premise that accounting reports yield data of high quality, thereby generating valuable signals for stakeholders. However, due to the inherent imbalance of knowledge between managers and stakeholders, managers might exploit their advantageous positions for personal gain. Within this context, the traditional accounting model allows managers to manipulate profit figures, either through augmentation or alteration. (Donwa & Odia, 2013).

In the pursuit of gaining a competitive edge, enterprises necessitate a comprehensive approach encompassing both enterprise-wide data strategy and governance. Notably, businesses across the spectrum have channeled substantial investments, amounting to millions of dollars, into enterprise applications that collate data from diverse sources. As an illustrative instance, corporate resource planning systems exemplify this trend. Such endeavors serve to ensure that no transaction takes place without being documented, influencing the market dynamics. However, the pivotal aspect lies in businesses' ability to leverage this data to secure a competitive advantage.for businesses to effectively capitalize on this information, it becomes imperative to harmonize diverse pieces of data into a standardized format. Subsequently, this data must be meticulously organized, housed within a data center, and made easily accessible to both internal and external stakeholders. This inclusive approach guarantees that valuable insights can be extracted, enhancing decision-making capabilities and fostering a dynamic competitive stance within the market (Davenport & Harris, 2007).

Defiant Perspective of Creative Accounting.

The interpretation of how financial reporting quality is applied encompasses a nuanced spectrum, where its utilization can sometimes deviate from its intended purpose. As you aptly emphasize, there are instances where scholars and experts might exploit this concept to serve their own interests within corporate contexts, echoing the notion of Creative Accounting. This concept involves modifying financial statements while adhering to established accounting principles, creating an alternative depiction of the company's performance to stakeholders.At its core, Creative Accounting involves a deliberate manipulation of the external financial reporting mechanism with the aim of securing a distinct advantage. This manipulation can take various forms, including altering numerical figures, essentially presenting a different perspective of reality. This process often entails disregarding or bending existing accounting rules to suit the intended narrative. This interpretation underscores the multifaceted nature of financial reporting quality and its potential to be harnessed or misused, influencing stakeholders' understanding of a company's financial position and performance.(Amat, Blake, & Dowds, 1999). The inception of the concept of creative accounting can be traced back to English literature in the 1970s. This term pertains to a particular methodology that managers adopt to mislead stockholders, creditors, or potentially both parties. This manipulation revolves around distorting information related to a company's wealth, overall progress, or financial challenges, ultimately aiming to present a skewed representation of the firm's financial state (Argenti, 1976). A considerable number of Polish scholars advocate that the concept of creative accounting, when applied to the process of determining values to be disclosed in financial statements, should be associated more with creativity rather than manipulation (Hołda & Staszel, 2016). Creative accounting is widely considered to deviate from the principles of genuine and transparent accounting practices. The term often carries connotations of "manipulation," which underlines the questionable nature of these practices. Some perspectives outright classify creative accounting as a form of fraud, further highlighting the ethical concerns associated with such practices (Hołda & Staszel). Indeed, creative accounting is a concept utilized by accountants who possess a deep understanding of accounting rules and regulations. This knowledge empowers them to manipulate financial figures and numerical data within the accounting system of businesses(Blake & Salas, 2001). Accounting educators bear the responsibility of ensuring that students can adeptly assess and evaluate accounting from various standpoints, encompassing not only those of stockholders or managers but also considering the intricate dynamics of contemporary business environments. This entails equipping students with information that not only enhances their knowledge and problem-solving skills but also facilitates a comprehensive understanding of the concept of creative accounting within businesses. (Dellaportas, 2019). There is a pervasive recognition that accounting functions as a social science, fostering communication with the broader community. Central to accounting is the principle of delegation, wherein the task of managing a business is entrusted to managers who operate on behalf of stakeholders. These managers receive a portion of the company's income. Consequently, a key challenge faced by these executives is to enhance revenues, enabling them to generate greater income and returns (Al-Olimat, 2019). The introduction of innovative creative accounting methods, when combined with sustainable Financial Data Governance, results in favorable outcomes for accounting data. This amalgamation lends increased flexibility to the practice of accounting, enabling the manipulation of techniques to ascertain earnings and revenues(Tassadaq & Malik, 2015).

H1: **Financial Data Governance Effect Positively on Quality of Financial Reporting.**

In the context of government, creative accounting involves presenting a firm's performance in a manner that is perceived positively by both the general public and the government. This approach is employed when the government intentionally withholds certain information from the public. Creative accounting methodologies are then utilized to achieve this objective, shaping the presentation of financial information to present a more favorable view of the government's performance(Omurgonulsen & Omurgonulsen, 2009).

