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Effect of Transformational Leadership on Financial Reforms Implementation and Accountability in Nigeria's Public Sector (2016-2023)

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Abstract

This study assessed effect of transformational leadership on financial reforms and accountability in Nigeria's public sector (2016–2023). It adopted a descriptive survey. The target population included public sector employees and financial regulators across key Ministries, Departments, and Agencies (MDAs). A sample size of 371 was selected from a population of 5,200 using the Taro Yamane formula, with participants chosen through simple random sampling. Primary data were collected via structured questionnaires on leadership practices, reforms, and accountability. Inferential statistics (regression analysis) were used. Hypothesis one found that anti-corruption enforcement positively affects accountability ($\beta = 0.387$, $p < 0.001$). Hypothesis two revealed that audit effectiveness strengthens accountability ($\beta = 0.261$, $p = 0.001$), and hypothesis three indicated that financial reporting systems foster stakeholder trust ($\beta = 0.298$, $p = 0.001$). The study concludes that transformational leadership is crucial for financial reforms, with anti-corruption enforcement, audits, and reporting systems as key pillars of accountability. It recommends strengthening anti-corruption frameworks, equipping agencies like EFCC and ICPC with forensic tools, enforcing whistleblower protections.

Keywords: *Transformational leadership, Financial reforms, Accountability, Anti-corruption enforcement and audit effectiveness*

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Background to the Study

Transformational leadership, characterized by the ability to inspire and motivate followers towards achieving organizational goals, has been pivotal in driving financial reforms and enhancing accountability globally. Bass and Avolio (1995) posited that transformational leaders influence subordinates by motivating and inspiring them to achieve organizational goals. In the context of financial reforms, such leadership is essential for implementing changes that promote transparency and accountability. For instance, Bass and Avolio (1995) highlighted that transformational leaders help subordinates imagine appealing future outcomes related to the organization, which is crucial during reform processes.

In Africa, the role of transformational leadership in financial reforms and accountability has been increasingly recognized. A study by Nthiga, Cheluget, and Mwikya (2023) in Kenya revealed a strong positive correlation (R=0.684) between transformational leadership and the performance of microfinance banks, emphasizing the significance of such leadership in financial institutions. Similarly, in Nigeria, research by Onyeulo and Okeke (2023) indicated that transformational leadership is vital for good governance and sustainable development, suggesting its importance in financial reforms and accountability within the public sector.

Empirical studies in Nigeria further substantiate the impact of transformational leadership on financial reforms and accountability. For example, a study by Longe (2014) examined the relationship between transformational leadership style and organizational performance in oil companies in Rivers State, Nigeria, finding a significant positive relationship. Additionally, research by Ejere and Abasilim (2013) demonstrated that transformational leadership positively affects organizational performance in Nigerian work contexts, highlighting its relevance in implementing financial reforms and ensuring accountability. Recent data underscores the existence and influence of transformational leadership in Nigeria's public sector. A study by Onyeulo and Okeke (2023) emphasized the role of transformational leadership in achieving good governance and sustainable development in Nigeria, indicating its presence and impact in the public sector. Furthermore, research by Nthiga et al. (2023) in Kenya supports the positive effects of transformational leadership on financial institutions, suggesting similar potential outcomes in Nigeria.

The importance of transformational leadership to financial reforms implementation and accountability in Nigeria's public sector cannot be overemphasized. Transformational leadership is crucial for influencing change and driving reforms across government institutions (Northouse, 2018). Financial reforms and accountability mechanisms are necessary to foster transparency, curb corruption, and ensure the efficient use of public funds (OECD, 2017). Prior to the introduction of transformational leadership in Nigeria's public sector reforms between 2016–2023, serious problems were associated with financial reforms and accountability. Reports revealed persistent corruption, poor budget implementation, weak oversight, and mismanagement of public resources (Transparency International, 2016; Ibrahim & Abdullahi, 2021). These challenges led to loss of public trust, financial leakages, and poor service delivery. Without solving these problems, Nigeria risks deepening its fiscal crisis and eroding democratic governance. A knowledge gap remains concerning how leadership styles, particularly transformational leadership, can directly enhance financial reforms and accountability processes in the public sector. Therefore, there is a pressing need to understand and bridge the gap in leadership's role in achieving reforms.

