FINANCE AND BANKING

AFBR VOL 8 NO 1 (2024) P-ISSN 2576-1196 E-ISSN 2576-120X

Journal homepage: https://www.cribfb.com/journal/index.php/afbr

Published by Australian Finance & Banking Society

THE POST COVID EFFECT OF CORPORATE GOVERNANCE ON FIRM PERFORMANCE: A STUDY ON PRIVATE COMMERCIAL BANK IN BANGLADESH

Md. Sazzadur Rahman Khan [(a)1] *Sanjida Akhtar* [(b)] *Sazia Afrin* [(c)] *Md Gulam Sharoar Hossain Khan* [(d)]

[(a)] *Assistant Professor, Faculty of Business Administration, American International University-Bangladesh; E-mail: Sazzadur@aiub.edu*
[(b)] *Lecturer, Faculty of Business Administration, American International University-Bangladesh; E-mail: sanjida@aiub.edu*
[(c)] *Assistant Professor, Faculty of Business Administration, American International University-Bangladesh; E-mail: sazia.afrin@aiub.edu*
[(d)] *Associate Professor, Department of Business Administration, Stamford University Bangladesh; E-mail: sharoar@stamforduniversity.edu.bd*

ARTICLE INFO

Article History:

Received: 15th October 2023
Reviewed & Revised: 16th October 2023 to 9th February 2024
Accepted: 10th February 2024
Published: 15th February 2024

Keywords:

Corporate Governance, Firm Performance, Post-Covid, Bangladesh.

JEL Classification Codes:

G34, L25.

Peer-Review Model:

External peer-review was done through Double-blind method.

ABSTRACT

Due to extensive corporate disgraces and catastrophes around the globe, there has been a transformed attention in the influence of corporate governance (CG) and firm performance (FP). The mainstream of research concerning CG and its effect on FP has been assumed in developed markets and countries, mostly the US and UK, but somewhat little indication is provided in the developing countries like Bangladesh. This report has examined the impact of corporate governance mechanisms on firm performance from Bangladesh's perspective. This study primarily employs agency theory that indicates that the firms with strong corporate governance outperform firms with weaker governance. We used Board Size, Board composition, board expertise and CEO chair duality as variables of CG and EPS, ROA, and ROE as indicators of FP. We collected information from the managers, senior managers, and CFOs of private financial institutions (commercial banks) in Bangladesh for 2022-2023 financial years. The results reveal that size, composition and expertise of board could extremely influence FP positively whereas CEO chair duality could influence negatively. The outcomes of the analyses advocated that firms that comply with good corporate governance practices can expect to achieve higher return on assets and firm performance. It implies that worthy corporate governance applies lead to reduce the various costs inside the organization. Hence, it is concluded that firms of the developing world can possibly enhance their performance by implementing decent corporate governance practices. Therefore, it is desired for firm to separate CEO chair duality to achieve better performance through direct management supervision in Bangladesh.

INTRODUCTION

CG and its effect on FP have been a significant research interest area for strategic management accounting literature in this post covid era. Companies need to adhere to their code of governance and committee's recommendations to protect their shareholders' interest and provide value-adding services (Alfawareh et al., 2024). From a theoretical perspective, companies want to reduce their agency problems (costs) through good governance practices which in turn will enhance overall performance of their firm. The crux of rationale between good CG practices and improve FP is that through better governance, the board can significantly improve their monitoring capabilities over managerial activities which in turn deprive managers from earning management activities and misappropriation of firm's resources (Saidat et al., 2024). Good CG practices also encourage management to pursue value-adding activities for the organization and reduce misappropriation of firm's limited resources.

Our study analyses the effects of the post covid effect of CG on FP - A study on private commercial bank in Bangladesh. We chose the Bangladesh for this investigation because in this emerging economy private commercial bank plays a significant role and our research findings will promote effective management system and enhance their entrepreneurial spirit of the company.

A vast majority of CG literature focuses on agency theory which explains how the agents (managements) can act in interest of their own rather than interest of their principal (owner) when control is separated from owner. This leads to an

[1]*Corresponding Author: ORCID ID: 0000-0002-2462-8471*

https://doi.org/10.46281/afbr.v8i1.2189

To cite this article: Khan, M. S. R., Akhtar, S., Afrin, S., & Khan, M. G. S. H. (2024). THE POST COVID EFFECT OF CORPORATE GOVERNANCE ON FIRM PERFORMANCE: A STUDY ON PRIVATE COMMERCIAL BANK IN BANGLADESH. *Australian Finance & Banking Review*, *8*(1), 1-10. https://doi.org/10.46281/afbr.v8i1.2189

agency issue between principal and agent which refer to as Type I problem. However, conflicting interest could further emerge between principal and principal (Type II problem) and is a growing research interest in emerging markets like Bangladesh. Here, in this Type II problem between principals and principals, majority stockholders can move up to the role of executives and control the operating and strategic management activities for their own interest in expense of interest of their minority counterpart. To reduce this agency's costs, agency theory promotes a good CG system. This theory ensures the interests align for all owners and deters non-stewardship behavior of the controlling party. Therefore, every organization should have some form of governance and incentive system as a watchdog mechanism over agents' activities to enhance its overall performance.

