EXAMINING THE IMPACT OF CORPORATE GOVERNANCE ON THE FINANCIAL PERFORMANCE OF BANK

[1]ASIF SAEED NAJI , [2]ABDUL GHAFFAR, [3]MUHAMMAD SHUJAAT SALEEM
[1]Assistant Professor, Department of Management Sciences,
Mohammad Ali Jinnah University, Karachi
[2]Assistant Professor, Department of Management Sciences,
Mohammad Ali Jinnah University, Karachi
[3]Assistant Professor, Department of Management Sciences,
Iqra University, Karachi

Abstract:
Purpose: *The research has been conducted to find out the relationship between corporate governance practices and the performance of banks. Corporate governance provides structure to control and direct the organizations or banks. Theoretically, it is said that corporate governance practices improve the performance of the banks. This study reveals the same facts; the majority of the factors affect the performance of the banks. The independent variables of this study are Transparency, Independence, Ownership structure, Audit committee, BOD and CEO duality. This study is based on primary data, questionnaires were developed and distributed to top officials of banks. Results indicate that all independent variables have a significant impact on the performance of banks except the one variable which is transparency. Regulatory bodies should play their roles in the implementation of corporate governance practices on banks because it improves the overall performance of the banks. This study is useful for policy makers dealing with the corporate governance practices and indicating the important variables affecting the performance of banks. This study is based on primary data, in future secondary data can also be used or mixed method can be used for future studies.*
Key word: Governance, Ownership structure, CEO duality

1.INTRODUCTION

In the developed countries corporate governance is a very popular and well explored area which contributes a lot to the betterment of a firm's performance and ultimately it positively affects the overall economy. In developing countries, this phenomenon is getting popular day by day. Corporate governance has become the focal point of consideration in today's business arena. This is true because of the vast number of partners whose stakes & premiums are in question within the business, they want to keep their interests intact and it is only possible if there is an effective corporate governance system in place. If there is no sound corporate governance, business can't endure. According to the agency theory directors of the firms have their own interests and they are more concerned about their own funds rather than money invested by the shareholders (Letza, 2004). Agency theory also states that the prime objective of corporate governance practices is to make sure that managers and directors are working to protect the interest of corporate owners. (Shleifer and Vishny, 1997). According to stakeholders' theory there should be a balance among the rights and responsibilities of various stakeholders. (Abrams, 1951) John and Senbet (1998) also discussed the stakeholder theory and described that stakeholders have competing goals in the organization and there should be a balance in these goals. According to La Porta, *et al.* (2000) it is a set of mechanisms by which those who are outsiders are protected and safeguarded by the exploitation of insiders. Corporate governance is a mechanism through which organizations are controlled and directed. The structure of corporate governance describes the rights and responsibilities of the different the stakeholders of the corporations, like that board directors, chief finance officer, external and internal auditors, shareholders, managers, and other stake holders and also discuss the rules in the corporate affairs. Andrews Owusu Charlie Weir (2016) found that CGP are the basis of corporate structure and provide guidelines and directions to organizations. It describes the relationship between the roles of its board of directors, roles of its employees, controlling system of the company, roles of auditors, shareholders, and other stakeholders. Corporate governance extensively refers to the systems, procedures & relations through which organizations are controlled and coordinated. A week mechanism of corporate governance is destructive for the corporations and mostly organizations collapse due to the absence of a strong corporate governance system. Therefore, there is a need to have a strong governance system and it also reduces the chances of fraud in the organizations. (Berkmanet al., 2009). The failure to have a good governance system badly affects the overall performance of the firm. (Sun et al., 2011). If there is no sound corporate governance business can't endure. Corporate governance ensures the smooth sailing of business and deviations from the said practices badly affect the performance of the firm. Erick Rading Outa Nelson M. Waweru, (2016)

2. LITERATURE REVIEW

Theoretical Exposition of Corporate Governance

According to the **agency theory** directors of the firms have their own interests and they are more concerned about their own funds rather than money invested by the shareholders (Letza, 2004). Agency theory also states that the prime objective of corporate governance practices is to make sure that managers and directors are working to protect the interest of corporate owners. (Shleifer and Vishny, 1997). According to **stakeholders' theory** there should be a balance among the rights and responsibilities of various stakeholders. (Abrams, 1951) John and Senbet (1998) also discussed the stakeholder theory and described that stakeholders have competing goals in the organization and there should be a balance in these goals.

