

THE ROLE OF CFOS ON THE BOARDS OF MALTESE LISTED ENTITIES: IMPLICATIONS FOR CORPORATE GOVERNANCE

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ABSTRACT

Aim: This paper examines the role of Chief Financial Officers (CFOs) on the boards of Maltese Listed Entities (MLEs). The paper explores how the corporate boards of MLEs prefer to involve CFOs and evaluates the views of board members about the benefits and drawbacks of CFO participation. The study analyzes the broader implications for corporate governance, including the perspectives of directors, managers, and shareholders. **Methodology:** We adopted a mixed-method approach using semi-structured interviews with 10 board members (BMs) and 16 CFOs from MLEs. In addition, we collected written responses from three BMs and two CFOs, resulting in a total of 31 participants. **Results:** MLEs tend to favor CFOs as regular board attendees rather than full board members, aiming to ensure robust financial oversight while preserving the independence of managerial oversight. Factors such as the financial literacy of the board and the complexity of the business influence this preference. Boards sometimes appoint CFOs following cooling-off periods, and participants expressed concerns about potential conflicts between current and former CFOs, as well as the challenge of balancing board duties with operational responsibilities. Nevertheless, participants viewed CFO board participation positively. Participants believe CFOs contribute to strategic alignment, deeper managerial insight, and enhanced shareholder confidence when they participate on boards. While small shareholders expressed minimal concern, institutional investors placed a stronger value on CFO involvement. **Originality / value:** This study fills a gap in the corporate governance literature by examining the specific contributions and oversight roles of CFOs within the boards of Multinational Listed Entities (MLEs), an area that has received limited academic attention. **Practical implications:** The findings guide MLEs and other listed firms in designing CFO involvement in board processes and balancing effective financial oversight with good governance practices. **Theoretical implications:** This study contributes to corporate governance theory by illustrating how CFOs play a distinctive role in board structures, particularly in contexts where companies must balance financial expertise with administrative independence. It deepens understanding of how CFO involvement shapes decision-making dynamics, strategic oversight, and the evolution of governance models in smaller capital markets.

Keywords: chief financial officer, board of directors, Maltese listed entities;
corporate governance
JEL: G34, M41, G30.

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EL PAPEL DE LOS GERENTES FINANCIEROS EN LOS DIRECTORIOS DE LAS ENTIDADES MALTEZAS COTIZADAS: IMPLICACIONES PARA EL GOBIERNO CORPORATIVO

RESUMEN

Objetivo: examinar el papel de los gerentes financieros (CFO por sus siglas en inglés) en los directorios de las entidades cotizadas en Malta (MLE por sus siglas en inglés). Explora cómo estas entidades prefieren involucrar a sus CFO, evalúa los beneficios y desventajas percibidos de su participación y analiza las implicaciones más amplias para la gobernanza corporativa, considerando las perspectivas de directores, gerentes y accionistas. **Metodología:** se adoptó un enfoque metodológico mixto, que incluyó entrevistas semiestructuradas con 10 miembros de directorios (BM) por sus siglas en inglés y 16 CFO de MLE. Además, se recopilaron respuestas escritas de tres BM y dos CFO, alcanzando un total de 31 participantes. **Resultados:** las MLE tienden a preferir que los CFO participen regularmente en las reuniones del directorio sin ser miembros plenos, con el fin de garantizar una supervisión financiera sólida sin comprometer la evaluación independiente de la gestión. Esta preferencia está influenciada por factores como el nivel de alfabetización financiera del directorio y la complejidad de la empresa. Aunque en algunos casos se permitió la incorporación de CFO al consejo tras períodos de enfriamiento (*cooling-off*), surgieron preocupaciones respecto a posibles conflictos entre CFO actuales y anteriores, así como sobre la dificultad de equilibrar las responsabilidades diarias con los compromisos del directorio. A pesar de ello, la participación de los CFO fue vista de manera positiva, al aportar alineación estratégica, conocimiento gerencial y mayor confianza por parte de los accionistas. Mientras que los pequeños accionistas mostraron escaso interés, los inversores institucionales valoraron significativamente su presencia. **Originalidad / valor:** este estudio contribuye a la literatura sobre gobernanza corporativa al abordar el papel específico de los CFOs en los consejos de administración de las MLEs, un aspecto que ha sido poco explorado en la investigación académica. **Implicaciones prácticas:** los hallazgos ofrecen orientaciones útiles para las MLEs y otras empresas cotizadas en cuanto a cómo estructurar la participación de los CFOs en los procesos del consejo, logrando un equilibrio entre supervisión financiera eficaz y buenas prácticas de gobernanza. **Implicaciones teóricas:** este estudio enriquece la comprensión teórica de la gobernanza corporativa al destacar el rol distintivo de los CFOs dentro de la estructura del consejo, especialmente en contextos donde se requiere equilibrar la experiencia financiera con la independencia. Profundiza en cómo la participación del CFO influye en la dinámica de toma de decisiones, en la supervisión estratégica y en la evolución de modelos de gobernanza en mercados de capital más pequeños.

Palabras clave: director financiero, directorio, entidades cotizadas maltesas, gobierno corporativo

1. INTRODUCTION

A listed entity in Malta is defined as one whose financial instruments are traded on a recognized trading venue (Malta Stock Exchange, n.d.). These venues include the Official List, the Alternative Companies List, and the Institutional Financial Securities Markets List, each governed by distinct listing requirements (Malta Financial Services Authority, 2022; Malta Stock Exchange, n.d.). The present study focuses on entities listed on the Official List, which includes both equity-listed and bond-listed companies. Corporate governance regulations in Malta require such listed entities to be led by an effective board of directors, and boards are encouraged to include non-executive directors to ensure independent oversight and fair decision-making. Within this governance framework, the inclusion of Chief Financial Officers (CFOs) on boards has become an area of growing interest and debate.

Internationally, CFOs have been seen as both strategic contributors and key advisors to boards, particularly in areas involving financial oversight and risk management. Nevertheless, structural and regulatory reforms in governance practices have prompted many organizations to reevaluate the appropriate role of CFOs, considering whether they should be full board members, regular attendees, or retain a strictly executive function separate from board deliberations. Although research has explored the evolving functions of CFOs and the composition of boards in various contexts, limited attention has been given to the specific role CFOs play within boards in smaller capital markets such as Malta. To date, little is known about how Maltese Listed Entities (MLEs) involve their CFOs in board processes and what implications this has for governance effectiveness. This lack of focused research represents a clear gap in the corporate governance literature. This study seeks to address that gap by investigating how MLEs prefer to engage their CFOs in board activities, evaluating both the advantages and disadvantages of these practices from the perspectives of CFOs and other board members. It also examines the broader corporate governance implications of CFO involvement for directors, managers, and other stakeholders, including shareholders.