According to Shleifer and Vishny (1986), firms can install different kind of mechanisms (both internal and external) to mitigate agency related expenditures. From emerging market perspective, governance mechanisms such as monitoring play a pivotal role to mitigate this conflict between managers and stockholders. To manage agency costs and enhance FP, many of these literatures portray the importance of this internal CG mechanism. Existing literature also performs the inter-relationship analysis of ownership, board of directors, and executive remuneration and how these individual factors are used to manage agency costs and improve value of firm through enhancing FP. Research of Ntim et al. (2015), also shows an interesting relation between executive remuneration and governance mechanism to FP. Therefore, firm is using an effective CG mechanism in designing executive compensation packages. These findings also suppurated by Nelson (2005); Klapper and Love (2004); Wintoki et al. (2012), who shows in their analysis that good CG practices not only enhance FP but also influence executive remuneration packages in the firm through better performance.

From Bangladesh's perspective, most of the firms are managed by family members and these members are serving as key players in Boards and team of management. From one aspect, the issue of these family run businesses can be a positive implication for the success of the company as they will be acting as stewards of the company to uphold their family values and the success of the company. These members will also be acting in good faith to realize their investment return from their long term's investment. However, long association of these family members as key personnel can act as a deterrent from their role as independent director. Therefore, family run governance mechanisms can violate minority shareholder's interest. Therefore, large owners with significant shareholding rights can exercise direct influence in governance and pursue their own interest and personal benefits.

The layout of this report is as follows. Part 1 contains theoretical perspective; Part 2 explains CG literature review, part 3 put through the in-depth model description, sample and data set used for our analysis. Part 4 shows the result and findings of our empirical analyses. Lastly, Part 5 end this study by summarizing the overall findings and briefly describing our key contributions. We also put forward the shortcoming of our study in this section and highlight avenues for further research interest.

LITERATURE REVIEW

CG is a mechanism through for supervising and directing internal and external factors of the company towards its long-term strategic success. It consists of a specific list of rules and guidelines through which a firm can promote good governance practices and safeguard minority shareholders' interest and those of outside investors. It helps to deter the opportunistic behavior of board of directors or shareholders with significant rights and voting power. The overall code of governance could be subdivided into internal and external perspective. Here, internal factors could be referred to as the internal policy, strategic actions, management decision-making process, reporting system, different committees and their function, employees etc. External factors consist of those outside the organization such as customers, financial institutions, suppliers, government and regulatory bodies, competitors and so on. The overall aim of the CG is to promote the best practices through adherence with its fundamental principles and protect the rights and interest of these different internal and external parties and achieve overall strategic growth and success.

Board Size

The degree of board size is an important feature for good CG (Kakanda et al., 2016). It consists of those directors who are actively performing on company's board (Ogege & Bolouprema, 2014, Vafeas, 1999). Singh and Harianto (1989), analyses board size in terms of agency theory and suggests that it is directly linked to company performance through effective and efficient monitoring system. Again, Hillman and Dalziel (2003) analyses board size from theory of resource dependence perspective and shows that board size affect directors' decision during they provide provision for intangible resources and thus enhance FP (Kiel & Nicholson, 2003).

Afrifa and Tauringana (2015) also suggest that size of the board is related positively to FP through their study of listed small and medium companies in UK. Kiel and Nicholson (2003) show the same in large Australian companies. Saibaba and Ansari (2013), Babatunde and Olaniran (2009) also found similar positive relation. Dehaene et al. (2001) also conclude positive link between board size and company performance. Dalton et al. (1999), Adams and Mehran (2005), Beiner et al. (2006), Daily (1997), also portray similar relationship between FP and board size.

However, researchers from emerging markets economy shows a varied results compared to those of firms in developed nations. The board size has a direct co-relation on company valuation according to Khanchel El Mehdi (2007). He found this positive relation during his study on listed firms in Tunisia. Others argue that larger board may provide greater benefits to firms (see, for example, Kiel & Nicholson, 2003, Coles et al., 2006); Few scholars even portray the smaller board can be coordinated easily to be more effective (Hermalin & Weisbach, 2014; Eisenberg, Sundgren, & Wells, 1998, Mallin, 2005, Hossain et al., 2001; Kiel & Nicholson, 2003). In terms controlling perspective, reduced board size is easier to manageable. Larger board is difficult to control which could create agency problems and could affect boards overall performance. (Hermalin & Weisbach, 2014; Chaganti et al., 1985).

Board Composition

The composition of board refers to those directors acting as non-executive within a board, as highlighted by Kakanda et al. (2016). This composition is expressed as ratio of those directors not acting as executive to total number of directors, as articulated by Marn and Romuald (2012). Increased presence of these directors contributes to greater board freedom, enhanced unbiased behavior among board members and improved performance (Fama & Jensen, 1983). According to agency theory, this type of board controlled is better positioned to pursue stockholders' interests, thereby enhancing performance through effective management oversight and control (Hermalin & Weisbach, 1988). Harvey et al. (2015) explored link between CG practices and PF of South African companies, revealing positive association between board composition and FP.