The practice of financial disclosure is contingent upon the interplay between government fiscal responsibility and the transparency that bridges supply and demand. The process is intricately influenced by the associated costs of generating and disseminating information on a wide scale. In this regard, governments often face economic constraints, limiting their ability to execute comprehensive information dissemination across all forms of political systems. Nevertheless, certain political systems place a greater emphasis on government accountability and transparency, particularly democratic systems, where the government is compelled to respond more acutely to information requests.This phenomenon is pronounced in both industrialized and developed nations, where governments are expected to be more attuned to information demands. However, in developing countries, the opportunity cost of allocating resources to enhance government financial awareness is comparatively higher than in their developed counterparts. This divergence in resource allocation dynamics underscores the complex relationship between financial disclosure practices and the economic context within which they occur.(Chan, 2006).

(H2): Politics Connection Effect Positively on Financial Reporting Quality.

The objective of aligning accounting statements with ethical accounting principles is to reaffirm the integrity of a company's specifications, ensuring its adherence to ethical standards. This endeavor serves a twofold purpose: first, to maintain the ethical foundation of the company's operations, and secondly, to cultivate consumer trust in the services provided by the company(Okafor, 2006). When considering corporate governance, the occurrences of significant setbacks linked to unethical actions in accounting have spurred proactive measures to deter the misuse of accounting practices. These instances have underlined the crucial connection between corporate governance and ethical conduct. In the realm of economic research, a correlation has been established between corporate governance and financial innovation.Within the context of auditors, their ethical judgments are significantly shaped by the policies, protocols, and evaluations set forth by an organization. These factors play a pivotal role in influencing an auditor's ethical considerations regarding the accuracy of financial reports. The outcome of these considerations dictates whether a company's final financial statement accurately reflects its cash flows and various transactions. To address the complexities of potential fraud, the accrual approach is often employed. This approach is favored due to the challenges associated with identifying transaction fraud, where management may exploit timing discrepancies to manipulate certain transactions.Regenerate (Rabin, 2005).

The process of preparing financial reports stands as a pivotal element capable of exerting a significant influence on decision-making within a firm. This influence is heightened by the quality of the reports themselves. As financial reports are prepared with transparency in mind, they present an opportunity for company managers to utilize corporate reporting strategically. By doing so, they can address knowledge asymmetry and foster greater transparency between stakeholders.This approach not only bolsters future profitability but also has the potential to reduce capital costs. When financial information is transparent and effectively communicated, it instills greater confidence in stakeholders, potentially attracting investments and lowering the cost of capital for the firm. In this manner, the preparation of financial reports takes on a multifaceted role, not only as a documentation of financial performance but also as a strategic tool for enhancing decision-making and overall organizational efficiency.(Kim & Verrecchia, 1991). The significance of financial reports hinges on the dual factors of their comprehensiveness and accuracy, especially concerning unanticipated elements. The disclosure choices made by managers play a critical role in mitigating information asymmetry. Managers often choose to bridge this gap by proactively revealing their private insights through management forecasts. Previous research, as highlighted by Jennings (1987), underscores the value of these forecasts, as they are observed to hold predictive power in influencing market responses.

These management forecasts serve as a strategic means to circumvent the potential withholding of accurate details. In essence, the act of providing predictions allows managers to address potential information gaps and offer insights into their expectations. This not only aids in minimizing information asymmetry but also provides stakeholders with valuable signals for decision-making. Ultimately, the practice of making management predictions represents a proactive approach to managing the dissemination of information, thereby influencing market responses and enhancing the overall transparency of financial reporting(Baginski, Conrad, & Hassell, 1993).

RESEARCH METHODOLOGY

Research Design

This article delves into the correlation between sustainability data governance and political connections concerning financial reporting quality within firms listed on the Palestine Stock Exchange. The motivation behind this research stems from a critical examination of prior studies in the literature review. These earlier studies typically elucidate the relationship between one or two variables before applying their findings to select firms.

In contrast, this study seeks to explore the intricate relationship between sustainability data governance, political connections, and financial reporting quality. This exploration is of paramount importance, as financial reporting quality holds substantial significance for organizations and serves as a crucial tool for managerial decision-making. The study employs a quantitative research approach, deemed suitable for this type of investigation. Importantly, this research stands as the inaugural study to be conducted within Palestine's firms, focusing on the quality of financial reporting, which is an exceptionally sensitive aspect of the accounting and finance domain.

Sampling

The sampling methodology employed in this study focuses on gathering data from a comprehensive selection of publicly traded firms in Palestine. By targeting these specific firms, the study aims to obtain a representative sample that effectively encapsulates the broader landscape of businesses in the country. The sample size encompasses 48 firms from the Palestine Exchange market, chosen from a total of 250 firms in the Palestinian market within the Middle East region.