The objectives of this paper are threefold: (1) to examine the preferred modalities through which Maltese Listed Entities (MLEs) involve Chief Financial Officers (CFOs) in board activities, whether as full board members, regular participants, occasional invitees, or not at all; (2) to assess the perceived benefits and drawbacks of these various forms of involvement from the perspectives of both CFOs and board members; and (3) to explore the broader corporate governance implications of CFO presence on boards, particularly in terms of its influence on decision-making processes and alignment among key stakeholders. This study is limited to board-related responsibilities of CFOs and considers relevant developments in Malta and abroad up to March 2024. It adopts a mixed-methods approach combining qualitative interviews and quantitative survey responses to ensure both depth of insight and measurable comparisons. By linking methodological choices to the research aims, this study offers robust insights into how CFOs can effectively contribute to board governance while maintaining a balance between financial expertise and independent oversight.

2. LITERATURE REVIEW

2.1 Theoretical Framework

The theoretical framework of this study is grounded in stewardship theory and agency theory, two contrasting paradigms within the domain of corporate governance. Agency theory, which originated from economic and social developments, has evolved to better

address various realms of entrepreneurship and modern business phenomena (Bendickson et al., 2016). This theory assumes that managers may act in their own self-interest, which can lead to conflicts of interest with shareholders and other stakeholders, especially when board independence is compromised. Stewardship theory, in contrast, provides an alternative perspective by proposing that managers and organizational leaders are intrinsically motivated to act in the best interests of the organization and its stakeholders (Davis et al., 1997). Rather than prioritizing personal gain, stewards are driven by principles of trust, accountability, and commitment to collective goals. This theory emphasizes pro-organizational behavior, long-term value creation, and collaborative decision-making.

This study examines CFO board participation and shows how their involvement may promote stewardship, accountability, enhanced decision-making, and the alignment of stakeholder interests. On the one hand, stewardship theory suggests that CFOs act as stewards, prioritizing the collective interests of the board, shareholders, and the organization. Agency theory, conversely, highlights concerns that CFOs may pursue personal objectives, potentially resulting in conflicts of interest and reduced board independence. To investigate these theoretical claims, this study employs a mixed-methods research design, integrating qualitative and quantitative data to provide a comprehensive understanding of CFO participation on the boards of Malta's listed entities (MLEs). This approach is especially suitable because it enables a detailed exploration of both subjective perceptions and measurable patterns. The qualitative component, which consists of semi-structured interviews, offers in-depth insights into the experiences of board members and CFOs. Meanwhile, the quantitative component, based on Likert-scale responses, facilitates statistical comparison and trend analysis. By integrating these complementary methods, the study provides valuable insights into the changing role of CFOs in board governance and the trade-offs between stewardship and agency perspectives. This methodological choice is consistent with earlier research in corporate governance, where scholars have effectively utilized mixed-methods strategies to capture both contextual depth and empirical data (Johnson et al., 2007; Saunders et al., 2015).

2.2 CFO Participation on Listed Entity Boards and the Rationale

The role of CFOs in corporate governance (CG) and their participation in board meetings sparks ongoing debate. Some critics consider CFOs as passive participants who mainly operate under supervision, rather than actively contributing (Copnell, 2019). Many express concerns that CFOs might form inappropriate financial or social ties with board members (BMs), potentially compromising governance (Langevoort, 2006). However, Copnell (2019) argues that these connections enhance effective communication between management and boards.

The level of CFO involvement in board meetings is influenced by several factors, including the size of the entity, the CFO's ownership stakes, their age, and their financial expertise (Hualun & Tao, 2006). Boards lacking in financial expertise particularly need CFOs, especially in matters related to financial policy (Khan & Mauldin, 2021; Mobbs, 2018). However, as boards increasingly require expertise in areas like cybersecurity and Environmental, Social, and Governance (ESG) issues, the opportunities for CFOs to participate have decreased (SpencerStuart, 2024; Trentmann, 2022).

Board independence also plays a crucial role in corporate governance. Increased demands for independent boards have resulted in a decline in CFO representation (Gould, 2014; Murphy, 2012). SpencerStuart (2024) notes that a growing number of S&P 500 companies

are now appointing independent financial executives instead of CFOs. Low (2017) argues that having a CFO on the board can undermine board independence and the effectiveness of the audit committee. He suggests an alternative approach where CFOs participate in board meetings as non-board members.

A notable trend is the increasing number of near-retirement CFOs joining corporate boards. This shift allows them to contribute to corporate governance while staying professionally engaged, often taking on multiple board roles (SpencerStuart, 2024). As outside directors, particularly on audit committees, they enhance learning opportunities and provide valuable benefits to their organizations (EY, 2012, as cited in Khan & Mauldin, 2021). The role of the CFO has evolved significantly, now encompassing strategy setting, risk management, sustainability, and even potential succession to CEO positions (Connell, 2021; Konstans, 2013).

2.3 The Pros and Cons of CFO Board Participation

CFOs are dedicating more time to board meetings, which enhances financial oversight and contributes to strategic decision-making (Cunningham, 2006; Higgins & Gulati, 2006; Lees, 2014; Zorn, 2004). This increased engagement often results in their appointment as BMs, allowing them to strengthen financial controls and reduce CEO dominance in financial decision-making (Low, 2017; Mobbs, 2018). Additionally, CFO membership on the board leads to improved monitoring, stronger internal controls, and decreased audit risks (Liu, 2017).

The Canadian Institute of Chartered Accountants emphasizes the significant role of CFO participation in listed entities (Lindsay, 2015). CFOs bring essential financial expertise to the table, which is crucial for strategic planning (Copnell, 2019; Uhde et al., 2016). Their comprehensive understanding of company operations helps in evaluating strategic initiatives effectively (Lindsay, 2015). Furthermore, their exposure to various industries increases their adaptability to market shifts (Hagel, 2013; Trentmann, 2022). Acting as trusted advisors, CFOs are positioned to challenge existing norms by providing data-driven insights that can influence decision-making processes (Dennis, 2023).

One of the key responsibilities of a CFO is to actively manage financial risks, which ensures resilience in strategic discussions (Uhde et al., 2016). By communicating effectively and providing timely risk reports, CFOs significantly enhance their contribution to board deliberations (International Federation of Accountants, 2009; Lees, 2014). Furthermore, CFOs take an active role in performance management by recognizing achievements and constructively addressing underperformance (Buttigieg, 2013).