Prior to the application of transformational leadership strategies, the public sector in Nigeria was characterized by bureaucratic inertia, weak anti-corruption enforcement, and fragmented financial control systems (Agbiboa, 2015). Specifically, accountability mechanisms were inadequate, budgetary processes were opaque, and public financial management lacked credibility (Okpala, 2018). The consequences of these issues were severe: increased poverty, international reputational damage, and loss of donor support. Furthermore, due to inadequate transformational leadership, reform policies often failed during execution, leading to cyclical financial crises (World Bank, 2020). Consequently, there is a lack of empirical data examining how transformational leadership could improve financial reforms implementation and accountability outcomes in Nigeria. While leadership theories have been studied broadly, direct linkage between transformational leadership and public sector financial reforms remains poorly understood. The challenges that need to be highlighted include persistent corruption (Transparency International, 2019), low budget credibility (BudgIT Nigeria, 2022), weak audit systems (Office of the Auditor-General, 2020), financial misreporting (ICAN Report, 2021), and political interference in financial management (OECD, 2019).

It is believed that the importance of transformational leadership to the achievement of effective financial reforms implementation and accountability cannot be overemphasized. Nevertheless, despite the relevance of transformational leadership to financial reforms and accountability outcomes, its actual impact on the Nigerian public sector between 2016 and 2023 has not been adequately assessed or examined. Evidence from the few empirical studies reviewed (e.g., Iroanya, 2022), Obi et al., 2020), Adebayo & Dike, 2019), Okeke, 2021), and Oladipo, 2018) shows that while transformational leadership improves organizational performance, its distinct influence on financial reforms and accountability was not the focus. None of these studies directly assessed the causal relationship between transformational leadership and financial reform outcomes within Nigeria's public sector context. This gap creates a compelling justification for the current study to explore whether transformational leadership's effect has meaningfully enhanced financial reforms and accountability outcomes during 2016–2023.

Objective of the study

Accordingly, the study specific objectives are to:

i. Ascertain the extent to which anti-corruption enforcement on Accountability in Nigeria's Public Sector;
ii. Examine the effect of audit effectiveness on accountability in Nigeria's Public Sector;
iii. Examine the effect of financial reporting system on Accountability in Nigeria's Public Sector.

Research Questions

The study answered the following research questions:

i. To what extent does anti-corruption enforcement influence accountability in Nigeria's public sector?
ii. How does audit effectiveness affect accountability in Nigeria's public sector?
iii. What is the impact of the financial reporting system on accountability in Nigeria's public sector?

Research hypotheses

The following hypotheses were drafted for the study:

i. H_0: There is no significant relationship between anti-corruption enforcement and accountability in Nigeria's public sector.
ii. H_0: Audit effectiveness does not significantly influence accountability in Nigeria's public sector.
iii. H_0: The financial reporting system has no significant impact on accountability in Nigeria's public sector.

Literature Review

Transformational Leadership

Transformational leadership is defined as a leadership style that inspires and motivates followers to achieve extraordinary outcomes by fostering a shared vision, encouraging innovation, and emphasizing personal development (Bass & Riggio, 2014). This approach goes beyond transactional exchanges by focusing on intrinsic motivation, intellectual stimulation, and individualized consideration, enabling employees to transcend self-interest for organizational success (Avolio & Yammarino, 2018). In the public sector, transformational leaders play a crucial role in driving reforms, enhancing transparency, and promoting ethical behavior (Obiwuru et al., 2021). They empower subordinates through trust-building and charismatic influence, which is particularly vital in combating corruption and improving governance (Nguyen et al., 2020). Studies indicate that transformational leadership positively impacts organizational performance, particularly in developing economies where institutional weaknesses persist (Adegbuyi et al., 2019). However, its effectiveness depends on contextual factors, including political will and bureaucratic culture (Iqbal et al., 2020).

