CFO ATTRIBUTES AND THE TWIN CHANNELS OF FIRM PERFORMANCE: EVIDENCE FROM AN EMERGING MARKET

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Abstract - Chief financial officers (CFOs) shape firm outcomes through two distinct routes that existing studies tend to blur: an operating channel, reflected in return on assets (ROA), and a financing channel, reflected in return on equity (ROE). Grounded in Upper Echelons Theory, this study develops a twin-channel framework in which the same CFO attribute can move the two performance metrics in opposite directions. Using a panel of the 100 largest Malaysian listed firms over 2018–2023 (600 firm-year observations) and a two-step difference Generalized Method of Moments estimator, the study examines six CFO characteristics: religiosity, multiple directorships, gender, educational attainment, financial expertise, and tenure. Religiosity, gender, tenure, and financial expertise display the predicted reversal across the operating and financing channels, while multiple directorships and educational attainment relate to operating performance but not to financing returns—the asymmetry the framework anticipates. The findings are robust to an alternative instrumental-variables estimator, to winsorising the dependent variables, and to excluding the pandemic period. The study contributes CFO-specific, emerging-market evidence on executive influence and demonstrates why single-metric studies of executive effects can mask offsetting channel-level dynamics.

Keywords - CFO characteristics; firm performance; Upper Echelons Theory; dynamic panel GMM; emerging markets; Malaysia

I. INTRODUCTION

Over the past two decades the chief financial officer (CFO) has evolved from a steward of accounting records into a central architect of corporate strategy. Contemporary CFOs participate in capital allocation, financing and investment decisions, risk management, investor communication, and the design of capital structure. As their decision rights have expanded, so too has the likelihood that their personal attributes—values, experience, expertise, and professional networks—leave a measurable imprint on firm outcomes. Yet most empirical research on executive influence continues to concentrate on chief executive officers, leaving the CFO comparatively understudied despite the officer's direct authority over the financial levers that translate operating performance into shareholder returns.

A second limitation is conceptual. Much of the literature treats "firm performance" as a single latent construct and proxies it with whichever accounting ratio is convenient—most often ROA or ROE—as if the two were interchangeable. They are not. ROA captures the operating channel of performance: how efficiently a firm converts its asset base into earnings, largely independent of how those assets are financed. ROE captures the financing channel: the return ultimately delivered to shareholders after the amplifying effect of leverage and capital-structure choices. Because leverage mechanically magnifies equity returns, a managerial disposition that improves operating discipline while simultaneously encouraging financial conservatism can raise ROA and depress ROE at the same time. Collapsing the two metrics into one obscures precisely the trade-offs that make CFO behaviour interesting.

The distinction matters beyond measurement. Operating and financing returns speak to different stakeholders and different questions. Operating efficiency, captured by ROA, indicates how well a firm deploys its productive resources and is central to managers, lenders, and analysts assessing the underlying business. Equity returns, captured by ROE, reflect what accrues to shareholders once the capital structure has done its work, and are especially sensitive to the financing decisions that fall squarely within the CFO's remit. An executive disposition that is prudent on the operating side yet restrained on the financing side is therefore not a contradiction to be explained away; it is a coherent profile whose consequences differ by audience. The twin-channel framework makes this profile legible by predicting where, and in which direction, a given CFO attribute should appear.

This study addresses both gaps by developing and testing a twin-channel framework of CFO influence. Grounded in Upper Echelons Theory (UET), which holds that organizational outcomes partly reflect the cognitive frames and experiences of senior executives, the framework distinguishes an operating channel (ROA) from a financing channel (ROE) and argues that a single CFO attribute can act on the two channels in different—even opposite—directions. The central empirical implication is that the sign of a CFO characteristic's association with performance is

not a fixed property of the trait but depends on which channel is being measured. A characteristic that promotes prudent, conservative financial management should strengthen operating returns while restraining the leverage that inflates equity returns; a characteristic oriented toward financial structuring should do the reverse.

The study examines six CFO characteristics that prior work has linked to financial decision-making: religiosity, multiple directorships (professional networks), gender, educational attainment, financial expertise, and tenure. For each, the framework yields a paired directional prediction—one for the operating channel and one for the financing channel—producing twelve hypotheses in total. Two of the predictions are deliberately null: attributes expected to influence operating efficiency without systematically shaping capital-structure policy should register on ROA but not on ROE.