CEO-Chairman Duality

CEO duality, a term denoting the leadership structure wherein CEO concurrently positioned as board's chair, has sparked debates among scholars regarding its effect on company performance. Two fundamental schools of thought exist on this issue, with one group, adhering to agency theory, advocating for the parting of the CEO-Chairman roles to enhance FP (Shleifer & Vishny, 1997; Harris & Helfat, 1998; Gillan, 2006). According to this perspective, having distinct roles allows the board to exercise neutral authority in supervising CEO's responsibilities. Conversely supports the idea of the CEO holding both positions, aligning with the stewardship theory. Advocates argue that when a same individual performs CEO and Chairman Roles, it confirms effective supervision throughout the organization (Davis, Schoorman, & Donaldson, 1997, Adams, Almeida, & Ferreira, 2005; Finkelstein & D'Aveni, 1994). However, Arouris et al. (2011) state that CEO duality and board size has no significant effect on FP when performing his study in GCC nations.

Board Expertise

Ensuring the successful execution of the oversight function by the board requires a critical element-board expertise (Yatim, 2010). Contend that directors serving on multiple boards gain enhanced skills, knowledge, and expertise, thereby improving their ability to oversee managerial activities. From a theoretical standpoint, theory of resource dependency asserts that directors acting in multiple board can leverage external resources, facilitating access to external linkages and ensuring effective business operations, ultimately contributing to enhanced firm effectiveness (Kiel & Nicholson, 2003). Similarly, Yatim (2010) emphasizes the significance of board expertise in the successful execution of the oversight function.

In a study involving 33 maritime companies listed in US over 1999-2010, Andreou et al. (2014) recognized that the number of directors serving on other boards and FP are positively correlated, as well as financial management decisions. Board expertise emerges as a critical mechanism for effective FP. Christy et al. (2009) performed his study on Australian firms and exhibit declining market Return on Equity (ROE) when an increasing number of directors possess business knowledge. Kato and Kubo (2006) identify a direct link between CEO remuneration and the FP by measuring Return on Assets of Japanese firms.

Hypothesis

H1: There is a positive and significant relationship between board size and FP.
H2: There is a positive and significant relationship between board composition and FP.
H3: There is a positive relationship between board chair duality and FP.
H4: There is a positive relationship between board expertise and FP.

Conceptual framework

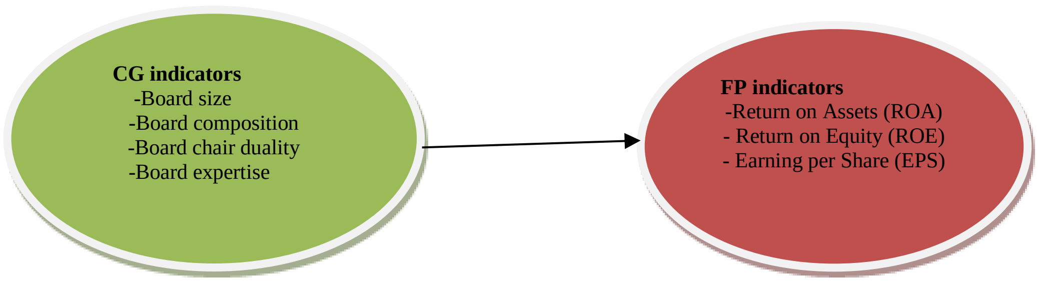

Figure 1. Conceptual framework

MATERIALS AND METHODS

A quantitative study was conducted to determine the relationship between dependent and independent variables. Primary data was used using the survey questionnaire. A total of 560 questionnaires were distributed and 379 questionnaires were received. A total of 18 questionnaires were discarded due to incomplete responses. Finally, a total of 361 responses were considered for final data analysis. The questionnaire was sent to officers, officers, managers, senior managers and CFOs of the listed companies in Bangladesh. Of the total number of respondents, 30% were female and 70% were male. 60% of respondents have more than 15 years of experience in their respective field. In addition, 30% of respondents have considered financial institutions such as banks and insurance companies as well as non-bank financial institutions. The data normality test was performed by tracking skewness and kurtosis. Table 1 showed that all skewness and curvature values of each element were within the range (+/-2), ensuring the normality of the data. The Variable was measured based on the previous study (Table 2).

Table 1. Mean, Median, SD, Skewness and kurtosis

Name	Mean	Median	SD	Excess kurtosis	Skewness
Board size	3.337	4	0.795	-1.090	-0.687
Board Composition	3.235	4	0.843	-1.448	-0.472
CEO-Chair Duality	3.378	4	0.839	-1.100	-0.814
Board expertise	3.296	4	0.798	-1.195	-0.590
ROA	2.592	3	1.009	-0.991	-0.316
ROE	2.541	3	1.002	-1.021	-0.269
EPS	2.918	3	0.817	0.441	-0.760