CFO board membership plays a crucial role in ensuring the timely reporting of adverse financial news and aligns BM objectives with board goals (Muttakin et al., 2019). Their financial expertise helps boards interpret data accurately, thereby reinforcing governance frameworks (Favaro, 2001; Indjejikian & Matějka, 2009; Mbatha, 2017; Meyer-Doyle, 2017; Zorn, 2004). However, CFOs may become entrenched, using their insider knowledge to avoid dismissal, which poses governance risks (Muttakin et al., 2019). Moreover, Duong et al. (2020) argue that CFO board membership can negatively impact company performance and earnings quality, aligning with agency theory.

In Malta, CFOs are expected to actively participate in board meetings, dedicating a significant amount of time to this responsibility (Buttigieg, 2013). When appointed to the board, CFOs take on fiduciary duties similar to those of other directors, which include ethical and legal obligations under Maltese law (Deloitte, 2014).

The relationship between the CFO and CEO is an important aspect to consider. CFOs often provide a counterbalance to the CEO's optimism with their financial skepticism (Sher, 2013). Both the CFO and CEO will benefit from attending board meetings to maintain this equilibrium (Gould, 2014). However, strong social ties among CFOs, CEOs, and BMs may weaken governance by reducing the effectiveness of oversight (Krishnan et al., 2011). Research shows that these relationships can undermine CG even when formal independence is upheld (Fracassi & Tate, 2012; Hwang & Kim, 2009; Schmidt, 2009; Westphal, 1999).

CFOs who serve as outside directors can bring valuable knowledge back to their organizations, which can enhance governance practices (Khan & Mauldin, 2021). However, agency theory highlights potential conflicts of interest, as these external director roles may distract CFOs from their primary responsibilities and provide them with personal benefits, such as higher compensation (Boivie et al., 2016; Perry & Peyer, 2005). This raises concerns that CFOs might prioritize their personal gains over the interests of their entities.

In summary, CFO participation on boards improves financial oversight, risk management, and strategic planning. However, potential conflicts of interest, risks of entrenchment, and governance challenges require careful oversight to ensure that CFO contributions align with the effectiveness of the board.

2.4 Wider Corporate Governance Implications on Directors, Managers, and Shareholders

The International Federation of Accountants (2020) emphasizes the crucial role of CFOs in advancing ethical financial management, ensuring transparent reporting, and enhancing resource efficiency. By combining technical, ethical, and business expertise, they support the development of sustainable business models. CFOs collaborate with boards, auditors, CEOs, and audit committees to ensure accurate financial reporting (De Lange-Snijders et al., 2023). When CFOs are on boards, they gain voting power on important company matters (Mobbs, 2011). This position comes with legal obligations to prioritize the interests of the company and its shareholders (Gould, 2014). Their presence strengthens shareholder protection and long-term value creation (Higgins & Gulati, 2006; Zorn, 2004). Furthermore, CFOs facilitate communication between management and boards, ensuring that management gives due attention to concerns (Kim et al., 2010).

CFOs actively oversee internal control environments and implement robust financial processes that drive company success (Sfeir, 2019). In a dynamic business landscape, they balance corporate culture, strategic objectives, and financial controls (Buttigieg, 2013; Mbatha, 2017). With their broad industry exposure, they challenge conventional practices and introduce innovative governance measures (Copnell, 2019). Additionally, CFOs establish proactive controls to mitigate fraud risks, which strengthens CG. As members of the board, CFOs enhance the quality of financial reporting and promote conservative accounting practices that benefit shareholders and investors (Muttakin et al., 2019). They also provide crucial investment guidance to senior management and governing bodies (International Federation of Accountants, 2020). Moreover, CFO participation expands their operational understanding across various business functions (International Federation of Accountants, 2020).

Investor sentiment often favors companies that have CFOs on their boards. Concerns typically arise when CFOs leave these roles (Mobbs, 2018). Investors value financial expertise on boards as it enhances oversight (Cunningham, 2024). However, if CFOs hold too many external directorships, it can raise concerns about their divided attention, leading to potential pushback from investors (Raval, 2023). Some drawbacks of excessive directorships

include time constraints, conflicts of interest, and scheduling issues; nonetheless, having external CFO directorships can improve strategic investments and long-term performance (Khan & Mauldin, 2021).

While independent boards improve oversight, having a CFO on the board may lessen the scrutiny of their performance. Regulators and shareholders typically prefer outside directors for their objectivity (Kim et al., 2010). Therefore, if a CFO is part of the board, it is important to include at least one additional director with financial expertise to evaluate the CFO's contributions (Kim et al., 2010).

In summary, CFOs play a significant role in CG by effectively balancing financial oversight with the interests of shareholders and the imperative for strategic growth. To ensure the efficacy of governance structures, it is crucial to implement safeguards that mitigate the risk of power consolidation within executive ranks (Fama & Jensen, 1983; Lyon & Lawson, 2012). It is imperative that boards and management collaborate to foster dynamic and accountable governance frameworks.

3. RESEARCH METHODOLOGY

3.1 Research Design

This research utilizes a primarily qualitative mixed-methods approach, combining both quantitative and qualitative approaches to leverage their strengths and mitigate their limitations (Saunders et al., 2015). This methodology provides a thorough and comprehensive understanding of the research problem by combining numerical data analysis with qualitative insights into participants' perspectives, thereby clarifying the quantitative results where applicable (Johnson et al., 2007).

3.2 Research Tool Development

Semi-structured interviews, which incorporate both closed and open-ended questions, were deemed the most effective research approach due to their flexibility in collecting reliable data that aligns with the study's objectives (Saunders et al., 2015). The structured design of the interviews ensures consistency and systematic inquiry, facilitating the collection of comparable and statistically analyzable data (McIntosh & Morse, 2015). Open-ended questions allow participants to express their viewpoints, while probes and follow-up prompts enhance the clarity of their responses (Wahyuni, 2012). In addition, the research employs closed-ended questions utilizing a five-point Likert scale, ranging from "strongly disagree" or "not important at all" to "strongly agree" or "very important," thereby enabling robust quantitative analysis of participant responses.

The interview schedule for this study was specifically developed for current BMs and CFOs of MLEs. It was designed to directly align with the three research objectives, ensuring that important aspects of CFO board participation were thoroughly examined. The protocol was structured into an introductory section that gathered information about the respondents, followed by three main sections, each focusing on a key aspect of board participation.