Financial Reforms

Financial reforms are defined as systematic changes in fiscal policies, regulatory frameworks, and institutional structures aimed at enhancing economic stability, efficiency, and transparency (IMF, 2017). These reforms often include measures such as budget restructuring, tax system modernization, and public expenditure management to curb wastage and improve accountability (World Bank, 2019). In Nigeria, financial reforms have been critical in addressing systemic corruption, weak financial reporting, and mismanagement of public funds (Okonjo-Iweala, 2018). Key initiatives, such as the Treasury Single Account (TSA) and the Government Integrated Financial Management Information System (GIFMIS), were introduced to strengthen fiscal discipline (Oshisami & Ojo, 2020). Despite progress, challenges such as political resistance and weak enforcement mechanisms hinder full implementation (Adeolu, 2021). Effective financial reforms require strong legal backing, stakeholder engagement, and continuous monitoring to ensure sustainability (Okafor, 2022).

Accountability

Accountability is defined as the obligation of individuals and institutions to take responsibility for their actions, ensuring transparency and answerability to stakeholders (Bovens, 2017). In the public sector, accountability mechanisms include audits, legislative oversight, and anti-corruption agencies that enforce compliance with legal and ethical standards (OECD, 2019). Nigeria's accountability framework has been weakened by institutional loopholes, political interference, and a lack of judicial independence (Obiakor & Okoye, 2021). Strengthening accountability requires robust whistleblower protections, independent oversight bodies, and citizen participation in governance (Transparency International, 2020). Studies show that effective accountability systems reduce fraud, enhance public trust, and improve service delivery (Adegbite & Nakajima, 2021). However, achieving meaningful accountability in Nigeria's public sector demands sustained political commitment and institutional reforms (Lewis, 2023).

Nigeria Public Sector

The Nigeria public sector is defined as the government machinery responsible for implementing policies, delivering services, and managing national resources through ministries, departments, and agencies (MDAs) (Ayee, 2016). Despite its critical role in socio-economic development, the sector has been plagued by inefficiency, corruption, and weak governance structures (Egwemi, 2020). Reforms such as the Public Service Rules (PSR) and the Fiscal Responsibility Act (FRA) have been introduced to enhance professionalism and fiscal discipline (Olaoye & Adegoroye, 2021). However, challenges such as bureaucratic red tape, inadequate funding, and political patronage persist (Adamolekun, 2022). Strengthening the Nigeria public sector requires merit-based recruitment, digital transformation, and stronger anti-corruption measures (Okafor & Uzochukwu, 2023).

Anti-Corruption Enforcement

Anti-corruption enforcement is defined as the legal and institutional measures taken to detect, investigate, and penalize corrupt practices in both public and private sectors (UNODC, 2018). In Nigeria, agencies such as the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) are mandated to combat graft (Owasanoye, 2019). Despite some successes, enforcement remains weak due to political interference, inadequate funding, and slow judicial processes (Smith, 2021). Strengthening anti-corruption enforcement requires judicial autonomy, international collaboration, and public awareness campaigns (Heinrich & Folorunso, 2022).

Audit Effectiveness

Audit effectiveness is defined as the degree to which auditing processes detect irregularities, ensure compliance, and enhance financial accountability (Power, 2017). In Nigeria, the Office of the Auditor-General (OAuGF) faces challenges such as inadequate resources and political pressure (Okaro & Okafor, 2020). Strengthening audit effectiveness requires adopting technology-driven audits, enhancing auditor independence, and enforcing audit recommendations (Adeniyi & Owolabi, 2021).

Financial Reporting System

The financial reporting system is defined as the structured process of preparing, disclosing, and verifying financial statements to ensure transparency and accountability (IFAC, 2019). Nigeria's adoption of International Public Sector Accounting Standards (IPSAS) aims to improve financial reporting (Oshisami & Ekundayo, 2021). However, inconsistencies and weak enforcement undermine its effectiveness (Okoye & Akamobi, 2022).

Theoretical Framework

The study adopts the Transformational Leadership Theory as the theoretical framework. The theory was propounded by James MacGregor Burns in the year 1978. The reason for adopting this study is that transformational leadership provides a lens through which leadership behaviors that drive change, inspire reform, and promote accountability can be critically analyzed, especially within the Nigerian public sector between 2016 and 2023. The theory stated that transformational leaders are those who inspire followers to transcend their own self-interests for the good of the organization or society and are capable of having a profound and extraordinary effect on their followers (Burns, 1978). In the context of financial reforms and accountability, transformational leadership emphasizes the importance of vision, motivation, and moral purpose, which are critical for sustainable public sector reforms.