This particular selection process is rooted in the recognition of the economic and political challenges prevalent in Palestine. The intertwined nature of economic and political dynamics within the country has potential implications for the functioning of these firms. Therefore, this study is uniquely positioned to shed light on the intricate interplay between political and economic factors in Palestine. By scrutinizing these variables and their impact on financial reporting quality, this research contributes to a deeper understanding of the prevailing political and economic landscape in Palestine.

Data collection tools

In the process of exploring this topic, the researcher embarked on a comprehensive literature review that examined relevant sources and studies. Amidst the backdrop of the Covid-19 pandemic, the researcher adopted an online questionnaire as the primary data collection method. This choice was necessitated by the limitations imposed on physical interactions during the pandemic. Distributing the questionnaire physically became infeasible, prompting the researcher to leverage digital platforms.

A total of 288 questionnaires were sent out, with each firm receiving six questionnaires. The intention was to gather insights from 48 firms in this manner. Despite the challenges posed by the circumstances, the researcher received a notable response of 250 completed questionnaires from the targeted firms. This impressive feedback demonstrates a substantial level of participation, underscoring the commitment of the firms to contribute to the study's objectives despite the exceptional circumstances brought about by the pandemic.

Reailblity

A Cronbach's alpha value above 0.60 indicates that the variables exhibit a reasonably high level of internal consistency and reliability. This suggests that the items within each variable are closely correlated, implying that they measure the same underlying construct consistently. This level of reliability is generally considered acceptable for research purposes, indicating that the data collected is dependable and the variables are effectively capturing the intended concepts.(Taber, 2018) The results presented demonstrate the confirmation of the underlying factors within the study. The analysis reveals that the variables and their associated items align coherently with the intended constructs, validating the consistency and reliability of the factors under investigation. This confirmation underscores the robustness of the study's framework and lends credibility to the conclusions drawn from the data analysis.

Table 1

Constant	Cronbach's alpha
Sustainability Financial Data Governance	.889
Political Connection	.828
Quality Of Financial Reporting	.829

This table shows the correlation of PCA and FDA are strong significant correlations since the Pearson correlation less than 0.05 related to that both of those hypotheses will be accepted as both of these variables affect positively on the QFR the relationship statistical significant between both of them.

The Correlation

Table 2

Correlations				
		PCA	FDA	QFR
PCA	Pearson Correlation	1	.573**	.565**
	Sig. (2-tailed)		.000	.000
	N	250	250	250
FDA	Pearson Correlation	.573**	1	.540**
	Sig. (2-tailed)	.000		.000
	N	250	250	250
QFR	Pearson Correlation	.565**	.540**	1
	Sig. (2-tailed)	.000	.000	
	N	250	250	250
**. Correlation is significant at the 0.01 level (2-tailed).				

This table clearly shows F = 78.557 which refers to the consistency between the QFR as a dependant viable and PCA, FDA as independent which consistent for both of them.

Riggrition

Table 3

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.098	2	22.549	78.557	.000[b]
	Residual	70.899	247	.287		
	Total	115.997	249			
a. Dependent Variable: QFR						
b. Predictors: (Constant), PCA, FDA						

The result described in Table 5 for the B value of PCA .315 and FDA .291 which is less than 5% for both of them which means strength of the effect of each of these variables as PCA higher the absolute value of the coefficient it's stronger the effect than the FDA.

Table 4

Table 4
shows the beta of (FDA = 0.321, PCA = .381) and P value of FDA = .000 and P value of PCA = .000 so P value less 0.05

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.596	.188		8.507	.000
	FDA	.291	.055	.321	5.291	.000
	PCA	.315	.050	.381	6.284	.000
a. Dependent Variable: QFR						

Table 5

Hypotheses	Decision
Financial Data Governance Effect Positively on Quality of Financial Reporting.	Accept
Politics Connection Effect Positively on Financial Reporting Quality.	Accept

Conclusion

This article culminates by establishing a connection between Financial Data Governance and political affiliations concerning the quality of financial reporting. Notably, previous research has revealed that both political connections and financial data governance have not been extensively employed within many firms, particularly in Arabic countries. This study makes a distinctive contribution by utilizing data related to both financial data governance and political connections as pivotal factors that can influence the quality of financial reporting.

Underscoring the significance of financial reporting for an organization's survival in the market, this paper highlights its vital role as a tool for managerial decision-making. Furthermore, it underscores how accurate financial reporting can benefit the accounting department of an enterprise, enhancing the accuracy of their financial statements. This accuracy, in turn, serves to attract potential investors to the stock market, fostering the achievement of success and augmenting effective decision-making processes. The study thus accentuates the intricate interplay of financial data governance, political connections, and accurate financial reporting in achieving overall organizational success and informed decision-making.