To achieve the *first* objective, the initial section following the introduction included a closed-ended question that required respondents to rate the importance they attributed to various participation options. This was subsequently followed by four open-ended questions designed to explore the rationale and context of such participation.

Addressing the *second* objective, the subsequent section featured two closed-ended questions: one outlined potential advantages of regular CFO board participation, while the other outlined possible disadvantages. Respondents evaluated each option and provided additional insights through an open-ended question that invited them to identify any further advantages or disadvantages of this participation.

For the *third* objective, the final section contained four open-ended questions aimed at examining the broader CG implications of different types of CFO board participation. These questions focused on the needs, reactions, monitoring behaviors, and perceptions of directors, managers, and shareholders regarding the influence of the CFO board stemming from such participation. The interviews concluded with a general open-ended question inviting any additional comments. Additionally, two final sections provided definitions of key terms and an explanation of the five-point Likert Scale used for the closed-ended questions.

3.3 The Sample Population

To collect data, the researchers retrieved a list of Multinational Listed Entities (MLEs) from the Malta Stock Exchange website (Malta Stock Exchange, n.d.). They systematically reviewed each entity's website to identify board members (BMs) and CFOs, with additional details sourced from the Malta Business Registry (n.d.). Initial contact was made via email or LinkedIn to obtain the relevant email addresses of potential participants. Each individual received an introductory email that included a Letter of Introduction and an invitation to participate in the study, ensuring transparency and allowing for verification. The researchers followed up with non-respondents after one or two weeks. A total of 26 respondents participated in interviews, and an additional five other individuals provided responses via email. Consequently, the final dataset included 13 BMs and 18 CFOs, encompassing 27 MLEs. While some interviewees initially did not respond, they were subsequently recontacted for targeted interviews, resulting in qualitative saturation by the conclusion of the process. The study comprised directors, company secretaries, CFOs, and CEOs, all of whom had experience in CFO board participation. The average board size among the respondents' entities was approximately eight members, with minimal variability across different entities. Notably, about half of the BMs (four) were independent non-executive directors (INEDs), three were NEDs, and one was an executive director.

3.4 Data Collection

Data collection, as outlined by Saunders et al. (2015), entails gathering information tailored to meet the research objectives. This study utilizes both secondary and primary sources for data collection.

3.4.1 Secondary Data Collection

Secondary data was gathered from various sources to aid in the development of the interview schedule. A pilot interview was conducted with one BM and one CFO to evaluate the validity and reliability of the research instrument. Based on the feedback received from the pilot interview, the interview questions were revised accordingly.

3.4.2 Primary Data Collection

Participants were allowed to select the timing and location of their interviews, which took place between November 1 and December 22, 2023. Depending on individual preferences,

the researchers conducted interviews electronically via Microsoft Teams or Zoom, or in-person at the participants' workplaces, with the majority choosing in-person meetings. To ensure their participants were prepared, all interview questions were distributed one to two weeks in advance, either as hard copies or via email. Before the interviews commenced, participants signed an interviewee consent form, either physically during in-person sessions or electronically for virtual meetings. Most respondents consented to have the interviews recorded to assist in data analysis, while detailed notes were taken for those who opted out of recording.

The researchers employed a purposive sampling strategy to select participants, ensuring representation across various MLE sectors and governance structures. They chose CFOs and board members based on their active involvement in corporate governance matters, thereby capturing a range of diverse perspectives. The team conducted data collection through a blend of in-person and online interviews, which facilitated flexibility and enhanced participant engagement. They transcribed qualitative data from interviews verbatim, and carried out thematic coding to uncover recurring patterns and insights. For the quantitative data derived from Likert-scale responses, the researchers analyzed it using IBM SPSS Statistics, employing non-parametric tests such as the Mann-Whitney and Kruskal-Wallis tests to identify significant variations among participant groups. These methodological choices ensure the reliability and generalizability of the study's findings within the context of MLE governance.

3.4.3 Addressing Variability and Bias

A limitation of semi-structured interviews was their flexibility, which resulted in variations in the depth and scope of participants' responses. To address this issue, a single interviewer conducted all interviews and used follow-up questions to ensure consistency. Additionally, the open-ended questions posed a risk of researcher bias and differing interpretations. To mitigate this risk, the first two co-authors engaged in detailed discussions to reach a consensus on how to interpret the responses, thereby enhancing the rigor and consistency of the analysis.

3.5 Data Analysis

To enhance data analysis, we transcribed audio-recorded interviews, producing detailed transcripts and essential notes from the sessions. We analyzed closed-ended questions using IBM SPSS Statistics for quantitative data analysis. The Mann-Whitney test compared mean rating scores between two groups of participants (BMs and CFOs), while the Kruskal-Wallis test assessed mean scores in relation to board size and the types of CFO participation. Our results revealed significant or marginally significant findings. For qualitative data, we organized responses from open-ended questions and additional comments into a spreadsheet for thematic analysis, which allowed us to identify and structure emerging themes (Wahyuni, 2012).

3.6 Other Limitations of the Study

This study, despite thorough efforts to conduct a comprehensive and methodologically sound investigation, has several limitations. First, participants' responses are inherently subjective, especially in qualitative comments, which may affect how certain findings are interpreted. Second, inconsistencies were observed between responses to open-ended questions and the ratings given on the closed Likert-scale items. At times, the justifications

for these ratings lacked coherence. Third, two of the five respondents who opted to provide feedback via email instead of participating in interviews submitted responses that were difficult to interpret due to a lack of contextual cues or elaboration. Lastly, some participants left questions unanswered, which limited opportunities for clarification and may have reduced the depth of insight in specific areas.

4. FINDINGS AND DISCUSSION

4.1 CFO Board Participation and its Type

4.1.1 *The Most Commonly Preferred Type of Participation: CFO Regular Participation but Non-Board Membership*

In the first question of the survey, respondents rated the importance of four types of CFO participation in board meetings within Maltese Listed Entities (MLEs). As indicated in Table 1, the mean ratings across these participation types exhibit relatively small differences ($p > 0.05$), indicating no statistically significant preference overall. Nevertheless, one option emerged as notably significant: respondents rated the CFO's regular participation in board meetings, without holding formal board membership as highly important ($M = 4.45$, $SD = 1.06$).

Participants emphasized that this arrangement strikes an effective balance between financial insight and governance integrity. This approach allows the board to leverage the CFO's expertise on financial matters while maintaining independence, including the flexibility to exclude the CFO from sensitive discussions when necessary.