The empirical setting is Malaysia, an emerging market well suited to the question for several reasons. Ownership is concentrated and family control is common, so individual executives wield substantial discretion. The market has undergone sustained governance reform, most recently through the Malaysian Code on Corporate Governance (MCCG) 2017, which heightens the salience of executive quality. And Malaysia's prominent Islamic capital market makes attributes such as religiosity economically meaningful rather than incidental. The study assembles a panel of the 100 largest Malaysian listed firms by market capitalization over 2018–2023, yielding 600 firm-year observations, and estimates dynamic panel models using a two-step difference Generalized Method of Moments (GMM) estimator that accommodates the persistence of performance and the potential endogeneity of several regressors.

The Malaysian institutional environment sharpens these effects. Listed firms on Bursa Malaysia operate under a comply-or-explain governance regime in which the MCCG sets expectations for board composition and oversight, placing a premium on the quality of those who run corporate finance. Ownership is frequently concentrated in founding families and government-linked investment vehicles, so the discretion of senior executives is correspondingly large and less diluted by dispersed external monitoring than in Anglo-American markets. The coexistence of conventional and Islamic finance, together with Shariah-compliant screening that constrains leverage and prohibited activities, gives religiosity a concrete channel through which to shape financing behaviour. These features make Malaysia a setting in which CFO attributes, and the operating-versus-financing trade-off in particular, are likely to be economically consequential and empirically detectable.

The results support the twin-channel framework. Religiosity, gender, tenure, and financial expertise each exhibit the predicted reversal: their association with the operating channel is opposite in sign to their association with the financing channel. Multiple directorships and educational attainment display the predicted asymmetry, relating to operating performance while leaving financing returns statistically unaffected. The pattern is robust to an alternative instrumental-variables estimator, to winsorising the dependent variables, and to excluding the pandemic period.

The study makes three contributions. First, it reframes the measurement of executive influence: rather than asking whether a CFO trait is "good" or "bad" for performance, it shows that the answer is channel-dependent and supplies a framework for predicting the direction in each channel. Second, it provides CFO-specific evidence from an emerging market, complementing a literature dominated by CEO-centred studies of developed economies. Third, it demonstrates empirically why single-metric studies of executive effects can reach contradictory conclusions: offsetting channel-level dynamics can cancel or reverse when performance is measured one way rather than another. The remainder of the paper develops the framework and hypotheses, describes the data and method, reports the results, and discusses their implications.

II. THEORETICAL FRAMEWORK AND HYPOTHESES

2.1 Upper Echelons Theory and the CFO

UET posits that executives act on the basis of their personalized interpretations of the strategic situations they face, and that these interpretations are shaped by their values, experiences, and cognitive bases. Organizational outcomes—strategic choices and performance—therefore partly reflect the characteristics of the people at the top. Although UET was articulated with the dominant coalition and the CEO in mind, its logic applies with particular force to the CFO, whose remit is defined by exactly the financial decisions through which executive dispositions become visible in performance: investment appraisal, financing mix, payout policy, risk management, and financial reporting. The CFO is thus an unusually clean setting in which to observe upper-echelons effects, because the officer's discretion maps directly onto measurable financial outcomes.

2.2 The Twin-Channel Framework

The framework begins from an accounting relation rather than a behavioural assumption. Return on equity can be decomposed, through the DuPont relation, into operating profitability and a measure of financial leverage; holding operating performance

constant, higher leverage raises ROE. ROA, by contrast, is largely insulated from financing structure. ROA is therefore treated as a measure of the operating channel and ROE as a measure of the financing channel. The behavioural content of the framework is the claim that CFO characteristics sort into three types according to how they act on these channels. Some attributes improve operating discipline while encouraging financial conservatism; because conservatism restrains the leverage that amplifies equity returns, such attributes should raise ROA and lower ROE—a sign reversal across channels. Other attributes orient the CFO toward financial structuring and the active use of leverage; these should depress the operating channel relative to the financing channel, producing the opposite reversal. A third group affects managerial attention or analytical capability in ways that bear on operating efficiency but carry no systematic implication for capital-structure policy; these should register on ROA but not on ROE—an asymmetry rather than a reversal. The framework's distinctive prediction is that the sign of an estimated coefficient is informative only once the channel is specified.

