

## Corporate governance and performance of the financial firms in Bahrain

### Autorzy:

[Aktan B.](#), [Turen S.](#), [Tvaronavičienė M.](#), [Celik S.](#), [Alsadeh H. A.](#)

Pełne teksty:  [Pobierz](#)

### Identyfikatory:

DOI [10.17512/pjms.2018.17.1.04](https://doi.org/10.17512/pjms.2018.17.1.04)

### Warianty tytułu:

PL Ład korporacyjny a wyniki firm finansowych w Bahrain

### Języki publikacji:

EN

### Abstrakty:

EN The aim of this paper is to explore the relationship between corporate governance and performance of the financial firms in the Kingdom of Bahrain. The study uses annual data of all listed financial firms on the Bahrain Bourse over the period of 2011-2016. The results show that board size, ownership concentration and auditor's reputation have a positive and significant impact on firms' return on assets (ROA), whereas the percentage of independent directors and the annual number of board meetings have negative and significant impact on firms' return on equity (ROE). CEO duality is found to not be an important determinant factor of firms' performance, as the results suggest that it shows insignificant effect on ROA, ROE and stock returns (SPR). Furthermore, firm's size and leverage are found to have negative and insignificant relationship with firms' performance.

PL Celem artykułu jest zbadanie związku między ładem korporacyjnym a wynikami firm finansowych w Królestwie Bahrajnu. W badaniu wykorzystano roczne dane wszystkich notowanych firm finansowych w Bahrajnie w okresie 2011-2016. Wyniki pokazują, że wielkość zarządu, koncentracja własności i reputacja audytora mają pozytywny i znaczący wpływ na rentowność aktywów przedsiębiorstw (ROA), podczas gdy odsetek niezależnych dyrektorów i roczna liczba posiedzeń zarządu mają negatywny i znaczący wpływ na przedsiębiorstwa z kapitałem własnym (ROE). Dualizm dyrektorów generalnych nie jest istotnym czynnikiem determinującym wydajność firm, ponieważ wyniki sugerują, że ma on niewielki wpływ na ROA, ROE i stopy zwrotu (SPR). Ponadto stwierdzono, że wielkość firmy i jej wpływ mają negatywny i nieistotny związek z jej wydajnością.

### Słowa kluczowe:

EN [corporate governance](#) [firm performance](#) [emerging market](#) [Bahrain](#)

PL [ład korporacyjny](#) [wydajność firmy](#) [rozwijający się rynek](#) [Bahrain](#)

### Wydawca:

[Czestochowa University of Technology](#)

### Czasopismo:

[Polish Journal of Management Studies](#)

### Rocznik:

2018

### Tom:

Vol. 17, No. 1

### Strony:

39--58

### Opis fizyczny:

Bibliogr. 63 poz., tab.

### Twórcy:

autor [Aktan B.](#)  
[gbora@uob.edu.bh](mailto:gbora@uob.edu.bh)  
College of Business Administration, University of Bahrain, Bahrain

autor [Turen S.](#)  
[sturen@uob.edu.bh](mailto:sturen@uob.edu.bh)  
College of Business Administration, University of Bahrain, Bahrain

autor [Tvaronavičienė M.](#)  
[manuela.tvaronaviciene@vgtu.lt](mailto:manuela.tvaronaviciene@vgtu.lt)  
Vilnius Gediminas Technical University, Vilnius, Lithuania

autor [Celik S.](#)  
[saban.celik@ikc.edu.tr](mailto:saban.celik@ikc.edu.tr)  
Katip Celebi University, Izmir, Turkey

autor [Alsadeh H. A.](#)  
[hash3300@gmail.com](mailto:hash3300@gmail.com)  
Civil Service Bureau, Bahrain

### Bibliografia:

1. Alias N., Yaacob M.H., Jaffar N., 2017, Governance structure, corporate restructuring and performance, "Polish Journal of Management Studies", 15(1).