Table 2. Variables Measurement

Variable	Measure	Sources
Board Size	Numbers of board members 1 = 2 to 5 2 = 6 to 10 3 = 11 to 15 4 = more than 15	Guest (2009)
Board composition	The percentage of membership held by the outside independent directors 1 = 10% to 20% 2 = 20% to 30% 3 = more than 30%	Rechner et al., 1993
CEO-Chair duality	This is a dummy variable which takes the value of 1, if the CEO combines as the board chairman and 2 if there are different people occupying the two positions of CEO and board chairman.	Combs et al. (2007)
Board expertise	Year of experiences 1 = 2 years to 5 years 2 = 6 years to 10 years 3 = 11 years to 15 years 4 = more than 15	Schnatterly et al. (2021).
FP	Measured by following three higher order constructs: Return on Assets (ROA): 1 = 0% to 10% 2 = 10% to 20% 3 = 20% to 30% 4 = more than 30% Return on Equity (ROE): 1 = 0% to 10% 2 = 10% to 20% 3 = 20% to 30% 4 = more than 30% Earnings per Share (EPS): 1 = 0% to 10% 2 = 10% to 20% 3 = 20% to 30% 4 = more than 30%	Selling and Stickney (1989). Kakanda et al (2016). Islam et al. (2014).

RESULTS

Measurement Model Analysis

PLS-SEM software was used for data analysis in this study. By following the three steps given by Hair Jr et al. (2020), the reliability and validity was measured. For construct reliability, outer loading, Cronbach's alpha and average variance extracted (AVE) were considered for this study. The threshold value for the outer loading of each element of the constructs is 0.70. All outer loads in this study were found to be greater than 0.70. In the case of Cronbach's alpha and composite reliability, the threshold limit is also greater than 0.70.

Table 3. Construct Reliability

First order	Second order	Outer Loading	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	AVE
Board Composition	Single item	1.00				
Board expertise	Single item	1.00				
CEO-Chair Duality	Single item	1.00				
EPS	FP	0.83	0.782	0.705	0.823	0.608
ROA		0.76				
ROE		0.75				
Board size	Single item	1.00				

Table 3 showed that all the values of Cronbach's alpha and composite reliability is more than 0.70. For the average variance extracted (AVE), the standards value for reliability is at least 0.50. Table 3 indicated that the AVE is also found the above over threshold limit. Thus, the construct liability is ensured.

Table 4. Construct validity (Crossed loading)

	Board Composition	Board Expertise	Board Size	CEO-Chair Duality	FP
Board Composition	1.000	0.109	0.111	0.077	0.332
Board expertise	0.109	1.000	0.696	0.153	0.547
CEO-Chair Duality	0.077	0.153	0.115	1.000	0.176
EPS	0.310	0.507	0.514	0.179	0.830
ROA	0.101	0.429	0.401	0.098	0.758
ROE	0.345	0.323	0.335	0.121	0.748
Board size	0.111	0.696	1.000	0.115	0.545

For construct validity measurement, there are also three steps have followed (Hair et al., 2017). First crossed loading, table 4 indicated that crossed loading of each items is more than in compare with the other construct's items.

Table 5. Construct validity- Fornell-Larcker's criterion

	Board Composition	Board Expertise	Board Size	CEO-Chair Duality	FP
Board Composition	1.000				
Board Expertise	0.109	1.000			
Board Size	0.111	0.696	1.000		
CEO-Chair Duality	0.077	0.153	0.115	1.000	
FP	0.332	0.547	0.545	0.176	0.780

Fornell-Larcker's criterion. According to the Fornell and Larcker (1981), the value of each construct must be greater than the other constructs. In this study, table 5 showed that all values are found greater than with the others value of each row and column.

Table 6. Construct validity-HTMT

	Board Composition	Board Expertise	Board Size	CEO-Chair Duality	FP
Board Composition					
Board Expertise	0.109				
Board Size	0.111	0.696			
CEO-Chair Duality	0.077	0.153	0.115		
FP	0.390	0.650	0.645	0.205	

Heterotrait- Monotrait Ratio (HTMT) of correlation method (Henseler et al., 2015). Under this method, all values should be less than 0.90 and table 6 showed that all values have found less than 0.90 and thus ensured constructs validity.

Structural Model Analysis

Table 7. Path Co-efficient

Hypothesis	Path Coefficient	STDEV	T statistics	P values	Bias Corrected		Supported
					2.50%	97.50%	
Board Size -> FP	0.300	0.137	2.193	0.028	0.047	0.583	Yes
CEO-Chair Duality -> FP	0.076	0.073	1.032	0.302	-0.071	0.217	No
Board Expertise -> FP	0.298	0.129	2.307	0.021	0.024	0.537	Yes
Board Composition -> FP	0.260	0.083	3.124	0.002	0.094	0.422	Yes

Table 7 explained the result of path relationship of different components of CG (board size, CEO-Chair duality, and board expertise and board composition) and FP (ROA, ROE and EPS) by using of 5000 bootstrapping. Table 7 stated that board size is statistically significant predictor of FP (β = 0.30, t = 2.193, p= 0.028). However, 97.5% BCa CI was [0.047; 0.583] which contains no zero in between upper limit and lower limit of this confidence interval, representing significant positive relationship and hence hypothesis 1 was supported. Similarly, path coefficient of board expertise → FP (β = 0.298, t = 2.307, p = 0.021); board composition→ FP (β = 0.260, t = 3.124, p = 0.002); were statistically significant positive relationship and thus H3and H4, were supported. However, path coefficient of CEO-Chair duality → FP (β = 0.076, t = 1.032, p = 0.302) were not statistically significant positive relationship and thus H2 was not supported.