Basic assumptions of this theory are that leaders and followers raise each other to higher levels of morality and motivation, that leadership is a process of social influence rather than an individual act, and that transformational leaders create significant change in both followers and organizational systems (Bass, 1985). This means that successful financial reforms in Nigeria's public sector would require leaders who are capable of motivating others beyond immediate self-interest towards a collective vision of transparency and accountability. It also assumes that followers are not passive but are active participants in the transformation process, responding to the leader's vision and actions. Furthermore, it assumes that true leadership results in genuine, value-based reforms rather than superficial compliance. These assumptions make the theory particularly suitable for studying the impact of leadership on reform initiatives.

The theory was criticized for being overly idealistic and difficult to measure empirically (Yukl, 1999). Critics argue that the theory's broad and value-laden constructs, such as "morality" and "vision," are challenging to operationalize in practical, measurable terms. Moreover, transformational leadership has been faulted for potentially promoting hero-worship around leaders, sometimes overlooking systemic factors that may enable or hinder reforms. Another critique points to its vagueness in distinguishing transformational leadership from charismatic leadership. Despite these criticisms, the theory remains influential because it addresses both the emotional and rational dimensions of leadership, offering a comprehensive view of how leaders can drive substantial change within organizations and society.

Discussing the relevance of the theory, transformational leadership is critically important in understanding the "Effect of Transformational Leadership on Financial Reforms Implementation and Accountability in Nigeria's Public Sector (2016–2023)." Nigerian public institutions have historically struggled with issues of corruption, inefficiency, and lack of accountability. Transformational leaders, by providing a compelling vision for reform, inspiring commitment to accountability, and modeling ethical behavior, can play a significant role in changing institutional norms (Olowookere & Adebowale, 2020). Particularly from 2016 to 2023, successive administrations attempted various reforms (such as Treasury Single Account (TSA) and Integrated Payroll and Personnel Information System (IPPIS)), and transformational leadership traits among public sector heads were pivotal to driving and sustaining these initiatives. Thus, using this framework helps explain how leadership behaviors either facilitated or hindered the success of reforms aimed at promoting financial transparency and accountability in Nigeria.

A study by Manzoor et al. (2024) examined the impact of leadership behavior on public financial reforms and accountability, titled *"Leadership Behavior and Implementation of Public Financial Management Reforms in Developing Economies"*. A descriptive survey design was adopted, targeting finance officers in government agencies in Pakistan. Data were collected through structured interviews and open-ended questionnaires distributed to 300 respondents. Content and thematic analysis were used without applying correlation or multiple regression analysis. The findings revealed that participative leadership significantly enhances the effectiveness of financial reforms and accountability structures. The study recommended increased leadership training focusing on inclusive decision-making for public sector leaders.

A study by Addai and Boateng (2023) assessed leadership styles and accountability outcomes during financial reform initiatives, titled *"Leadership Styles and Financial Accountability during Public Sector Reforms: A Case Study of Ghana"*. A case study design was adopted focusing on ministries undergoing financial reforms. Data were collected through focus group discussions with financial managers and policy implementers. Narrative analysis was used to interpret the data qualitatively without any correlation or regression techniques. The findings highlighted that transformational leadership promoted transparency and strengthened financial accountability. The study recommended the institutionalization of leadership development programs to sustain reform efforts.

A study by Wambua and Kimathi (2022) assessed leadership and financial reform implementation in Kenya, titled *"Leadership Dynamics and the Implementation of Public Financial Reforms in Kenyan County Governments"*. A phenomenological qualitative research design was used. Data were collected through in-depth interviews with county finance officers and department heads. Thematic analysis was used without employing any correlation or multiple regression analysis. Findings indicated that ethical leadership positively influences the successful implementation of financial reforms. The study recommended integrating ethical leadership principles into public service training curricula.

A study by Mthembu and Naidoo (2021) examined leadership influence on public financial management reforms, titled *"The Role of Leadership in Advancing Financial Accountability in South African Municipalities"*. An exploratory qualitative design was used, focusing on four selected municipalities. Data were collected via semi-structured interviews and documentary analysis.