Transparency and Accountability

Lusaka, Zambia (2005) found in their study that most of the Asian business lack transparency. Because of lack of transparency these businesses are more prone to fraud and embezzlement of cash. SEC manual of corporate governance (2002) emphasizes the significance of transparency. It is one of the most important characteristics of corporate governance. Transparency can be found and applied with the help of three elements such as Accounting Standards, Compliance reporting and openness. Efficiency and profitability of the business depend upon the trust and confidence of investors, creditors and other stakeholders and trust can only be developed if all stakeholders are satisfied about the correctness and availability of information to public. Ananchotikul, Nasha (2008), Black et. Al. (2003), Klapper and Love (2002) and Khanna et. Al. (2001) discussed transparency. Transparency in recording is very important for good corporate governance. It enhances the confidence of investors and other stakeholders on the firm. They also discussed the importance of accountability with transparency. Ananchotikul, Nasha (2008), Black et. Al. (2003), Klapper and Love (2002) and Khanna et. Al. (2001) found that accountability is also important for good corporate governace. Mwanakatwe, C. (2005) found that corporate governance is very important in the banking sector because they keep the funds of public and therefore, they are more responsible and accountable. He also pointed out that banks are the backbone of the financial sector and this sector also contributes towards economic development, therefore it is again necessary to make them more accountable. Zun (2002) found in his research that companies belonging to Taiwan lack transparency in their financial reporting and there was an element of bias in reporting which badly effect the corporate governance practices of those firms.

Independence

Miles, L. (2010) indicated that Anglo American model guides about corporate governance mechanism. It talks about the association ship among shareholders and directors. In order to overcome the problems of corporate governance, particularly with respect to the benefits of directors concerned to the shareholders. Anglo American model focuses and emphasizes on the supreme independence of directors because directors are just like the eyes and ears of corporate owners. Independence and objectivity in internal communication are also very significant. Independence is also important because the board of directors are liable for various integral duties of the company. (Deakin, S. Hobbs, R, et.al. 2005) indicated that role of independency has become very vital in corporate governance. They further described that independence in the powers connected with directors, managers, and majority and minority shareholders is very important. Good governance produces goods results and output. Governance with independence is significant but it must be assured by accountability.

Ownership concentration and Structure

Agency theory talks about ownership concentration. Agency theory says that dispersed ownership reduces agency cost and more disclosure of information for different stakeholders, while concentrated ownership increases the agency cost and reduces disclosure of information for shareholders. Marisela (2005) discovered that agency problems occur due to the mismanagement and misalignment of interests among different types of stockholders such as majority and minority stockholders. Claessens et al. (2000) discovered the same problem in East Asian countries that there is conflict of interest among the majority and minority corporate owners. La Porta et al. (2000) defined that the agency problem is nothing else but conflict among inside shareholders and outside shareholders. At the time of preparation of company's policies inside shareholder having majority of stake in the ownership influence on the policy making decisions. Information asymmetry exists in developing countries because of concentrated ownership and it weaken the corporate governance. (Berghe, 2002; Rashid, 2008). Weakness or absence of a high level of regulations. In order to alleviate this problem, directors and managers need to disclose voluntary information that is not regulated (Nelson, 2007).Poor managerial performance. This is because such managers try to hide information from shareholders so that they do not detect their poor performance (Dallas, 2004). The concentration of ownership in the hands of a few shareholders. This information asymmetry is particularly prevalent in developing countries where corporate governance as a monitoring system tends to be weak (Berghe, 2002; Rashid, 2008). There is a need to disclose information which is not regulated and hide that information create unrest among shareholders. (Nelson, 2007). Lemmon and Lins (2003), pointed out that during the financial crises in 1997, the listed companies of Korean which had higher level of inside ownership great fall in the value of the stocks. He said that there was a negative connection between inside ownership and performance of the company. Baek et al. (2004), he also observed that the great fall in the value of stocks during the financial crises in 1997, where the inside ownership was at a higher level. Salami K.A. (2011) found in his research that the concentration ownership of external shareholders creates impact on the profitability of the company because the external shareholders had gained voting power due to the concentrated ownership. He observed in his research that those companies which have a low level of concentrated ownership of external shareholders showed lower profitability of the company.