Table 1
The Importance of Different Types of CFO Board Participation

Participation Type	Mean	Standard Deviation
Regular participant but not a board member	4.45	1.06
Board member	2.87	1.41
Specially invited but not a board member	2.58	1.31
Not invited	1	0

Note. Ratings were based on a 5-point Likert scale from 1 (Not important at all) to 5 (Very important). $N = 31$ respondents.

The option of the CFO serving as a board member received a neutral average rating ($M = 2.87$), reflecting the lack of consensus among respondents. Some participants argued that an experienced CFO could positively influence board decision-making, particularly in terms of financial performance, regulatory compliance, and IFRS updates. However, others expressed concern that this arrangement might increase the risk of conflicts of interest. They also noted that including the CFO as a formal board member could limit opportunities to appoint other executive directors whose expertise might be more relevant to broader strategic or operational matters.

Another option that received a neutral average rating ($M = 2.58$) was having the CFO specially invited to attend board meetings without holding formal membership. While respondents viewed this arrangement as more appropriate than excluding the CFO entirely, they generally considered it less valuable than regular participation, as it could limit the consistency and depth of financial input provided to the board. Finally, respondents deemed the option of not inviting the CFO as unimportant ($\bar{x} = 1.00$), with many highlighting the necessity for at least minimal interaction between the CFO and the board, especially when BMs lack financial expertise.

The preferred role for a CFO on an MLE board is one of regular participation without serving as a BM, which aligns with the majority of existing literature. This approach emphasizes that the board can more effectively consider financial implications while retaining the independence necessary to challenge management when necessary, including the ability to request the CFO to leave meetings. Consistent with findings from Mobbs (2018), Trentmann (2022), and SpencerStuart (2024), participants indicated that this arrangement mitigates potential conflicts of interest between CFOs and board members and enables other executive directors to occupy a board seat.

These findings support previous studies that assert CFO participation enhances board oversight while preserving independence (Mobbs, 2018; Trentmann, 2022). However, the preference for CFOs as non-members contradicts some research advocating for their inclusion as full board members to enhance financial decision-making (Uhde et al., 2016). This contrast underscores a contextual distinction in MLE governance, where financial oversight takes precedence over board integration.

4.1.2 The Key Skills and Attributes of a CFO that Support Their Role as a Regular Contributor, Without Holding Formal Board Membership

Respondents identified key personal attributes necessary for CFOs to participate regularly in board meetings. A majority (22 out of 31) agreed that CFOs must be dynamic problem-solvers capable of strategic thinking that extends beyond financial matters and should possess a strong understanding of the entity's market and overall business context. Additionally, a significant number of respondents (18 out of 31) emphasized the importance of financial expertise and relevant professional qualifications. Approximately half of the participants (16 out of 31) also highlighted the value of communication and public speaking skills, echoing the perspectives of Copnell (2019) and the International Federation of Accountants (International Federation of Accountants, 2009).

Some respondents (12 out of 31) emphasized that CFOs should stay current with regulatory developments, especially those related to capital markets, and should have relevant professional experience. Several participants also highlighted the significance of personal qualities such as humility, accountability, and a strong professional reputation. Additionally, most respondents (24 out of 31) stressed the importance of strong presentation skills and the ability to simplify complex financial information, aligning with findings by Lees (2014). Other key attributes mentioned included integrity, transparency, the ability to remain calm under pressure, as well as teamwork and assertiveness.

Furthermore, leadership, negotiation skills, and the ability to address Environmental, Social, and Governance (ESG) issues were considered important. Lastly, several respondents pointed out that the effectiveness of the CFO's role is significantly influenced by contextual factors, such as the CFO's shareholding status, the financial literacy of board members,

and the size and complexity of the organization. Table 4.2 summarizes the various skills and characteristics that are deemed essential for the effective performance of the CFO role.

Table 2
Skills and Characteristics Required of a CFO to Participate in Board Meetings

Skill	Characteristic
Problem-solving	Integrity
Strategic thinking	Transparency
Market and business acumen	Humility
Financial expertise	Accountability
Social skills	Calmness and composure
Presentation	Persuasiveness and confidence
Regulatory knowledge	Preparation
Experience	Teamwork
Active listening	Assertiveness
Leadership	Adaptability
Negotiation	Quick-wittedness
Persuasion	—
Information confidentiality	—

In conclusion, a successful CFO needs a diverse skill set that goes beyond just financial expertise. This includes strategic thinking, strong leadership, and effective communication. Key qualities such as assertiveness, active listening, and the ability to simplify complex financial concepts for BMs help build trust and foster positive interactions. Additionally, having experience at the top level and staying updated on regulatory changes are crucial for effective participation in board activities. Attributes like confidence, integrity, and the ability to remain composed under pressure are vital for regular board participation. However, age is not a decisive factor in achieving success as a CFO on a board.

4.1.3 The Evolving Trends in CFO Board Membership

Respondents commented on a statement suggesting that CFOs increasingly decline to serve as directors in their own companies due to a growing emphasis on board independence. Nearly half of the respondents (14/31) agreed with this assertion, particularly in foreign-owned entities (10/14), where prioritizing director independence is evident. Two respondents (2/14) noted that the presence of a CFO might impede the board's ability to challenge management effectively, aligning with Low (2017). Additionally, one respondent (1/14) pointed out that simultaneously holding the roles of CFO and executive director (ED) could blur lines of responsibility.

In contrast, twelve respondents (12/31) disagreed with the statement. Three of these respondents (3/12) argued that CFOs possess valuable knowledge that enhances board effectiveness, while two others (2/12) contended that board membership ensures CFOs remain accountable. Another two respondents (2/12) remarked that independence can still be maintained through an appropriate mix of independent non-executive directors (INEDs) and EDs. A small group of respondents (5/31) expressed neutrality, asserting that CFO membership on the board poses no issue, provided the CFO participates in meetings as necessary.

4.1.4 The Impact of Ex-CFO Board Participation on the Participation of the Current CFO

Respondents also shared their views on whether current CFOs should serve on the board of another MLE, and whether ex-CFOs should sit on the boards of their own or other MLEs.

Most respondents (20/31) agreed that the current CFOs could serve on the board of another MLE, provided the two organizations were not competitors. However, a minority (11/31) disagreed, citing concerns about recurring time constraints and potential conflicts of interest.

Respondents overwhelmingly support ex-CFOs serving (29/31) on the board of their own companies or other MLEs, recognizing the valuable expertise they bring. This perspective aligns with findings from SpencerStuart (2017). However, some (14/29) recommended a cooling-off period before joining the board of their own MLE, to preserve their status as independent non-executive directors (INEDs).