2. Ardalan E., Almasi N.A., Atasheneh M., 2017, Effects of contractor and employer's obligations in buy back contracts: case study of oil exporting

- country, "Entrepreneurship and Sustainability Issues", 5(2).
3. Abdallah A.A.N., Ismail A.K., 2016, Corporate governance practices, ownership structure, and corporate performance in the GCC countries, "Journal of International Financial Markets, Institutions and Money", 46(1).
4. Adams R.B., Mehran H., 2012, Bank board structure and performance: Evidence for large bank holding companies, "Journal of Financial Intermediation", 21(2).
5. Aebi V., Sabato G., Schmid M., 2012, Risk management, corporate governance, and bank performance in the financial crisis, "Journal of Banking & Finance", 36(12).
6. Alimehmeti G., Paletta A., 2012, Ownership concentration and effects over firm performance: Evidences from Italy, "European Scientific Journal", 8(22).
7. Amato L.H., Burson T.E., 2007, The effects of firm size on profit rates in the financial services, "Journal of Economics and Economic Education Research", 8(1).
8. Amato L.H., Wilder R.P., 1985, The effects of firm size on profit rates in U.S. manufacturing, "Southern Economic Journal", 52(1).
9. Andres P., Vallelado E., 2008, Corporate governance in banking: The role of the board of directors, "Journal of Banking and Finance", 32.
10. 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.
11. Aras G., Crowther D., 2008a, Governance and sustainability: An investigation into the relationship between corporate governance and corporate sustainability, "Management Decision", 46(3).
12. Aras G., Crowther D., 2008b, Exploring Frameworks of Corporate Governance, [In:] Culture and Corporate Governance, Social Responsibility Research Network, (pp. 3-16), Leicester, UK: SRRNet.
13. Bhagat S., Bolton B., 2008, Corporate governance and firm performance, "Journal of Corporate Finance", 14(3).
14. Bin R.L.L., Yi L.S., 2015, Board mechanisms and performance of government-linked companies on Bursa Malaysia, "Procedia Economics and Finance", 31.
15. Brown L.D., Caylor M.L., 2006, Corporate governance and firm valuation, "Journal of Accounting and Public Policy", 25(4).
16. Brown L.D., Caylor M.L., 2004, Corporate Governance and Firm Performance, Paper for workshop presentation for the 15th Conference on Financial Economics and Accounting, University of Missouri and Penn State University.
17. Cahaya Y.F., Riwayat H.E., 2016, The effect of banking company performance toward good corporate governance listed in Indonesia Stock Exchange, "Procedia-Social and Behavioral Sciences", 219.
18. Chauhan Y., Lakshmi K.R., Dey D.K., 2016, Corporate governance practices, self-dealings, and firm performance: Evidence from India, "Journal of Contemporary Accounting & Economics", 12(3).
19. Coase R.H., 1937, The nature of the firm, "Economica", 4(16).
20. De Andres P., Vallelado E., 2008, Corporate governance in banking: The role of the board of directors, "Journal of Banking & Finance", 32(12).
21. Dedu V., Chitan G., 2013, The influence of internal corporate governance on bank performance-an empirical analysis for Romania, "Procedia-Social and Behavioral Sciences", 99.
22. Demirgüç-Kunt A., Huizinga H., 2009, Bank activity and funding strategies: The impact on risk and return, European Banking Center Discussion Paper, No. 2009-01.
23. Grenčíková A., Guščinskienė J., Španková J., 2017, The role of leadership in motivating employees in a trading company, "Journal of Security and Sustainability Issues", 7(2).
24. Guo Z., Kumara U.K., 2012, Corporate governance and firm performance of listed firms in Sri Lanka, "Procedia-Social and Behavioral Sciences", 40.
25. Gupta P., Sharma A.M., 2014, A study of the impact of corporate governance practices on firm performance in Indian and South Korean companies, "Procedia-Social and Behavioral Sciences", 133.
26. Friedman M., 1962, Price Theory, New Jersey: Transaction Publisher.
27. Hilkevics S., Hilkevica G., 2017, New information technologies use for Latvian stock companies financial health evaluation, "Entrepreneurship and Sustainability Issues", 5(2).
28. Jenkinson T., Mayer C., 1992, The assessment: corporate governance and corporate control, "Oxford Review of Economic Policy", 8(3).
29. Jensen M.C., Meckling W.H., 1976, Theory of the firm: managerial behavior, agency costs, and ownership structure, "Journal of Financial Economics", 3(4).
30. Judge W.Q., Naoumova I., Koutzevol N., 2003, Corporate governance and firm performance in Russia: an empirical study, "Journal of World Business", 38(4).
31. Jurkevičius V., Bublienė R., 2017, Towards sustainable business relationships: ratification doctrine in the case of unauthorized agency, "Entrepreneurship and Sustainability Issues", 5(1).
32. Kim D.H., Kim J., Byun Y., Chun S.H., 2013, A Study on the Effect of Governance Adequacy on the Corporate Performance, "Procedia-Social and Behavioral Sciences", 107.
33. Klietkova J., Misankova M., Klietk T., 2017, Bankruptcy in Slovakia: international comparison of the creditor's position. "Oeconomia Copernicana", 8(2), 221-237.
34. Klietk T., Misankova M., Valaskova K., Svabova L., 2018, Bankruptcy Prevention: New Effort to Reflect on Legal and Social Changes. "Science and Engineering Ethics", 24(2), 791-803.
35. Kouki M., Guizani M., 2015, The moderating effects of ownership and board leadership structure, "International Business Research", 8(6).
36. Kusuma H., Ayumardani A., 2016, The corporate governance efficiency and Islamic bank performance: an Indonesian evidence, "Polish Journal of Management Studies", 13(1).
37. Lee J., 2009, Does size matter in firm performance? Evidence from US public firms, "International Journal of the Economics of Business", 16(2).
38. Liang Q., Xu P., Jiraporn P., 2013, Board characteristics and Chinese bank performance, "Journal of Banking & Finance", 37(8).
39. Liu Y., Miletkov M.K., Wei Z., Yang T., 2015, Board independence and firm performance in China, "Journal of Corporate Finance", 30.
40. Mangalam S.C., Govindasamy P., 2010, Leverage: an analysis and its impact on profitability with reference to selected cement companies in India, "Journal of Economics, Finance and Administrative Science", 27.