Sorensen R.J. (2007), he observed through his research that the impact creates on the company's profitability due to the dispersion ownership. He found that those companies which had dispersion ownership suffered losses, so there was negative relation with the performance of the companies.

CEO-Duality

CEO-duality is that the person is chairman of board directors of the company and also holding a position of CEO. A lot of force in the hands of one individual driving the choices that would not support the enthusiasm of shareholders. Rechner and Dalton (1991) found through his research there was an impact on company performance due to the changing of the board of directors. They founded that due to the changing of board directors in the company there was a difference in the return on equity (ROE), profit margin and return in investment (ROI) of the companies which have independent directors as compared to those companies which have CEO-duality. Sanda et al. (2005) had found that there was a positive relation when the CEO and chairman separated positions. Faleye (2003) took the sample of 2166 companies of the United States and observed that structure of board leadership relay on the characteristics of the individual firm or not. He found that the firms which have complex operations, sound CEO reputation and alternative control mechanisms should have CEO-duality status in those firms.

Board of Directors

According to Jensen and Meckling (1976), founded through his research that higher concentration of the shareholders creates negative impact on the performance of the company because of higher concentration of shareholders gave enough benefits, power, and control the top managers of the company and may create other types of cost. According to Jesen and Fama (1993), they observed from his research that the internal control system of the firm is the most important governance mechanism. The structure of the board had trusted on the concept of control function of the board. They said that assets of the company were the property of the shareholders or owners of the company and these assets of the company used by the managers of the company, so for the check and balance of the assets and activities of the managers installing the board of directors because they were the effective tool for monitoring the top managers of the company, there was a positive impact on the performance of the company and increases the trust of the shareholders. According to Jensen (1993), told that from his study the board of the company represents the internal mechanism of the company. The board helped his managers of the company to align the interest with the shareholders of the company then managers worked hard to increase the market value of the company. There was a positive link between the board and the performance of the company. According to Dalton & Daily 1999; Lorsch (1995); Westphal (1999), they Said that the main work for directors is that to give his proficient views and tactical advice to the CEO of the company to get competitive advantage and there was a positive link between board of directors and performance of the company. According to La Porta et al. (1999), Villaonga and Amit (2006), they observed from studies that the shareholders which have control of the company, they use their power, and they are able to use the power to acquire private profit creates negative impact on the company performance. According to Jackling and Johl, (2009), told that role of the board of directors plays an important role for the performance of the firm.

Audit Committee:

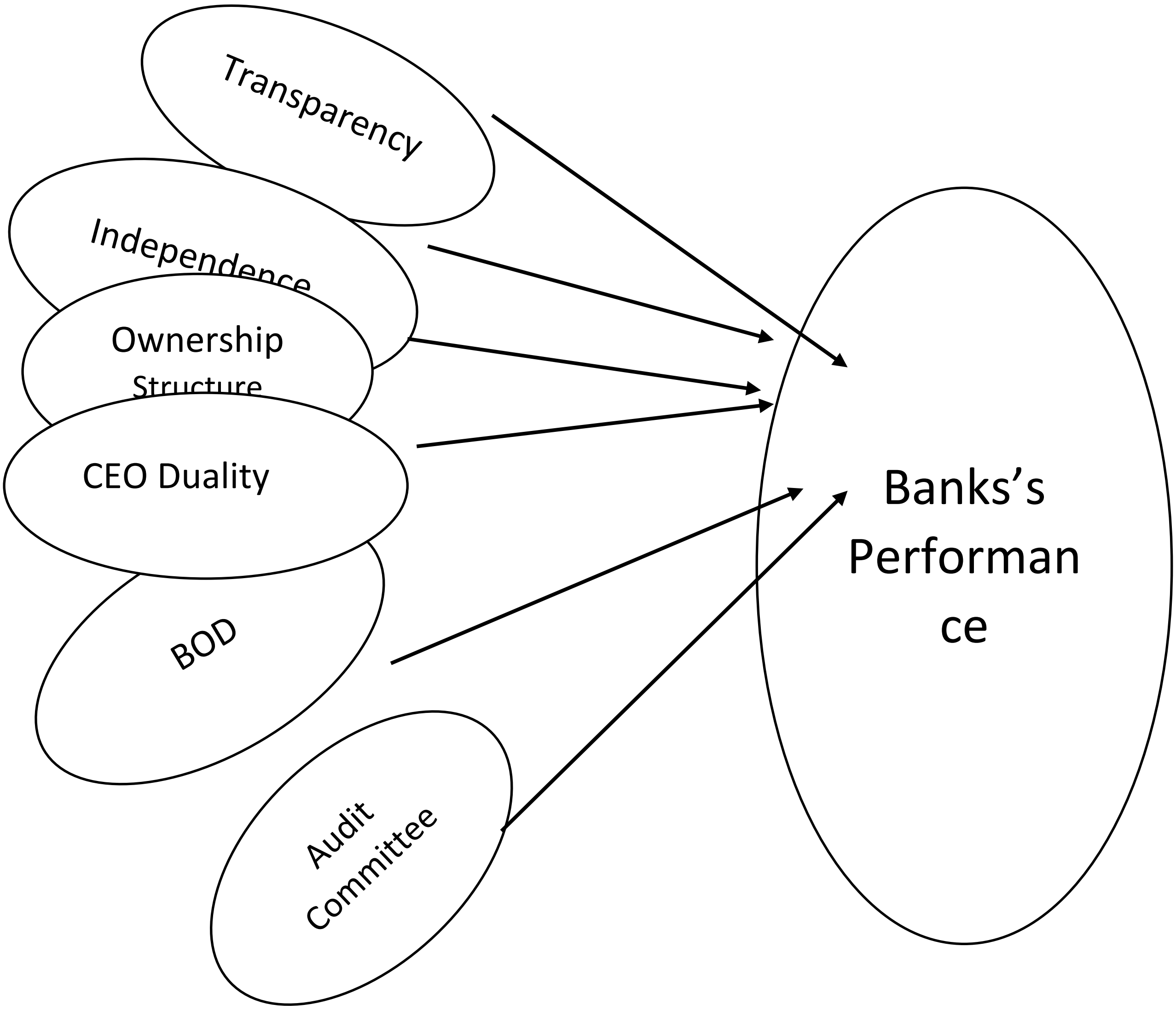
Klien (2002) used multiple measures of independence and observed the relationship between independent audit committee and performance of the companies. She extracted from his studies that firms which majority independent members of audit committee, impacted positively on the performance of the company, but in his study did not hold fully independent of audit committee. Bédard et al. (2004) also used multiple levels of independence; his study showed a positive link between independent audit committee and performance of the company's. Islam, M. Z., Islam, M. N., Bhattacharjee, S., & Islam, A. Z. (2009) argued that independent audit committee was very important mechanism. This type of committee was very helpful for those users which needed financial statements and the previous research explained that this type of committee maintained the excellence and integrity of the financial reporting process of the firm. But some studies support that there was a negative relation with the independent directors on the audit committee, 100 percent independent directors did not observe the significant impact on the audit committees. Nguyen and Nielsen (2010) said that usually independent directors provide their expertise and abilities in large companies, and they caution about his prestige, committee should include independent board of directors. Siagian and Tresnaningsih (2011) audit committees would be independent from management of the firm, that should improve the quality of reported earnings and reporting system of the firm. Carcello and Neal (2000) found in their research that those companies which were not performing well did not have the independent audit committees and they further argued that existence of independent audit committees handles the pressure of management in an efficient manner and release the pressure of auditors to issue the clean report about going concern of an entity.

Vein, Klein (2002a) discussed in their study that independent role of audit committee depends on the independence of board and there is positive relationship between independence of board and independent audit committee.

Corporate Governance and Performance

Thomsen (2005) found in his research that there is a definite relationship between corporate governance practices and performance of firm. He also said efficient and effective system of governance improves the performance of firm and reduces the chances of fraud and other unfair practices. Black et al. (2006) found the same result that corporate governance practices and performance are quite interrelated .It means that goods corporate governance positively affect s the performance of the firm. Qi et al (2000) analyzed the effectiveness of full disclosure of information with the point of view of shareholders and found that full disclosure of information positively affect the performance of the firm.

Conceptual Framework



Hypothesis:

On the basis of literature review the following hypotheses were developed. There is a positive relationship between:

H1: Transparency and performance of banks.