When faced with the choice of appointing a current CFO or an ex-CFO to the board, most respondents (23/31) provided their insights. A majority (14/23) favored the ex-CFO for their experience, while 9 (9/23) preferred the current CFO for their up-to-date knowledge. Furthermore, 15 of these respondents (15/23) argued that allowing both to sit on the board simultaneously would be inappropriate, as it could create potential conflicts due to their differing perspectives.

4.1.5 Whether Board Participation of the CFO is Affected by the Presence of the CEO or Other Executives

Respondents were queried regarding whether CFO participation on boards varied with the presence of the CEO or the number of EDs. In examining the relationship between CFO board participation and CEO presence, the majority of respondents (17/31) disagreed, indicating that CFO participation remains independent of CEO presence. This finding contrasts notably with Low's (2017) conclusions.

Among those who disagreed, some respondents (5/17) noted that CFOs and CEOs typically collaborate closely both inside and outside the board, fostering relationships grounded in open communication and mutual respect. However, they also acknowledged that occasional character incompatibilities could hinder this collaboration. In contrast, the remaining respondents (14/31) expressed neutrality regarding the CEO's influence in this context. Within this group, some five respondents (5/14) mentioned that CFOs play a moderating role for over-ambitious CEOs, or that the dynamics of CFO participation alongside a CEO might depend on the extent of collaboration between the CFO and the CEO.

Interestingly, two respondents pointed out that when a CEO departs from an entity, a knowledgeable CFO may serve as a natural candidate for promotion to ensure continuity and stability. The CFO's deep understanding of the company's operations, strategic direction,

and relationships with stakeholders positions them well to lead during such transitions, whether as acting or permanent CEO. This strategy mitigates disruptions, preserves strategic momentum, and corresponds with research from Konstans (2013), which highlights the benefits of promoting internal candidates.

In conclusion, fostering a strong CFO-CEO relationship is crucial for effective boardroom collaboration. Implementing internal succession strategies, such as promoting the CFO to CEO, not only ensures stability and continuity but also enhances entity leadership during periods of transition.

Regarding CFO participation in board activities in relation to the number of EDs, the majority of respondents (20/31) reported that CFO involvement remains consistent, as long as the board maintains a balanced mix of INEDs, NEDs, and EDs. This finding underscores the critical importance of board diversity and independence in supporting effective governance. The overall composition of the board, particularly the presence of independent voices, plays a pivotal role in ensuring robust oversight and strategic guidance. In such balanced governance structures, CFO involvement remains steady. However, a minority of respondents (11/31) noted that the CFO's relevance diminishes and may vary if there is an excess of EDs on the board.

4.2 Regular CFO Participation: An Evaluation of the Pros and Cons

Respondents then rated various pros and cons of regular CFO participation on the board, whether through board membership or otherwise.

4.2.1 Advantages

Opportunity to Clarify

The most frequently cited advantage ($M = 4.94$) is that CFOs actively participate in board meetings to explain the financial figures presented during the review and approval of strategic plans. Their involvement allows them to deliver clear and contextualized interpretations of the data, fostering a deeper understanding among directors. This perspective aligns with the views of Uhde et al. (2016) and Lindsay (2015). CFOs provide valuable justifications and assessments of the financial implications of strategic initiatives, enhancing the board's comprehension of financial components and promoting informed decision-making. Their presence ensures that questions about financial matters are addressed promptly, leading to more productive discussions and better outcomes.

Opportunity to Self-Improve

One slight positive advantage ($M = 3.61$) is that participation in boards, whether from their own entity or external, allows CFOs to gain essential knowledge to enhance current practices within their MLEs. About half of the respondents (18/31) believe that CFOs can obtain invaluable insights from this experience, fostering optimism about the potential benefits of this practice.

Easier Transmission of Information

A further potential advantage emerged, though it received mixed reactions ($\bar{X} = 3.45$). This possible advantage was that social ties between CFOs and BMs fostered by CFO board participation can enhance the flow of information to all BMs, as long as these relationships

do not lead to excessive closeness. Approximately half the respondents (16/31) recognized that social ties could be beneficial, provided they do not compromise the CFO's professional distance from the BMs. Conversely, others (15/31) argued that maintaining a professional attitude (7/15) and strong communication skills (8/15) is sufficient. While they acknowledged that fostering social ties could be advantageous, they stressed the importance of exercising caution to preserve the objectivity and integrity of board meetings, thereby reassuring the audience about the board's meetings.

Even More Advantageous with CEO Participation

Respondents expressed a neutral stance ($\bar{x} = 3.13$) on the statement that CFO participation on the board is beneficial only when balanced by CEO involvement. Among the participants, some agreed (15/31) that an entity would struggle if the CFO served on the board without the CEO due to the CFO's lack of direct connection. Meanwhile, nine respondents remained neutral (9/31) and seven disagreed (7/31). This finding aligns with Gould (2014).

Opportunity for More Oversight

Participants expressed neutral views ($\bar{x} = 2.97$) regarding the assertion that CFOs who serve on their boards as members, rather than merely as participants, are better positioned to exercise oversight. While 11 out of 31 participants agreed (11/31) with this statement, it did not enhance the understanding among BMs concerning the entity's operations. Conversely, another 11 respondents (11/31) disagreed, asserting that the CFO's primary function is to assist the board in oversight, a role that does not inherently require membership. Additionally, nine respondents (9/31) remained neutral, emphasizing that the effectiveness of the CFO's influence largely relies on the financial expertise of BMs and the oversight of the audit committee, thereby contrasting with Liu's (2017) findings. They contended that even regular participation by CFOs in board meetings, without formal membership, does not necessarily lead to improved oversight. Consequently, they concluded that the collective financial expertise of BMs and the effective functioning of the entity's audit committee are more critical factors for robust oversight.

Becoming More Dynamic and Market-Aware

Similarly, respondents expressed neutrality ($M = 2.94$) about whether regular CFO participation in board meetings enhances their dynamism and market awareness. The majority (22/31) argued that being "dynamic" does not depend on board participation. This suggests that simply attending board meetings might not support continuous learning for CFOs; instead, actively engaging in annual general meetings (AGMs) and executive committee meetings may better foster their professional development. However, a minority (9/31) disagreed, noting that regular board participation offers diverse prospects for CFOs.