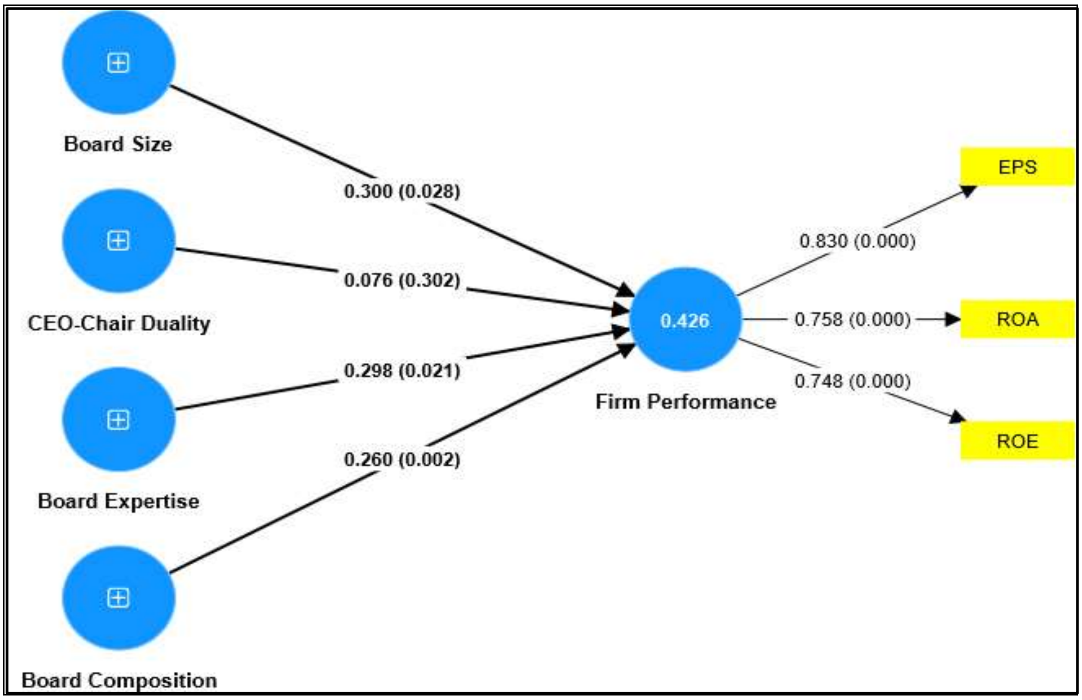

Figure 2. Graphical Presentation of Path Coefficient

Figure 2 showed the graphical presentation of the result of path coefficient.

DISCUSSIONS

The present investigation centered on the impact of CG on the performance of Bangladeshi private banks (commercial), examining from the principal-agency theory perspective. It established a link between research on CG and FP in emergent nations like Bangladesh. Widely accepted belief is that intensified CG is connected with improved FP. Our findings further support the idea that interplay of CG significantly influences FP. This research added to current body of literature by proposing that the performance of firms in emerging economies is contingent upon factors namely board size, composition, and firm's expertise. In general, our study's results align with the principal-agency theory, suggesting its potential to enhance the efficacy of CG. Our study also found that the performance of non-executive directors on board is also crucial to fosters good governance. The findings reveal a positive and statistically noteworthy link between the quantity of non-executive directors and FP at the 5% significance level. Therefore, we accept the hypothesis that a greater percentage of non-executive directors on the board correlates with enhanced performance. The findings from the study on CEO chair duality do not align with the hypothesis proposing that the segregation CEO and chairman roles to enhance performance, leading to rejection of the hypothesis at the 5% significance level. Consequently, the outcomes of the current study align with prior literature, suggesting that the segregation of CEO and chairman roles may negatively impact FP enhancement in Bangladesh perspective. Researchers have endeavored to examine the optimal directors number required on board for improved FP. According to widely acknowledged consensus, there is positive correlation between size of board and FP. The findings from our study indicate a positive and noteworthy correlation between board size and FP, measured through metrics namely ROA, ROE, and EPS. As such, hypothesis positing negative correlation between size of corporate board and FP is refuted. Nevertheless, this outcome aligns with Dalton et al. (1998) conclusion, which also identified positive and meaningful correlation between size of board & FP. Moreover, firm size demonstrates a significant positive relationship, while leverage has exhibit strong relationship with FP, echoing the conclusions of Mashayekhi and Bazaz (2008), where positive and significant coefficients on firm size suggest a favorable impact on performance.