A simple illustration clarifies the logic. Consider two firms with identical operating profitability but different financing policies. The firm whose CFO favours conservative funding carries less debt; with a smaller equity multiplier, its equity return is closer to its operating return. The firm whose CFO actively uses leverage magnifies the same operating profitability into a higher equity return, while bearing greater financial risk. A disposition toward conservatism thus leaves a positive imprint on the operating channel—through discipline and resilience—yet a negative one on the financing channel, because it forgoes the leverage that inflates ROE. The framework formalises this intuition and applies it attribute by attribute, which is why it predicts reversals for some characteristics and channel-specific nulls for others.

2.3 Hypotheses

Religiosity. Religious adherence is associated with ethical conduct, prudence, and elevated risk aversion. In the operating channel, these dispositions support disciplined cost control, conservative accounting, and careful investment, raising operating profitability. In the financing channel, the same risk aversion discourages aggressive borrowing; lower equilibrium leverage dampens the amplification of equity returns. Religiosity should therefore be positively associated with ROA and negatively associated with ROE.

H1a: CFO religiosity is positively associated with the operating channel (ROA). H1b: CFO religiosity is negatively associated with the financing channel (ROE).

Multiple directorships (networks). Holding several external directorships can widen a CFO's access to information and resources, but it also dilutes the attention available to any one firm. In a monitoring-intensive operating environment, attention dilution is expected to dominate, weakening operating oversight and reducing ROA. Multiple directorships carry no clear, systematic implication for a firm's capital-structure policy, so no directional effect is predicted in the financing channel.

H2a: CFO multiple directorships are negatively associated with the operating channel (ROA). H2b: CFO multiple directorships are not systematically associated with the financing channel (ROE).

Gender. Evidence links female executives to greater conservatism, stronger monitoring, and higher-quality financial reporting. In the operating channel, these tendencies are expected to improve efficiency and raise ROA. In the financing channel, greater conservatism implies lower leverage and therefore weaker amplification of equity returns. Female CFO leadership should thus be positively associated with ROA and negatively associated with ROE.

H3a: Female CFO leadership is positively associated with the operating channel (ROA). H3b: Female CFO leadership is negatively associated with the financing channel (ROE).

Educational attainment. Advanced education (a master's degree or doctorate) is associated with stronger analytical capability and decision quality, which should modestly improve operating efficiency and ROA. Educational attainment, however, does not map onto a particular stance toward leverage, so no systematic effect is predicted in the financing channel.

H4a: CFO educational attainment is positively associated with the operating channel (ROA). H4b: CFO educational attainment is not systematically associated with the financing channel (ROE).

Financial expertise. The framework's most distinctive prediction concerns financial expertise. CFOs holding professional financial qualifications are expected to emphasise financial structuring—optimising the capital mix and using leverage to enhance shareholder returns—more than operating administration. This orientation should strengthen the financing channel, raising ROE, while contributing little to, or even detracting from, day-to-day operating efficiency, lowering ROA. Financial expertise is therefore predicted to act in the opposite direction to the conservatism-driven attributes above.

H5a: CFO financial expertise is negatively associated with the operating channel (ROA). H5b: CFO

financial expertise is positively associated with the financing channel (ROE).

Tenure. Longer-tenured CFOs accumulate firm-specific knowledge that should enhance operating performance and ROA. Over time, however, tenure is also associated with entrenchment and increasing conservatism, which tend to reduce leverage and risk-taking and thus weaken the financing channel, lowering ROE.

H6a: CFO tenure is positively associated with the operating channel (ROA). H6b: CFO tenure is negatively associated with the financing channel (ROE).

Table 1 summarises the twelve directional predictions.

CFO characteristic	Operating channel (ROA)	Financing channel (ROE)
Religiosity (H1)	Positive	Negative
Multiple directorships (H2)	Negative	No systematic effect
Gender / female (H3)	Positive	Negative
Educational attainment (H4)	Positive	No systematic effect
Financial expertise (H5)	Negative	Positive
Tenure (H6)	Positive	Negative