Improved Financial Reporting

Responses indicated that regular participation of CFOs on boards generally improves the quality and impact of financial reporting. Overall, respondents remained neutral ($\bar{x} = 2.61$) regarding this assertion. A majority of respondents (20/31) suggested that being a board participant enables CFOs to present their work more effectively. Conversely, the remaining respondents (11/31) contended that no significant correlation exists between CFO membership and the quality of financial reporting, contradicting the findings of Muttakin et al. (2019). Instead, it appears that the quality of financial reporting is more closely linked to the scrutiny and inquiries raised by BMs, irrespective of the CFO's involvement. Further research is warranted to investigate this area more thoroughly.

Other Advantages

Respondents identified several advantages of regular CFO participation without board membership. A subset of respondents (5/31) indicated that CFOs effectively communicate the entity's economic situation in "layman's terms," thereby assisting in helping strategically direct the organization, which aligns with the guidance from the International Federation of Accountants (2009). This clarity enhances the comprehension of the board members regarding the entity's financial standing, facilitating improved decision-making among the board members.

Furthermore, one respondent (1/31) pointed out that CFO participation encourages discussions about employee well-being. This engagement deepens BMs' understanding of staff issues and fosters a culture of employee-centric decision-making. It also emphasizes the multifaceted role of BMs as strategic leaders who recognize the connection between financial performance and organizational health. Additionally, the CFO's ability to forge strong connections with BMs is vital for conveying relevant information (1/31). This highlights the critical role of the CFOs in fostering meaningful interactions and ensuring effective communication of important information.

CFOs who regularly participate in board meetings derive several advantages, notably enhancing the board's "understanding of the entity's strategy" and enabling them to provide a comprehensive perspective (3/31). Through interactions with board members, CFOs can "expand their knowledge," allowing them to consider a broader range of factors in decision-making (4/31). CFOs become better positioned to understand the board's viewpoints as a result.

4.2.2 Disadvantages

Hindrance of Closer Ties

In rating the five identified disadvantages of CFO participation on boards, respondents most prominently indicated a concern ($= 4.12$) regarding the perception that social ties between CFOs and BMs might impede the effectiveness of CG. This concern stems from the possibility that these relationships could become overly familiar over time.

CFOs Who Are Too Influential

Furthermore, due in part to these social connections, respondents identified a significant disadvantage ($M = 3.91$): the regular presence of the CFO at board meetings, even without formal board membership, complicates the ability of BMs to discuss and critically evaluate the work conducted by the CFO and management. In this context, one BM (1/18) noted, "Over time it becomes more and more difficult to ask the CFO to leave the board meeting, although the BMs may have the legal right to do so."

Less Board Independence and Friction

Respondents marginally agreed that CFO board participation presents an additional disadvantage ($M = 3.7$). This involvement may undermine the independence of board members. As one ED added, "CFOs and financially literate EDs may easily encroach on each other's domains, leading to friction between them on financial strategies and resource allocation."

More Legal Obligations

Respondents' neutral stance ($M = 3.4$) regarding the statement that CFOs perceive board membership as more burdensome than regular board participation without membership, primarily due to the additional legal obligations associated with membership. Notably, a small number of CFOs (4/18) emphasized that, while in general CFOs are not afraid of any reasonably added responsibilities, they find both types of participation possibly burdensome.

Hindrance Towards More Board Diversity

Respondents rated the statement that CFO board membership or regular participation on boards may also hinder board diversity as neutral ($M = 2.8$). One board member (1/13) added, "Despite their attempt to limit the total number of BMs and participants to a reasonable size, yet, if willing enough, boards can also find their way to diversify."

A Further Disadvantage: Increased CFO Workload

Several CFOs (3/18) identified an additional disadvantage of regular board presentations or board membership (3/18): the increased workload and time constraints imposed by the necessity for extensive preparation to present materials effectively to the board. This observation is consistent with findings noted earlier in the literature (Buttigieg, 2013).

4.2.3 The Pros of Regular CFO Board Participation Outweigh the Cons

When evaluating the pros and cons of CFO participation, it becomes clear that, despite some notable drawbacks associated with regular involvement, whether through board membership or otherwise, the advantages significantly outweigh the disadvantages. This advantage becomes even more pronounced when CFO participation occurs without full board membership, highlighting the critical value of the CFO role within MLE boards.

The findings demonstrate that CFO participation enhances strategic planning and governance while also introducing risks related to over-familiarity with board members. This observation aligns with existing research regarding the potential entrenchment of CFOs in decision-making roles (Muttakin et al., 2019). Furthermore, the trend favoring CFO participation without complete board membership reflects the insights of SpencerStuart's (2017) analysis of CFO practices among S&P 500 companies, emphasizing the growing importance of board independence.

4.3 The Broader CG Implications of the Different Types of CFO Board Presence

4.3.1 CFO Board Participation Helps Satisfy Director, Management, and Shareholder Needs

Respondents indicated that the participation of CFOs on boards significantly aids in addressing the needs of directors, managers, and shareholders.

They unanimously affirmed that CFO involvement plays a vital role in fulfilling directors' needs, particularly in areas such as strategy development, internal controls, budgeting, financial performance, and corporate culture. By offering expert financial guidance, CFOs enhance strategic decision-making processes, strengthen CG, and promote a culture of ethical behavior within the organization. The CFO's experience in setting realistic and achievable financial goals improves resource allocation and reinforces fiscal discipline.

Additionally, by ensuring financial stewardship and advocating for transparency, integrity, and accountability in financial matters, CFOs cultivate a sense of responsibility and ethical behavior across the organization. This support bolsters directors' efforts to maintain high standards of CG and aligns organizational practices with ethical and regulatory requirements.

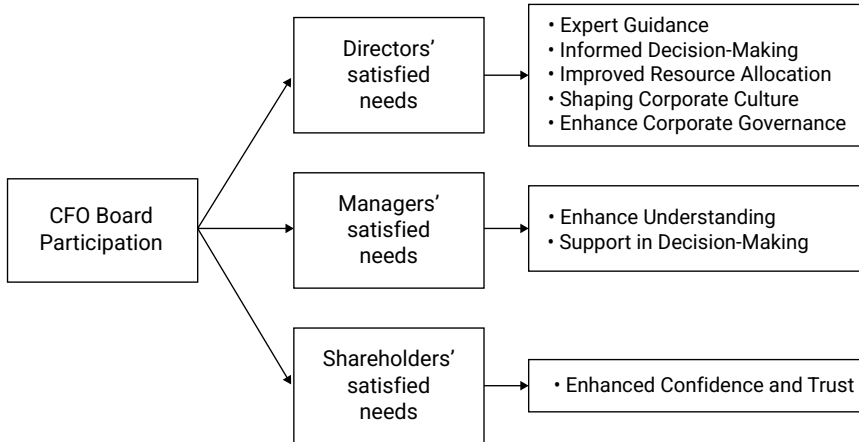
The majority of respondents (29/31) noted that board participation helps to meet the needs of managers, particularly regarding strategic issues in collaboration with the CEO. The collaboration between CFOs and CEOs ensures the integration of financial considerations into broader strategic objectives, thereby facilitating more effective decision-making among managers. Furthermore, CFO participation on the board enhances managers' comprehension of the financial implications and risks tied to strategic initiatives, enabling them to make more informed decisions within their respective areas of responsibility. Notably, two respondents did not provide an answer to this part of the question.