CONCLUSIONS

Our research validates the notion that CG rules and practices do enhance firms' performance and contribute to the sustainability of banks in Bangladesh. However, our study is not without limitations. This study focused specifically on a particular country and was limited to listed banks, resulting in a predominance of large firms in the sample. Incorporating public or state-owned banks into the sample could ease comparisons among firms, thereby augmenting the insights derived from this study. Furthermore, integrating a cross-country sample may offer valuable prospects for conducting meaningful comparisons. An additional constraint was relying solely on accounting-based indicators to assess FP. It could be beneficial to incorporate market-based metrics of performance. Subsequent research endeavors have the potential to address these limitations, extending and advancing the exploration in this domain. The exploratory nature of this study imposes limitations, and there is a need for subsequent research on a larger sample, preferably within a different financial sector. Additionally, conducting cross-country research would allow for comparisons of CG practices in Bangladesh with those in other nations. Extending this research to encompass diverse industry sectors in Bangladesh would enable an extensive comparison of the link between CG and FP.

Implications for policy makers and managers

In addition to enhancing and surpassing the existing comprehension of link between CG and FP, our results hold important managerial and decision-making implications. The effect of our research are particularly pertinent for both managers and policymakers. The research highlights the necessity of reinforcing governance measures related to the CEO chair in Bangladeshi private commercial banks. The involvement of institutional agencies in implementing CG changes should be considered. This study provides backing for modeling of a CG index by regulatory authorities. The broader investment community and individual companies, in particular, would gain reassurance for future investments through the implementation of CG policies and practices, fostering confidence among both investors and companies. The discovery that CEO duality adversely affects group-affiliated firms offers valuable insights for reform and intervention. A key policy implication from this study is that the unchecked authority vested in a single individual due to the dual role of the CEO could be harmful, particularly in the context of banks. The crucial finding is that influence of independent directors does not consistently differ among firms serves as a vital message for managers. It underscores the importance of including independent directors not just to fulfill numerical requirements, but for their effective oversight. This highlights the need for action at both the policy and firm levels.

Author Contributions: Conceptualization, M.S.R.K., S.A., S.A. and M.G.S.H.K.; Methodology, M.S.R.K.; Software, M.S.R.K.; Validation, M.S.R.K., S.A., S.A. and M.G.S.H.K.; Formal Analysis, M.S.R.K., S.A., S.A. and M.G.S.H.K.; Investigation, M.S.R.K., S.A., S.A. and M.G.S.H.K.; Resources, M.S.R.K.; Data Curation, M.S.R.K.; Writing – Original Draft Preparation, M.S.R.K., S.A., S.A. and M.G.S.H.K.; Writing – Review & Editing, M.S.R.K., S.A., S.A. and M.G.S.H.K.; Visualization, M.S.R.K.; Supervision, M.S.R.K.; Project Administration, M.S.R.K.; Funding Acquisition, M.S.R.K., S.A., S.A. and M.G.S.H.K. Authors have read and agreed to the published version of the manuscript.

Institutional Review Board Statement: Ethical review and approval were waived for this study, due to that the research does not deal with vulnerable groups or sensitive issues.

Funding: The authors received no direct funding for this research.

Acknowledgments: Not applicable.

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to restrictions.

Conflicts of Interest: The authors declare no conflict of interest.

REFERENCES

Arouri, M. E. H., Lahiani, A., & Nguyen, D. K. (2011). Return and volatility transmission between world oil prices and stock markets of the GCC countries. *Economic Modelling, 28*(4), 1815-1825. https://doi.org/10.1016/j.econmod.2011.03.012

Alfawareh, F. S., Che Johari, E. E., & Ooi, C. A. (2023). Governance mechanisms, firm performance and CEO compensation: evidence from Jordan. *Journal of Financial Reporting and Accounting*. Vol. ahead-of-print No. ahead-of-print. https://doi.org/10.1108/JFRA-01-2023-0062

Afrifa, G. A., & Tauringana, V. (2015). Corporate governance and performance of UK listed small and medium enterprises. *Corporate Governance*, *15*(5), 719-733. https://doi.org/10.1108/CG-03-2015-0029

Adams, R. B., & Mehran, H. (2005, August). Corporate performance, board structure and its determinants in the banking industry. In EFA 2005 Moscow meetings. https://dx.doi.org/10.2139/ssrn.302593

Adams, R. B., Almeida, H., & Ferreira, D. (2005). Powerful CEOs and their impact on corporate performance. *The Review of Financial Studies*, *18*(4), 1403-1432. https://doi.org/10.1093/rfs/hhi030

Andreou, P. C., Louca, C., & Panayides, P. M. (2014). Corporate governance, financial management decisions and firm performance: Evidence from the maritime industry. Transportation Research Part E: Logistics and Transportation Review, 63, 59-78. https://doi.org/10.1016/j.tre.2014.01.005

Babatunde, M. A., & Olaniran, O. (2009). The effects of internal and external mechanism on governance and performance of corporate firms in Nigeria. *Corporate ownership & control, 7*(2), 330-344.