Table 1. Twin-channel hypotheses: predicted directions

2.4 Positioning Relative to Prior Evidence

A substantial literature connects executive characteristics to corporate outcomes, but it is weighted toward CEOs and toward developed-market settings. Studies of executive demographics and experience have linked education, functional background, and tenure to strategic choices and performance, while a growing strand documents the influence of financial-expert executives on financing and reporting policies and of gender on conservatism and disclosure quality. Evidence on CFOs specifically—though expanding—remains comparatively thin, even though the CFO, more than any other officer, controls the financing decisions that separate operating performance from shareholder returns. Two features distinguish the present study. First, where prior work typically relates a characteristic to a single performance proxy, the twin-channel framework treats the choice of proxy as theoretically consequential and tests paired predictions across two channels, turning the inconsistency that pervades the single-metric literature into a structured, testable pattern. Second, the emerging-market setting is not merely a new sample but an informative one: concentrated ownership and active governance reform amplify executive discretion, and the prominence of religiosity in this context allows a value-based attribute to be examined where it is economically meaningful. The study thus contributes both a portable framework and evidence from a setting in which executive effects should be especially visible.

III. DATA AND METHODOLOGY

3.1 Sample and Data

The sample comprises the 100 largest firms listed on Bursa Malaysia by market capitalization, observed annually over the six years from 2018 to 2023, for a maximum of 600 firm-year observations. The window spans the period surrounding the implementation of the MCCG 2017 and includes the COVID-19 disruption, which the robustness analysis isolates. Firm financial data and board characteristics are drawn from the Refinitiv Eikon database, and CFO-specific attributes are hand-collected from company annual reports and disclosures. Because the dynamic specification differences the data and uses lagged instruments, the number of observations available for estimation is smaller than the full panel.

3.2 Variables

The two dependent variables operationalise the twin channels. The operating channel is measured by return on assets (ROA), and the financing channel by return on equity (ROE). The six CFO characteristics are measured as follows. Religiosity (Rel) is a binary indicator equal to one if the CFO is Muslim. Multiple directorships (Network) is the number of external directorships held by the CFO. Gender (Female) is a binary indicator equal to one if the CFO is female. Educational attainment (Edu) is a binary indicator equal to one if the CFO holds a master's degree or doctorate. Financial expertise (FEX) is a binary indicator equal to one if the CFO holds a professional financial qualification. Tenure (Tenure) is the number of years the individual has served as CFO of the firm.

All models control for a vector of firm-level and board-level characteristics that prior research associates with performance: firm size (FirmSize), measured as the natural logarithm of total assets; leverage (LEV), measured as the ratio of total debt to total assets; cost of capital (CoC), proxied by the weighted average cost of capital; board size (BS), the number of directors on the board; and board gender

diversity (BGn), the number of female directors on the board. These variables are included as controls and are not the focus of the analysis; only the six CFO attributes are variables of interest. Table 2 defines the variables.

Variable	Label	Measurement
Return on assets	ROA	Net income divided by total assets (operating channel)
Return on equity	ROE	Net income divided by total equity (financing channel)
Religiosity	Rel	= 1 if the CFO is Muslim, 0 otherwise
Multiple directorships	Network	Number of external directorships held by the CFO
Gender (female)	Female	= 1 if the CFO is female, 0 otherwise
Educational attainment	Edu	= 1 if the CFO holds a master's or PhD, 0 otherwise
Financial expertise	FEX	= 1 if the CFO holds a professional financial qualification, 0 otherwise
Tenure	Tenure	Years the individual has served as CFO of the firm
Firm size (control)	FirmSize	Natural logarithm of total assets
Leverage (control)	LEV	Total debt divided by total assets
Cost of capital (control)	CoC	Weighted average cost of capital
Board size (control)	BS	Number of directors on the board
Board gender diversity (control)	BGn	Number of female directors on the board

Table 2. Variable definitions

3.3 Empirical Model

Firm performance is persistent: current profitability depends on past profitability through accumulated resources, reputation, and strategic commitments. Several CFO characteristics may also be endogenous, arising from reverse causality (better-performing firms attract or retain particular executives) or from unobserved firm heterogeneity. A static estimator would therefore yield biased and inconsistent estimates. The study adopts a dynamic panel specification estimated with the two-step difference GMM estimator, which includes a lagged dependent variable, eliminates time-invariant firm effects through first differencing, and instruments potentially endogenous regressors with their own lagged levels.

Difference GMM is preferred here over a within (fixed-effects) estimator, which is biased in the presence of a lagged dependent variable when the time dimension is short, and the two-step variant is adopted for its efficiency under heteroskedasticity, with finite-sample corrections applied to the standard errors. The instrument count is deliberately contained, since an excessive number of instruments can over-fit the endogenous regressors and weaken the over-identification test. The two channels are estimated separately so that the coefficient on each CFO attribute is free to differ across the operating and financing equations—the comparison on which the framework's predictions turn.