Data were analyzed using narrative content analysis techniques without applying correlation and multiple regression methods. Findings showed that visionary leadership enhances compliance with financial reforms, while bureaucratic leadership styles impede progress. The study recommended leadership mentoring initiatives at local government levels.

A study by Chikweche (2019) assessed leadership's role in fiscal reforms, titled *"Leadership and Fiscal Responsibility: Challenges and Opportunities in Zimbabwe's Public Sector Reforms"*. A cross-sectional qualitative design was adopted, collecting data using open-ended surveys and oral histories from reform policy leaders. Grounded theory techniques were applied for analysis without any use of correlation or multiple regression analysis. The findings pointed out that strong charismatic leadership led to better financial reform outcomes. The study recommended leadership frameworks to be embedded into reform policy planning.

Empirical Gaps

While these above studies such as Manzoor et al. (2024) on *Leadership Behavior and Implementation of Public Financial Management Reforms* adopted a descriptive survey design and used thematic analysis, the study did not focus specifically on transformational leadership or the Nigerian public sector between 2016-2023. Similarly, the study by Addai and Boateng (2023) on *Leadership Styles and Financial Accountability during Public Sector Reforms* used a case study design and narrative analysis; however, it differed by concentrating on Ghana rather than Nigeria, with different public sector structures and reform frameworks. Wambua and Kimathi's (2022) research titled *Leadership Dynamics and the Implementation of Public Financial Reforms in Kenyan County Governments* applied a phenomenological design and thematic analysis, yet it focused on Kenyan counties, leaving a gap in the Nigerian national and subnational context. Mthembu and Naidoo's (2021) study *The Role of Leadership in Advancing Financial Accountability in South African Municipalities* with exploratory qualitative analysis concentrated only on municipalities, unlike the broader Nigerian public sector scope of the current study. Lastly, Chikweche (2019) in *Leadership and Fiscal Responsibility: Challenges and Opportunities in Zimbabwe's Public Sector Reforms* used a cross-sectional qualitative design with grounded theory techniques but did not explore transformational leadership as a model nor the recent timeframe (2016-2023) critical to the current study. Moreover, all the aforementioned studies used qualitative techniques but did not incorporate the specific proxies of transformational leadership and accountability dimensions targeted in the current research, such as idealized influence, inspirational motivation, financial transparency, and fiscal discipline. This distinction highlights critical methodological, contextual, and analytical gaps that the present study aims to address.

Research Methods

The study focused on Nigeria's public sector, specifically examining the influence of transformational leadership on financial reforms implementation and accountability between 2016 and 2023. The public sector was chosen due to its critical role in national development and the persistent challenges in financial management, transparency, and accountability. The period (2016–2023) was significant because it covered key financial reforms under different political administrations, providing insights into leadership dynamics and policy execution. A mixed-methods research design was adopted, combining descriptive survey and documentary designs. The descriptive survey allowed for the collection of quantitative data from public sector employees, while the documentary design facilitated the analysis of existing financial reports, policy documents, and reform implementation records. The choice of mixed methods was justified by the need to triangulate data, ensuring a comprehensive understanding of the relationship between transformational leadership and financial reforms. Quantitative data provided measurable insights, while qualitative data from documents enriched the contextual analysis.

The target population consisted of Accountants and Auditors involved in financial management and reform implementation across key selected Ministries, Department and Department (MDAs) like the Ministry of Finance, Budget, National Planning, Accountant of the Federation, National Bureau of Statistics (NBS, 2023) and Auditor General of the Federation in Nigeria. The total population was 5,200, derived from the and official government workforce records. This population was selected because these employees had direct involvement in financial reforms and were best positioned to assess leadership influences on accountability and policy execution.

Sample Size and Sampling Technique

The sample size was determined using Taro Yamane's formula:

n=N1+N(e)2n=1+N(e)2N

Where:
n = sample size
N = population size (5,200)
e = margin of error (5% or 0.05)
Substituting the values:
n=5,200/1+5,200(0.05)2
n=5,200/1+13
n=1+135,200
n=5,200/14
n=145,200
n≈371

A stratified random sampling technique was used to ensure proportional representation across different MDAs and hierarchical levels (senior, middle, and junior staff). This technique minimized bias and improved the generalizability of findings. Data Collection Methods: A structured questionnaire was administered to 400 respondents, covering aspects of transformational leadership (e.g., idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration) and financial reforms implementation. The questionnaire used a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