Beiner, S., Drobetz, W., Schmid, M. M., & Zimmermann, H. (2006). An integrated framework of corporate governance and firm valuation. *European financial management*, *12*(2), 249-283. https://doi.org/10.1111/j.1354-7798.2006.00318.x

Coles, J. L., Daniel, N. D., & Naveen, L. (2008). Boards: Does one size fit all?. *Journal of financial economics*, *87*(2), 329-356. https://doi.org/10.1016/j.jfineco.2006.08.008

Combs, J. G., Ketchen Jr, D. J., Perryman, A. A., & Donahue, M. S. (2007). The moderating effect of CEO power on the board composition–firm performance relationship. *Journal of management studies*, *44*(8), 1299-1323. https://doi.org/10.1111/j.1467-6486.2007.00708.x

Chaganti, R. S., Mahajan, V., & Sharma, S. (1985). Corporate board size, composition and corporate failures in retailing industry. *Journal of management studies*, *22*(4), 400-417. https://doi.org/10.1111/j.1467-6486.1985.tb00005.x

Christy, J. A., Matolcsy, Z. P., Wright, A., & Wyatt, A. (2013). Do board characteristics influence the shareholders' assessment of risk for small and large firms?. *Abacus*, *49*(2), 161-196. https://doi.org/10.1111/abac.12005

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Davis, Schoorman, and Donaldson reply: The distinctiveness of agency theory and stewardship theory. *Academy of Management Review*, *22*(3), 611-613. https://www.jstor.org/stable/259407

Daily, C. M., & Dalton, D. R. (1997). CEO and board chair roles held jointly or separately: much ado about nothing?. *Academy of Management Perspectives*, *11*(3), 11-20. https://doi.org/10.5465/ame.1997.9709231660

Dalton, D. R., Daily, C. M., Ellstrand, A. E., & Johnson, J. L. (1998). Meta-analytic reviews of board composition, leadership structure, and financial performance. *Strategic management journal*, *19*(3), 269-290.

Dehaene, A., De Vuyst, V., & Ooghe, H. (2001). Corporate performance and board structure in Belgian companies. *Long range planning*, *34*(3), 383-398.

Dalton, D., Daily, C., Johnson, J., & Ellstrand, A. (1999). Number of directors and financial performance: A meta-analysis. *Academy of Management Journal*, 42, 674-686.

Eisenberg, T., Sundgren, S., & Wells, M. T. (1998). Larger board size and decreasing firm value in small firms. *Journal of financial economics*, *48*(1), 35-54.

Finkelstein, S., & D'aveni, R. A. (1994). CEO duality as a double-edged sword: How boards of directors balance entrenchment avoidance and unity of command. *Academy of Management journal*, *37*(5), 1079-1108.

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of marketing research*, *18*(1), 39-50. https://doi.org/10.1177/002224378101800104

Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. The journal of law and Economics, 26(2), 301-325. Retrieved from https://www.journals.uchicago.edu/doi/abs/10.1086/467037

Gillan, S. L. (2006). Recent developments in corporate governance: An overview. *Journal of corporate finance*, *12*(3), 381-402.

Guest, P. M. (2009). The impact of board size on firm performance: evidence from the UK. *The European Journal of Finance*, *15*(4), 385-404.

Hermalin, B. E., & M. S. Weisbach (1988). The determinants of board composition. *RAND Journal of Economics, 19*(4): 589-606. Retrieved from https://www.jstor.org/stable/2555459

Harvey Pamburai, H., Chamisa, E., Abdulla, C., & Smith, C. (2015). An analysis of corporate governance and company performance: a South African perspective. *South African Journal of Accounting Research*, *29*(2), 115-131.

Hossain, M., Prevost, A. K., & Rao, R. P. (2001). Corporate governance in New Zealand: The effect of the 1993 Companies Act on the relation between board composition and firm performance. *Pacific-Basin Finance Journal*, *9*(2), 119-145. Retrieved from https://www.sciencedirect.com/science/article/pii/S0927538X01000038

Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. Industrial management & data systems. Retrieved from https://www.emerald.com/insight/content/doi/10.1108/IMDS-04-2016-0130/full/html

Hair Jr, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, 109, 101-110. https://doi.org/10.1016/j.jbusres.2019.11.069

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the academy of marketing science*, *43*(1), 115-135. https://doi.org/10.1007/s11747-014-0403-8

Hermalin, B. E., & Weisbach, M. S. (2014). Understanding corporate governance through learning models of managerial competence (No. w20028). *National Bureau of Economic Research*. Retrieved from https://www.nber.org/papers/w20028

Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management review*, *28*(3), 383-396. Retrieved from https://journals.aom.org/doi/abs/10.5465/AMR.2003.10196729

Harris, D., & Helfat, C. E. (1998). CEO duality, succession, capabilities and agency theory: Commentary and research agenda. *Strategic Management Journal*, *19*(9), 901-904.