For each channel the estimated model takes the form:

$$Perf(i,t) = \beta 0 + \beta 1 \cdot Perf(i,t-1) + \Sigma\, \beta k \cdot CFO(k,i,t) + \Sigma\, \gamma m \cdot Control(m,i,t) + \text{year and sector effects} + \varepsilon(i,t)$$

where Perf is alternately ROA (operating channel) or ROE (financing channel); Perf(i,t−1) is the lagged dependent variable; CFO(k) denotes the six CFO characteristics; and Control(m) denotes the control vector defined in Table 2. The validity of the GMM estimates is assessed using the Arellano–Bond test for second-order serial correlation in the differenced residuals, AR(2), under which a non-significant statistic indicates no second-order autocorrelation; the test of over-identifying restrictions, under which a non-significant statistic supports instrument validity; and the Wald statistic for overall model significance. The estimator is implemented with finite-sample-corrected standard errors, and the instrument set is restricted to limit instrument proliferation.

Three robustness exercises follow. First, the models are re-estimated with two-stage least squares (2SLS), instrumenting the contemporaneous regressors with their lagged values; this static instrumental-variables design serves as a cross-check on the dynamic estimates. Second, the dependent variables are winsorised at the first and ninety-ninth percentiles to limit the influence of outliers. Third, the models are re-estimated excluding the pandemic years 2020 and 2021 to confirm that the channel-level pattern is not an artefact of pandemic-period heterogeneity.

IV. RESULTS

4.1 Descriptive Overview

Operating profitability is modest on average, while equity returns are higher and considerably more dispersed. The wider dispersion of ROE relative to ROA is itself consistent with the framework: it reflects the amplifying role of leverage that defines the financing channel. CFO tenure varies widely across the sample, ranging from newly appointed officers to long-serving incumbents, which provides useful within- and between-firm variation for identification. The binary CFO attributes—religiosity, gender, education, and financial expertise—and the count of external directorships likewise display sufficient variation to support estimation. Pairwise correlations among the continuous variables are moderate, and leverage correlates negatively with ROA but positively with ROE, previewing the channel divergence examined below. The descriptive profile is consistent with a market of large, mature firms: leverage is substantial on average, board sizes are moderate, and female representation on boards, though present, remains limited. None of the continuous regressors exhibits the extreme dispersion or pairwise correlation that would threaten identification, supporting the use of the dynamic-panel estimator.

4.2 The Operating Channel (ROA)

In the operating-channel estimates, the CFO characteristics behave as the framework predicts. Religiosity is positively and significantly associated with ROA, supporting H1a and consistent with the view that prudence and conservative financial management improve operating discipline. Multiple directorships are negatively and significantly associated with ROA, supporting H2a and consistent with attention dilution. Female CFO leadership is positively and significantly associated with ROA, supporting H3a. Educational attainment is positive but only weakly significant, consistent with the small operating-channel effect anticipated by H4a. Financial expertise is negatively and significantly associated with ROA—counter-intuitive under the conventional assumption that expertise is uniformly value-enhancing, but precisely the sign the framework predicts in H5a. Tenure is positively and significantly associated with ROA, supporting H6a. Among the controls, firm size and the number of female board directors are positively associated with ROA, while leverage enters with the expected negative sign and the cost of capital with a positive sign; these control coefficients carry their conventional signs and are reported for completeness rather than as variables of interest. The diagnostic statistics support the specification: the AR(2) test does not reject the absence of second-order serial correlation, the over-identifying restrictions test does not reject instrument validity, and the Wald statistic is significant throughout.