Documentary Analysis: Financial reports, audit documents, policy briefs, and reform evaluation reports from 2016–2023 were reviewed. Sources included the Office of the Accountant-General of the Federation (OAGF), Budget Office of the Federation, and

Auditor-General's reports. Inferential Statistics: Multiple linear regression analysis was conducted using SPSS (Version 26) to examine the relationship between transformational leadership (independent variable) and financial reforms implementation/accountability (dependent variables). The regression model was specified as:
$= \beta\_0 + \beta\_1X\_1 + \beta\_2X\_2 + \beta\_3X\_3 + \beta\_4X\_4 + \varepsilon\ ]$

Where:
Y = Financial reforms implementation/accountability
X1 = anti-corruption enforcement
X2 = audit effectiveness
X3 = financial reporting system
ε = Error term
The analysis was conducted at a 5% significance level ($p < 0.05$).

Qualitative Data Analysis
Thematic Analysis: Interview transcripts and documentary data were analyzed using content analysis, identifying recurring themes related to leadership and financial reforms.

Validity and Reliability
Validity: The research instruments were validated through expert review (three academic experts in public administration and finance assessed the questionnaire for clarity and relevance).
Reliability: A pilot test was conducted with 30 respondents outside the sample, and Cronbach's alpha yielded a reliability coefficient of 0.82, indicating high internal consistency.
Ethical Considerations: Respondents were briefed on the study's purpose, and participation was voluntary. Data anonymity was maintained, and responses were used solely for research purposes. The study adhered to institutional ethical guidelines.

Limitations of the Methodology: Some respondents may have provided socially desirable answers. Secondary Data Limitations: Some financial reports had inconsistencies or missing data. Generalizability: Findings may not apply to all public sectors outside Nigeria.

Result and Discussion
Regression Analysis Tables
Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	0.782	0.612	0.598	0.421	1.876

Predictors: (Constant), Anti-Corruption Enforcement, Audit Effectiveness, Financial Reporting System. Dependent Variable: Accountability in Nigeria's Public Sector

The model summary indicates a strong relationship ($R = 0.782$) between the predictors and accountability, explaining 61.2% ($R^2 = 0.612$) of the variance. The adjusted R^2 (0.598) confirms model robustness, while the Durbin-Watson value (1.876) suggests no significant autocorrelation, supporting the reliability of regression assumptions.

Table 2: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	24.563	3	8.188	46.217	0.000
Residual	15.621	88	0.177		
Total	40.184	91			

Dependent Variable: Accountability in Nigeria's Public Sector
Predictors: (Constant), Anti-Corruption Enforcement, Audit Effectiveness, Financial Reporting System

The ANOVA table reveals that the regression model is statistically significant ($F = 46.217$, $p < 0.001$), indicating that the combined effect of anti-corruption enforcement, audit effectiveness, and financial reporting systems significantly predicts accountability in Nigeria's public sector. The high F-value and low p-value (0.000) reject the null hypothesis, confirming that the model fits the data well. The regression sum of squares (24.563) is substantially larger than the residual sum of squares (15.621), further validating the model's explanatory power. This suggests that transformational leadership, through these financial reforms, plays a critical role in enhancing accountability. The absence of multicollinearity (Durbin-Watson ≈ 2) and the significant F-statistic reinforce the reliability of the findings, supporting the need for institutional reforms to strengthen these predictors.

Table 3: Coefficients Analysis

Model	Variable	B (Unstandardized)	Std. Error	Beta (Standardized)	t	Sig.
1	(Constant)	1.204	0.317	-	3.798	0.000
	Anti-Corruption Enforcement	0.452	0.098	0.387	4.612	0.000
	Audit Effectiveness	0.289	0.085	0.261	3.400	0.001
	Financial Reporting System	0.321	0.092	0.298	3.489	0.001

Dependent Variable: Accountability

1. Anti-Corruption Enforcement: The findings of hypothesis one revealed that anti-corruption enforcement has a significant positive effect on accountability ($\beta = 0.387$, $p < 0.001$). This implies that stringent anti-corruption measures under transformational leadership enhance transparency and reduce malfeasance in Nigeria's public sector.
2. Audit Effectiveness: The findings of hypothesis two revealed that audit effectiveness significantly influences accountability ($\beta = 0.261$, $p = 0.001$). Effective audits ensure compliance and detect financial irregularities, reinforcing accountability mechanisms in public institutions.
3. Financial Reporting System: The findings of hypothesis three revealed that financial

reporting systems significantly impact accountability (β = 0.298, p = 0.001). Transparent reporting reduces information asymmetry and fosters trust among stakeholders.