H2: Independence and performance of banks

H3: Ownership structure and performance of banks.

H4: CEO duality and performance of banks

H5: BOD and performance of banks.

H6: Audit committee and performance of banks.

3.Research Methodology

Population

This study is quantitative in nature. The population of this study is staff working at senior managerial positions at head offices of HBL, ABL, MCB, UBL and Faisal Bank located in Karachi.

Sampling Techniques

Quota sampling was used. From each bank 10 questionnaires were collected for pilot testing. 20 questionnaires would be collected from each of the five banks for full study.

Data Collection Tool

A questionnaire was used to collect the data. The questionnaire was developed on the likert Scale. At the initial stage there were some questions about the demographic information of respondents and then most of the questions were based on the independent variables and there were some questions about independent variables.

Pilot Testing of Questionnaire

Pilot testing of questionnaire was done by sending 20 questionnaires to the five banks. Four questionnaires were sent to each of the selected banks.

Data Analysis

Diagnostic test would be conducted first. Reliability and normality of data would be checked. Correlation and regression analysis would be conducted for inferential testing.

4.DATA ANALYSIS

Reliability Statistics

Cronbach's Alpha	N of Items
.770	27

The above table indicates that data is reliable because Cronbach’s Alpha is .77 which is more than .6. It means data is reliable and further tests can be applied on the data. The Cronbach's Alpha value of 0.770 suggests that the 27 items on the scale have acceptable internal consistency. This means the items are reasonably correlated with one another and are likely measuring the same underlying construct.

Correlations

		Transparency	Performance
Transparency	Pearson Correlation	1	.095
	Sig. (2-tailed)		.418
	N	75	75
Performance	Pearson Correlation	.095	1
	Sig. (2-tailed)	.418	
	N	75	75

Hypothesis 1:

H_0: There is no linkage between Transparency and performance of banks.

H_1: There is relation or linkage between Transparency and performance of banks.

The null hypothesis of no relation is not rejected because the hypothesis is not significant at 0.000 p value.

Correlations

		Independence	Performance
Independence	Pearson Correlation	1	.537**
	Sig. (2-tailed)		.000
	N	75	75
Performance	Pearson Correlation	.537**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 2:

H_0: There is no linkage between Independence and the performance of banks.

H_1: There is relation or linkage between Independence and performance of banks.

The null hypothesis of no correlation is rejected because the hypothesis is significant at 0.000 p value

Correlations

		AuditCommittee	Performance
AuditCommittee	Pearson Correlation	1	.476**
	Sig. (2-tailed)		.000
	N	75	75
Performance	Pearson Correlation	.476**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 3:

H_0: There is no relation or linkage between Audit committee and performance of banks.

H_1: There is a relation or linkage between Audit committee and performance of banks.

The null hypothesis of no correlation is rejected because the hypothesis is significant at 0.000 p value.

Correlations

		Performance	Ownership
Performance	Pearson Correlation	1	.461**
	Sig. (2-tailed)		.000
	N	75	75
Ownership	Pearson Correlation	.461**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 4:

H_0: There is no linkage between Ownership Structure and performance of banks.

H_1: linkage between Ownership structure and performance of banks

The null hypothesis of no correlation is rejected because the hypothesis is significant at 0.000 p value.

Correlations

		Performance	BOD
Performance	Pearson Correlation	1	.382**
	Sig. (2-tailed)		.001
	N	75	75
BOD	Pearson Correlation	.382**	1
	Sig. (2-tailed)	.001	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 5:

H_0: There is no linkage between BOD and performance of banks.

H_1: linkage between BOD Duality and performance of banks.

The null hypothesis of no correlation is rejected because the hypothesis is significant at 0.000 p value.

Correlations

		Performance	CEO Duality
Performance	Pearson Correlation	1	.307**
	Sig. (2-tailed)		.007
	N	75	75
CEODuality	Pearson Correlation	.307**	1
	Sig. (2-tailed)	.007	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 6:

H_0: There is no linkage between CEO- Duality and firm performance.

H_1: linkage between CEO- Duality and firm performance is a positive.

The null hypothesis of no correlation is rejected because the hypothesis is significant at 0.000 p value.