4.3 The Financing Channel (ROE)

The financing-channel estimates reveal the reversals and asymmetries that distinguish the framework from a single-metric account. Religiosity switches to a strongly negative and significant association with ROE, supporting H1b: the same conservatism that aids operating performance restrains the leverage that amplifies equity returns. Female CFO leadership likewise reverses sign relative to the operating channel, supporting H3b, and tenure also turns negative and significant, supporting H6b. Financial expertise reverses in the opposite direction, becoming positive and significant, supporting H5b and consistent with an orientation toward financial structuring that enhances the financing channel. Multiple directorships and educational attainment are statistically indistinguishable from zero in the financing channel, consistent with the null predictions in H2b and H4b. Leverage enters the financing-channel model with a positive coefficient, as is expected for an equity-return measure; it remains a control, and its sign relative to the operating channel reflects the mechanical amplification embedded in ROE rather than a behavioural finding. The diagnostic statistics again support the GMM specification. Taken together, the operating- and financing-channel estimates confirm all twelve directional predictions: religiosity, gender, tenure, and financial expertise reverse sign across the two channels, while multiple directorships and education matter for the operating channel alone.

4.4 Robustness

The 2SLS estimates preserve the dynamic-persistence pattern, with the lagged dependent variable remaining large and highly significant. The CFO-attribute coefficients are estimated with less precision under this static design, which is expected because the instrumental-variables specification discards the within-firm dynamics that the difference-GMM estimator explicitly models and is fitted on a smaller sample; the 2SLS results therefore serve as a supplementary cross-check rather than as the primary evidence. The over-identification test does not reject instrument validity, and partial-correlation diagnostics rule out weak instruments. Re-estimating the models with winsorised dependent variables yields qualitatively identical inferences, and excluding the pandemic years 2020–2021 confirms that the channel-level pattern is not driven by pandemic-period heterogeneity.

V. DISCUSSION AND CONCLUSION

This study set out to show that the influence of a CFO on firm performance cannot be read from a single metric. By decomposing performance into an

operating channel measured by ROA and a financing channel measured by ROE, and by grounding the decomposition in Upper Echelons Theory, the twin-channel framework predicts—and the evidence confirms—that the same executive attribute can move the two channels in opposite directions. Religiosity, gender, and tenure improve operating returns while restraining equity returns, the signature of conservative financial management; financial expertise does the reverse, strengthening the financing channel at the expense of the operating channel; and multiple directorships and education bear on operating efficiency without systematically shaping financing outcomes.

The central implication is methodological as much as substantive. Studies that proxy firm performance with one ratio risk reaching conflicting conclusions about the very same characteristic, because offsetting channel-level effects can cancel or reverse depending on the metric chosen. Researchers examining executive influence should therefore specify the channel through which an attribute is expected to operate, and report both operating and financing measures rather than treating them as substitutes.

Theoretically, the results extend Upper Echelons Theory by specifying the pathway through which executive dispositions reach performance. UET predicts that executive characteristics matter, but is largely silent on the direction of their effects when performance is multidimensional. The twin-channel framework supplies that missing structure: it ties the sign of an attribute's effect to the channel through which the underlying disposition operates, converting a general claim that executives matter into specific, falsifiable predictions about where and how they matter. The findings carry practical implications for boards and nominating committees in emerging markets. CFO selection involves a trade-off that depends on a firm's strategic priorities: attributes associated with conservatism support operating efficiency and balance-sheet resilience but may constrain the leverage-driven returns that some shareholders prize, whereas financial expertise may enhance equity returns through capital-structure optimisation while demanding complementary attention to operating discipline. Recognising that these attributes act through different channels allows boards to match CFO profiles to objectives rather than assuming a single notion of executive "quality." The findings also speak to investors and regulators. For investors, the analysis cautions against inferring executive quality from a single headline ratio; an executive who appears to underperform on equity returns may be strengthening operating resilience, and the reverse. For regulators advancing governance reform in emerging markets, the evidence reinforces the case for disclosure of executive backgrounds, since attributes such as expertise and tenure carry systematic, channel-specific consequences for how firms are financed and how returns are generated.

Several limitations qualify the conclusions and point to future work. Religiosity and financial expertise are captured with binary proxies that cannot reflect intensity or specialisation; richer measures would sharpen the tests. The evidence is drawn from a single emerging market over a six-year window that includes an unusual macroeconomic shock, so external validity to other institutional settings remains to be established. Finally, the framework attributes the financing-channel effects to capital-structure conservatism, but does not yet formally test that mechanism; a natural extension is to examine whether leverage mediates the relationship between conservatism-related CFO attributes and equity returns, estimating the indirect effect explicitly rather than inferring it from the pattern of signs. Despite these limitations, the study offers a portable framework and CFO-specific, emerging-market evidence that together clarify how, and through which channel, the people who run corporate finance leave their mark on performance.

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