Recommendations

The researcher's findings advocate for further exploration in the realm of financial reporting quality due to its paramount importance within the accounting department of organizations. The implications of financial reporting quality extend beyond accurate representation, impacting managerial decision-making and the potential to attract investors. Furthermore, this research indicates that the global business landscape could benefit from such studies, as enhanced financial reporting quality can contribute to the growth and expansion of firms on an international scale.

Particularly within the context of Palestine, where political instability and economic constraints prevail, this type of research assumes heightened relevance. The unique challenges faced by firms operating within these circumstances call for specialized investigations that address the specific dynamics at play. By conducting further research in this domain, particularly in Palestine, scholars can offer insights that contribute to navigating these challenges, elevating financial reporting quality and ultimately aiding decision-making and sustainable growth.

Declarations

Competing interests: The authors declare no competing interests.

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Figures

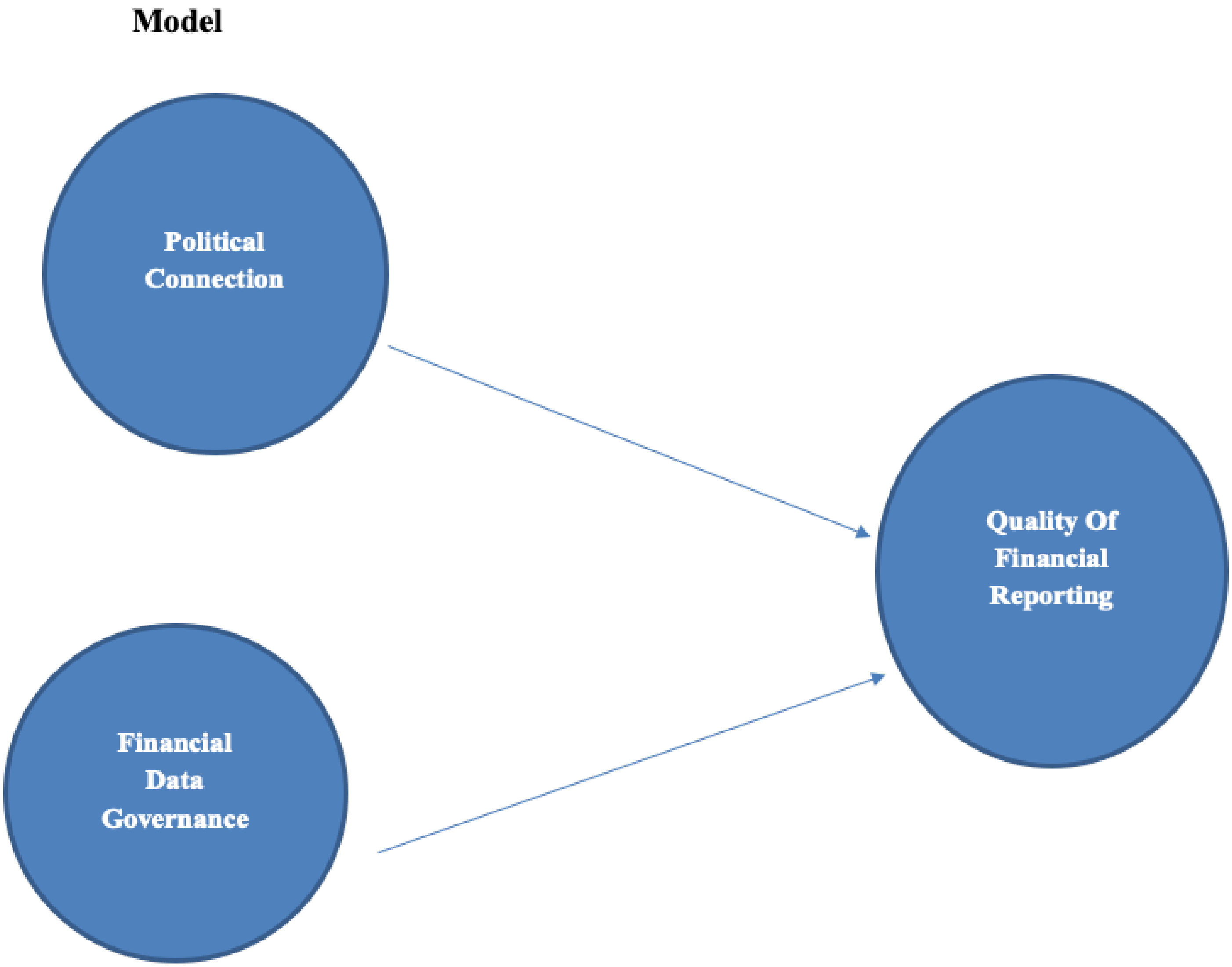

Figure 1

Unnumbered image in the RESEARCH METHODOLOGY section.