Regression Analysis:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.630[a]	0.397	0.344	0.46779

a. Predictors: (Constant), CEODuality, Transparency, Ownership, Independence, BOD, AuditCommittee

EXPLANATION:

- **Multiple R**:

It shows bivariate correlation among Transparency, Independent, Ownership Structure, CEO-duality, ownership structure, BOD, audit committee and performance of the firm.

- **R Square:**

R Square in which above table tells the explanation of the model. Here R square is 0.397 means our model is explanation is about around 40%.

- **Adjusted R^2:**

It adjusts R^2 if sample size is changed or no. of variables are changed.

- **Std. Error of the estimate:**

It indicates how much error is possible.

5.DISCUSSION ON RESULTS

In this study, there are six independent variables and one dependent variable. According to the results, one independent variable, which is transparency, does not have any impact on the performance of the firm. This result is quite surprising because previous studies explain that transparency does affect the performance of the banks. There is a very week correlation between transparency and the performance of the banks, which is .095. While the hypothesis of no correlation between transparency and performance would not be rejected because p value is more than significant value. P value is .46. Independence has the highest correlation or association ship with performance of the banks. The correlation between independence and performance is .537. It has a significant impact on the performance of the banks. Ownership structure also has correlation or association ship with performance of the banks. The correlation between ownership structure and performance is .461. Ownership structure also has a significant impact on the performance of the banks. BOD also has correlation or association ship with performance of the banks. This relationship is weak. The correlation between BOD and performance is .382. BOD also has a significant impact on the performance of the banks. CEO duality also has correlation or association ship with performance of the banks. This relationship is weak. The correlation between CEO duality and performance is .307. The correlation between the BOD and the performance of the banks is low. CEO duality also has significant impact on the performance of the banks. Audit committee also has correlation or association ship with performance of the banks. This relationship is weak. The correlation between Audit committee and performance is .476. The correlation between the Audit committee and performance of the banks is low. The Audit Committee also has a significant impact on the performance of the banks.

6.CONCLUSTION AND FUTURE DIRECTONS

The research has been conducted to find out the relationship between corporate governance practices and the performance of banks. Corporate governance provides structure to control and direct the organizations or banks. Theoretically, it is said that corporate governance practices improve the performance of the banks. This study reveals the same facts, the majority of the factors affect the performance of the banks. The independent variables of this study are Transparency, Independence, Ownership structure, Audit committee, BOD and CEO duality. This study is based on primary data, five banks were selected for conducting survey and fifteen forms were collected form top officials each bank. Results indicate that all independent variables have a significant impact on the performance of banks except the one variable which is transparency. Regulatory bodies should play their roles in the implementation of corporate governance practices on banks because it improves the overall performance of the banks. In future, the influence of Government ownership can be checked on the corporate governance practices and ultimately how its impact on the performance of the banks. In future, mixed methods can be used to analyze the data, this study is based on primary data only. In future, Composition of board, remuneration committee and size of the board can also be included as independent variables. In future, study can also be conducted by taking moderating variables as well.

REFERENCES:

1. **Andrews Owusu Charlie Weir , (2016),**"The governance-performance relationship: evidence from Ghana", *Journal of Applied Accounting Research, Vol. 17 Iss 3 pp. 285 - 310* Permanent link to this document: http://dx.doi.org/10.1108/JAAR-06-2014-0057
2. **Abrams, F. W. (1951).** Management's Responsibilities in a Complex World. *Harvard Business Review,* 29, 54-64.
3. **Ananchotikul, Nasha (2008).** "Does Foreign Direct Investment Really Improve Corporate Governance"? Evidence from Thailand. Bank of Thailand.
4. **Berghe, L. 2002.** Corporate Governance in a Globalizing World: Convergence or Divergence? A European Perspective. boston: Kluwer Academic Publishers.
5. **Boyd, B. K. 1995.** "CEO duality and firm performance: a contingency model. " Strategic Management Journal, 16, 301-312.
6. **Baliga, B., Moyer, R. C., & Rao, R. S. (1996).** CEO duality and firm performance what's the fuss. Strategic Management Journal, 17(1), 41–53.
7. **Berkman. H., Zou, L., & Shaofeng, G. (2009).** Corporate Governance, Profit Manipulation and Stock Return. *Journal of International Business and Economics*, 9(2), 132-145.
8. **Brickley et al, (1997).** Leadership structure: Separating the CEO and chairman of the board. *Journal of Corporate Finance,* 3(3), 189-220.
9. **Baek, 2004**, 'corporate governance and firm value: evidence from the Korean financial crises, *Journal of Financial Economics,* vol. 71, no.2, pp. 265-313.
10. **Bédard, J., Chtourou, S. M. & Courteau, L. (2004)**. The effect of audit committee expertise, independence, and activity on aggressive earnings management. Auditing: A *Journal of Practice & Theory,* 23, 13-35.
11. **Black, B., Jang, H., Kim, W., (2006).** Does corporate governance predict firms' market values? Evidence from Korea. *Journal of* Law, Economics, and Organization. Vol. 22, pp. 366-413.
12. **Beasley, M. and Salterio, S. (2001),** "The relationship between board characteristics and voluntary improvements in audit committee composition and experience", Contemporary Accounting Research, Vol. 18 No. 4, pp. 539-570.
13. **Core, J. E., Holthausen, R. W., & Larcker, D. F. (1999).** Corporate governance, chief executive officer compensation and firm performance. *Journal of Financial Economics,* 51(3), 371-406.
14. **Claessens, S., Djankov, S., Fan, J., & Lang, L. 2002.** "Disentangling the Incentive and Entrenchment Effects of Large Shareholdings. " *Journal of Finance,*57, 2741-2771.
15. **Claessens, S., Djankov, S. & Lang, L. (2000).** "The Separation of Ownership and Control in East Asian Corporations". *Journal of Financial Economics,* Vol. 58 No. 1-2, pp. 81-112.
16. **Carcello, J. and Neal, T. (2000),** "Audit committee composition and auditor reporting", *The Accounting Review*, Vol. 75 No. 4, pp. 453-467.
17. **Deakin, S. Hobbs, R, et al. (2005).** "*Anglo American CG and the employment relations hip*". CBR, (ITEC).
18. **Dalton, D. R. & Daily, C. M. 1999,** 'What's wrong with having friends on the board?' Across the Board, vol. 36, no. 3, pp. 28-32.
19. **Erick Rading Outa Nelson M. Waweru , (2016)**,"Corporate Governance Guidelines Compliance and Firm Financial Performance: Kenya Listed Companies", *Managerial Auditing Journal*, Vol. 31 Iss 8/9 pp. - **Permanent link to this document:** http://dx.doi.org/10.1108/MAJ-12-2015-1291
20. **Faleye, O. 2003,** Does One Hat Fit All? The Case of Corporate Leadership Structure, Working Paper, Northeastern University.

21. **Hermalin, B. E., & Weisbach, M. S. (1991).** The effects of board composition and direct incentives on firm performance. Financial Management, 101–112. http://dx.doi.org/10.2307/3665716.
22. **Islam, M. Z., Islam, M. N., Bhattacharjee, S., & Islam, A. Z. (2009).** Agency Problem and the Role of Audit Committee: Implications for Corporate Sector in Bangladesh. International Journal of Economics and Finance, 2(3), P177.
23. **John, K., &Senbet, L. W. (1998).** Corporate governance and board effectiveness. *Journal of Banking and. Finance,* 22, 371-403.
24. **Jensen, M. C. & Meckling, W. H. 1976,** 'Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure', *Journal of Financial Economics,* vol. 3, pp. 305 - 350.
25. **Jensen, M. C. 1993**, 'The Modern Industrial Revolution, Exit and the Failure of Internal Control Systems', The Journal of Finance, vol. 48, no. 3, pp. 831-880.
26. **Johnson, J. L., Daily, C. M. & Ellstrand, A. E. 1996,** 'Boards of directors: a review and research agenda', *Journal of Management*, vol. 22, no. 3, pp. 409-438.
27. **Jackling, B. & Johl, S. (2009).** Board Structure and Firm Performance: Evidence from India's Top Companies. Corporate Governance: An International Review, 17 (4), 492509.
28. **Klein, P., D. Shapiro, and J. Young (2005)** Corporate Governance, Family Ownership and Firm Value. *Corporate Governance* 13.
29. **Klien, A. (2002).** Audit committee, board of director characteristics, and earnings management. *Journal of Accounting and Economics,* 33, 375-400.
30. **Klein, A. (2002a),** "Economic determinants of audit committee independence", *The Accounting Review*, Vol. 77 No. 2, pp. 435-452.
31. **La Porta, R., Lopez-de-Silanes, F., & Shleifer A. (1999).** Corporate ownership around the world. The *Journal of Finance*, 54(2), 471-517.
32. **La Porta, 2002,** 'Investor Protection and Corporate Valuation', the *Journal of Finance*, vol. 57, no. 3, pp. 1147-1170.
33. **Lemmon, M. L. & Lins, K. V. 2003**, 'Ownership structure, corporate governance, and firm value: Evidence from the East Asian financial crisis', The *Journal of Finance*, vol. 58, no. 4, pp. 1445-1467.
34. **LaPorta, R., Lopez-de-Silanes, F., Shleifer, A. & Vishny, R. W. (2000).** "Agency Problems and Dividend Policies around the World". *Journal of Finance*, Vol. 55 No. 1, pp. 1-33.