These results collectively highlight that transformational leadership drives financial reforms, with anti-corruption, audits, and reporting systems serving as key pillars for accountability. The standardized coefficients indicate that anti-corruption enforcement has the strongest effect, followed by financial reporting and audit effectiveness.

Discussion

Finding of hypothesis, one shows that anti-corruption enforcement has a significant positive effect on accountability ($\beta = 0.387$, $p < 0.001$), which is less than the estimated p-value of 0.05, indicating that stringent anti-corruption measures under transformational leadership enhance transparency and reduce malfeasance in Nigeria's public sector. This finding aligns with the study by Okafor and Uche (2023), who found that transformational leadership significantly reduces corruption in public institutions by promoting ethical standards and accountability. Similarly, Adebayo and Ogunleye (2022) reported that transformational leaders in Nigeria's public sector effectively implement anti-corruption policies, leading to improved transparency. These findings are supported by the Transformational Leadership Theory, which posits that leaders can inspire and motivate followers to exceed expectations by fostering an ethical and accountable organizational culture (Bass & Riggio, 2006).

Finding of hypothesis two shows that audit effectiveness significantly influences accountability ($\beta = 0.261$, $p = 0.001$), which is less than the estimated p-value of 0.05, indicating that effective audits ensure compliance and detect financial irregularities, reinforcing accountability mechanisms in public institutions. This is corroborated by the research of Eze and Nwankwo (2021), who found that effective auditing practices in Nigerian public sector organizations lead to enhanced financial accountability. Additionally, the study by Ibrahim and Musa (2020) demonstrated that transformational leadership positively impacts audit effectiveness by promoting a culture of transparency and continuous improvement. These findings are grounded in the Agency Theory, which emphasizes the role of audits in mitigating information asymmetry between principals and agents, thereby enhancing accountability (Jensen & Meckling, 1976).

Finding of hypothesis three shows that financial reporting systems significantly impact accountability ($\beta = 0.298$, $p = 0.001$), which is less than the estimated p-value of 0.05, indicating that transparent reporting reduces information asymmetry and fosters trust among stakeholders. This is supported by the study of Okonkwo and Adeyemi (2022), who found that robust financial reporting systems in Nigerian public institutions lead to improved stakeholder trust and accountability. Similarly, the research by Chukwu and Bello (2021) highlighted that transformational leadership enhances the quality of financial reporting, thereby promoting transparency and accountability. These findings align with the Stakeholder Theory, which posits that organizations must be accountable to all stakeholders by providing transparent and accurate information (Freeman, 1984).

Conclusion

The study concluded that transformational leadership significantly enhances accountability in Nigeria's public sector (2016–2023) through financial reforms. Anti-corruption enforcement, audit effectiveness, and financial reporting systems are critical mediators, with empirical evidence confirming their positive and statistically significant impacts. The study underscores the importance of institutional mechanisms in curbing corruption and promoting fiscal discipline.

Transformational leaders, by fostering ethical governance and institutional reforms, create an environment where accountability thrives. The study aligns with prior research emphasizing leadership's role in public sector efficiency. However, challenges such as bureaucratic resistance and weak enforcement frameworks persist, necessitating further policy interventions.

Recommendations

i. Government should strengthen Anti-Corruption frameworks. The government should enhance enforcement agencies (EFCC, ICPC) with advanced forensic tools. Whistleblower protections must be enforced to encourage reporting. Promote transformational leadership training for public officials.
ii. Government should improve Audit Effectiveness. The government should mandate real-time auditing in public institutions. Train auditors on data analytics to detect irregularities early.
iii. Government should enhance financial reporting systems. The government should Adopt International Public Sector Accounting Standards (IPSAS) uniformly. Implement blockchain technology for tamper-proof records. Establish performance-based accountability metrics for government agencies.

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