Islam, R., Rahman, T., Tonmoy, K., Choudhury, T., & Mahmood, A. (2014). How Earning Per Share (EPS) Affects on Share Price and Firm Value. *European Journal of Business and Management*, *6*(17), 97–108 Retrieved from https://www.iiste.org/Journals/index.php/EJBM/article/viewFile/13572/13841

Kiel, G. C., & Nicholson, G. J. (2003). Board composition and corporate performance: How the Australian experience informs contrasting theories of corporate governance. *Corporate governance: an international review, 11*(3), 189-205. Retrieved from https://onlinelibrary.wiley.com/doi/abs/10.1111/1467-8683.00318

Khanchel El Mehdi, I. (2007). Empirical evidence on corporate governance and corporate performance in Tunisia. *Corporate Governance: An International Review, 15*(6), 1429-1441. Retrieved from https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-8683.2007.00655.x

Kato, T., & Kubo, K. (2006). CEO compensation and firm performance in Japan: Evidence from new panel data on individual CEO pay. *Journal of the Japanese and International Economies, 20*(1), 1-19. Retrieved from https://www.sciencedirect.com/science/article/pii/S0889158304000322

Klapper, L. F., & Love, I. (2004). Corporate governance, investor protection, and performance in emerging markets. *Journal of corporate Finance, 10*(5), 703-728. Retrieved from https://www.sciencedirect.com/science/article/pii/S0929119903000464

Kakanda, M., Salim, B., & Chandren, S. (2016). Review of the relationship between board attributes and firm performance. *Asian Journal of Finance & Accounting, 8*(1) 168-181. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2882391

Mallin, C., Mullineux, A., & Wihlborg, C. (2005). The financial sector and corporate governance: the UK case. *Corporate Governance: An International Review, 13*(4), 532-541. Retrieved from https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-8683.2005.00447.x

Marn, J. T. K., & Romuald, D. F. (2012). The impact of corporate governance mechanism and corporate performance: A study of listed companies in Malaysia. *Journal for the advancement of science & arts, 3*(1), 31-45.

Mashayekhi, B., & Bazaz, M. S. (2008). Corporate governance and firm performance in Iran. *Journal of Contemporary Accounting & Economics, 4*(2), 156-172. Retrieved from https://www.sciencedirect.com/science/article/pii/S1815566910700333

Ntim, C. G., Lindop, S., Osei, K. A., & Thomas, D. A. (2015). Executive compensation, corporate governance and corporate performance: A simultaneous equation approach. *Managerial and Decision Economics, 36*(2), 67-96. Retrieved from https://onlinelibrary.wiley.com/doi/abs/10.1002/mde.2653

Nelson, J. (2005). Corporate governance practices, CEO characteristics and firm performance. *Journal of Corporate Finance, 11*(1-2), 197-228. Retrieved from https://www.sciencedirect.com/science/article/pii/S0929119903000853

Ogege, S., & Boloupremo, T. (2014). Corporate governance and financial performance of banks: Evidence from Nigeria. Acta Universitatis Danubius. Œconomica, 10(2). Retrieved from https://www.ceeol.com/search/article-detail?id=570055

Rechner, P. L., Sundaramurthy, C., & Dalton, D. R. (1993). Corporate governance predictors of adoption of anti-takeover amendments: An empirical analysis. *Journal of Business Ethics*, 12, 371-378. Retrieved from https://link.springer.com/article/10.1007/BF00882027

Saidat, Z., Al-Gharaibeh, M., Marashdeh, Z., & Suwayyid, H. (2024). Board of Directors Diversity and Financial Performance: Evidence from Family-Owned Banks in Jordan. *Kurdish Studies*, *12*(1), 172-182.

Schnatterly, K., Calvano, F., Berns, J. P., & Deng, C. (2021). The effects of board expertise-risk misalignment and subsequent strategic board reconfiguration on firm performance. *Strategic Management Journal, 42*(11), 2162-2191. Retrieved from https://onlinelibrary.wiley.com/doi/abs/10.1002/smj.3291

Selling, T. I., & Stickney, C. P. (1989). The effects of business environment and strategy on a firm's rate of return on assets. *Financial Analysts Journal*, 43-68. Retrieved from https://www.tandfonline.com/doi/pdf/10.2469/faj.v45.n1.43

Shleifer, A., & Vishny, R. W. (1986). Large shareholders and corporate control. *Journal of political economy, 94*(3, Part 1), 461-488. Retrieved from https://www.journals.uchicago.edu/doi/abs/10.1086/261385

Singh, H., & Harianto, F. (1989). Management-board relationships, takeover risk, and the adoption of golden parachutes. *Academy of Management journal*, *32*(1), 7-24. Retrieved from https://journals.aom.org/doi/abs/10.5465/256417

Saibaba, M. D., & Ansari, V. A. (2013). Audit Committees, Board Structures and Firm Performance: A Panel Data Study of BSE 30 Companies. IUP Journal of Accounting Research & Audit Practices, 12(2).

Shleifer, A., & Vishny, R. W. (1997). A survey of corporate governance. *The journal of finance, 52*(2), 737-783. Retrieved from https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1540-6261.1997.tb04820.x

Vafeas, N. (1999). Board meeting frequency and firm performance. *Journal of Financial Economics, 53*(1), 113-142 Retrieved from https://www.sciencedirect.com/science/article/pii/S0304405X99000185

Wintoki, M. B., Linck, J. S., & Netter, J. M. (2012). Endogeneity and the dynamics of internal corporate governance. *Journal of financial economics*, *105*(3), 581-606. Retrieved from https://www.sciencedirect.com/science/article/pii/S0304405X12000426

Yatim, P. (2010). Board structures and the establishment of a risk management committee by Malaysian listed firms. *Journal of Management & Governance*, 14, 17-36. Retrieved from https://link.springer.com/article/10.1007/s10997-009-9089-6