a. **Letza, S., Sun, X., & Kirkbride, J. (2004).** Shareholding versus Stakeholding: a critical review of corporate governance. *Corporate Governance: An International Review,* 12(3), 242 262.

35. **Marisela, S.-C. 2005.** Corporate Governance and Expropriation of Minority shareholders' rights: Evidence from Latin America. PhD, University of Texas-Pan American.
36. **Miles, L. (2010).** "*Transplanting the Anglo American CG model into Asian countries: prospects and practicality*". Middle Sex University.
37. **Mwanakatwe, C. (2005).** "*Economic and Corporate Governance and Accountability in South Africa*". Economic Commission for Africa.
38. **Nelson, J. 2007.** Executive stock option disclosures by Australian listed companies: an assessment of their nature, extent and association with governance characteristics. Queensland University of Technology
39. **Nguyen, B. D., & Nielsen, K. M. (2010).** The value of independent directors: Evidence from sudden deaths. *Journal of Financial Economics*, 98(3), 550-567.
40. **Qi, D, Wu, W., & Zhang, H. (2000).** Shareholding structure and corporate performance of partially privatized firms: Evidence fromlisted Chinese companies. *Pacific-Basin Finance Journal,* Vol. 8, pp. 587-610.
41. **Rashid, K. 2008.** A Comparison of Corporate Governance and Firm Performance in Developing (Malaysia) and Developed (Australia) Financial Markets. PhD, Victoria University.
42. **Rechner, P. L. & Dalton, D. R. 1991,** 'CEO Duality and Organizational Performance: A Longitudinal Analysis', *Strategic Management Journal*, vol. 12, no. 2, pp. 155160.
43. **Sun, W., Stewart, J., & Pollard, D. (2011).** Corporate governance and the global financial

crisis: international perspectives.*Cambridge University Press.*
44. **Shabbir, T. (2021).** Perceived organizational support and employee performance. International Journal of Educational Administration, Management, and Leadership Studies, 1(1).
45. **Shleifer, A., &Vishny, R. W. (1997).** A survey of corporate governance. *Journal of Finance,* LII, 727-783.
46. **Sanda, (2005).** Corporate governance mechanisms and firm performance in Nigeria" AERC Research Paper, No 149.
47. **Salami, K. A. (2011).** Analysis of the Relationship between Share Ownership Structure, Corporate Governance Structure, and Corporate Investment Efficiency, using GSE Market Data (2005-9). *Journal of Accounting and Finance*, 11(4), 111-118.
48. **Sørensen, R. J. (2007).** Does dispersed public ownership impair efficiency? The case of refuse collection in Norway. Public administration, 85(4), 1045-1058.
49. **Siagian, F. T., & Tresnaningsih, E. (2011).** The impact of independent directors and independent audit committees on earnings quality reported by Indonesian firms. Asian Review of Accounting, 19(3), 192-207.
50. **Securities and Exchange Commission of Pakistan. (2002).** "*Manual of Corporate Governance*'.
51. **Taipei Times** ***(15 July 2002)*** *Asia Can Learn from Trials in the US.*
52. **Thomsen S., (2005).** Corporate governance as a determinant of corporate values. *Emerald Group Publishing Limited.* Vol. 5. pp. 10
53. **Zun, W. M. (2002)** The Difficulties of Improving Taiwanese Corporate Governance, *Economy Daily,* 2 September (only available in Mandarin Chinese).