Regarding shareholders, the majority of respondents (28/31) also agreed that the participation of CFOs enhances confidence in financial statements and reinforces the stability of dividend policies. By actively engaging in board discussions and decision-making processes, CFOs ensure the financial statements presented to shareholders are accurate, transparent, and reliable. This finding is consistent with the conclusions of Muttakin et al. (2019). Notably, three respondents did not address this particular aspect of the question.

Overall, as depicted in Figure 1, the active involvement of CFOs in board activities is crucial for driving organisational success and aligning financial practices with the interests of all stakeholders.

4.3.2 Shareholder Perceived Reaction to CFO Contributions on MLE Boards

The next question solicited respondents' views on whether shareholders react positively or negatively to the four potential types of CFO board participation. Approximately half of the respondents (14/31) observed that many Maltese small shareholders have little financial literacy and demonstrate indifference to the CFO Board participation types. In contrast, a majority of the remaining respondents (13/31) highlighted that large institutional shareholders favor the inclusion of CFOs as BMs for additional reassurance. Additionally, a minority (3/31) noted that some shareholders, particularly large non-institutional ones, harbor reservations about CFOs serving as BMs rather than simply attending board meetings. These shareholders anticipate that the presence of CFOs as BMs will lead to fewer challenges with financial reporting issues. This perspective aligns with the findings of Kim et al. (2010), emphasizing the crucial role of institutional shareholder confidence in the integration of CFOs into the board for effective financial oversight. Figure 1 illustrates how CFO board participation meets the needs of directors, managers, and shareholders.

Figure 1*CFO Board Participation and the Satisfaction of Directors, Managers, and Shareholders*

4.3.3 CFO Type of Board Participation and the Perceived Effectiveness of MLE Board Monitoring

The subsequent question explored whether CFO participation on the board influences the effectiveness of the board in monitoring MLE management. A majority of respondents (23/31) believed that CFO board participation does not impact the board's effectiveness in overseeing management. Notably, some of these respondents indicated that (9/23) effective monitoring only occurs when there exists a proper mix of EDs, NEDs, and INEDs. This balance fosters diversity in board perspectives and strengthens oversight mechanisms. Conversely, eight respondents (8/31) maintained that a CFO's role as a board member could result in the non-disclosure of management's hostile actions, thereby undermining effective oversight. This perspective contradicts the findings of Liu (2017).

4.3.4 The Influence of CFOs with Different Types of Board Participation

The study included a question regarding whether CFOs exercise greater influence on board proceedings through the implementation of any of the four types of board participation. A majority of respondents (23/31) reported that CFO membership on the board enhances their influence during board meetings, primarily due to the ability to exercise voting rights on significant matters, aligning with Mobbs (2011). In contrast, respondents perceived CFOs who participate as regular or specially invited members as having less influence. Furthermore, eight respondents (8/31) identified key factors that affect CFO influence, including the integrity of the other directors (2/8), board size (2/8), the standards upheld by the chairperson (2/8), and the character and persuasive abilities of the CFOs themselves (2/8). Thus, analyzing the dynamics of these factors is crucial for understanding the extent of the influence of CFOs within boards.

This study demonstrates that CFO participation in board meetings enhances strategic alignment and financial oversight while preserving governance independence. However,

granting CFOs full board membership poses risks to their independence, creating a governance trade-off. These findings support corporate governance guidelines that promote structured engagement for CFOs that are not membership-based. Future research should explore how these trends change across different regulatory environments and industries.

From a governance perspective, MLEs should consider structured models for CFO participation that enhance financial decision-making while preserving board independence. This study enriches the corporate governance literature by providing empirical evidence on how CFOs can effectively support board functions without holding full membership. The findings indicate that regulators and corporate policymakers should explore best practices to optimize CFO engagement without undermining oversight mechanisms. Future research should examine the effects of CFO participation across various industries and economic systems, focusing on the long-term impacts on corporate performance and investor confidence. Additionally, a comparative analysis across different regulatory frameworks could further validate governance structures that strike the right balance between financial expertise and board independence.

5. CONCLUSION

MLEs prefer CFOs to participate in board meetings regularly without becoming full members of the board. This ensures independent oversight while keeping financial concerns at the forefront. CFOs must possess financial acumen, problem-solving skills, effective communication abilities, regulatory knowledge, integrity, and the ability to work collaboratively as part of a team. The participation of CFOs in board meetings enhances strategic planning, communication, and governance while clarifying financial matters and the entity's economic position. Despite challenges like time demands and potential conflicts of interest, the benefits of CFO board participation outweigh the drawbacks, whether as members or as regular, non-member participants.

CFO involvement is crucial in supporting directors with strategic decision-making and shaping corporate culture. Managers benefit from the valuable financial insights that CFOs offer, while shareholders tend to have a neutral stance. Nonetheless, institutional investors show a preference for having CFOs as board members as they instill trust in financial reporting and contribute to the stability of dividends.

Although there are concerns regarding board independence, it seems CFO participation does not undermine the effectiveness of oversight. CFOs hold considerable influence on management and leadership in MLE boards, whether they serve as members or as regular participants. Even though MLE boards tend to favor CFO participation without full membership, their role remains impactful. Future research should examine CFO participation across various industries and analyze long-term trends in board integration.

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Data Availability

The authors declare that no new data were created or analyzed in this study. Data sharing is not applicable to this article.

Use of Artificial Intelligence

No generative AI tools were used for content creation or analysis. AI-assisted tools were used solely to support grammar and language refinement during the final editing stage. This did not affect the scientific rigor or originality of the work.

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Author Contributions

SG: conceptualization, supervision, writing (review & editing).

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OT: methodology, data collection, formal analysis, writing (original draft).

LE: investigation, validation, visualization, writing (review & editing).

NT: methodology, review & editing, project administration.

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Not applicable.

Declaration of Originality

The authors confirm that this article is an original work that has not been published previously nor is under review elsewhere. It is derived in part from the second author's Master's dissertation, supervised and expanded by the co-authors for publication.

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