41. Margaritis D., Psillaki M., 2010, Capital structure, equity ownership and firm performance, "Journal of Banking & Finance", 34(3).
42. Masulis R.W., Wang C., Xie F., 2012, Globalizing the boardroom - The effects of foreign directors on corporate governance and firm performance, "Journal of Accounting and Economics", 53(3).
43. Mersland R., Strøm R.Ø., 2009, Performance and governance in microfinance institutions, "Journal of Banking & Finance", 33(4).
44. Mollah S., Zaman M., 2015, Shari'ah supervision, corporate governance and performance: Conventional vs. Islamic banks, "Journal of Banking & Finance", 58.
45. MoICT, 2010, Corporate governance code of the Kingdom of Bahrain, [<http://cbb.complinet.com/cbb/display/display.html?rbid=3274>].
46. Monni S., Novelli G., Pera L., Realini A., 2017, Workers' buyout: the Italian experience, 1986-2016, "Entrepreneurship and Sustainability Issues", 4(4).
47. Naimah Z., Hamidah, 2017, The role of corporate governance in firm performance, [In:] SHS Web of Conferences (Vol. 34), EDP Sciences.
48. Omran M.M., Bolbol A., Fatheldin A., 2008, Corporate governance and firm performance in Arab equity markets: Does ownership concentration matter? "International Review of Law and Economics", 28(1).
49. Papadogonas T.A., 2007, The financial performance of large and small firms: Evidence from: Greece, "International Journal of Financial Services Management", 2.
50. Pauceanu A.M., 2016, Innovation and entrepreneurship in Sultanate of Oman - an empirical study, "Entrepreneurship and Sustainability Issues", 4(1).
51. Pervan M., Višić J., 2012, Influence of firm size on its business success, "Croatian Operational Research Review", 3.
52. Pietrasieński P., 2014, "4Cs" Public governance model for policies stimulating the internationalization of companies, "Polish Journal of Management Studies", 10(2).
53. Ramli J.A., Ramli M.I., 2016, Corporate governance and corporate performance of Malaysian companies: examining from an Islamic perspective, "Procedia Economics and Finance", 35.
54. Salim R., Arjomandi A., Seufert J.H., 2016, Does corporate governance affect Australian banks' performance? "Journal of International Financial Markets, Institutions and Money", 43.
55. Shafritz J.M., Ott S.J., Jang Y.S., 2011, Classics of organizational theory (7th ed.), Belmont, Calif.: Wadsworth.
56. Sulphey M.M., Alkahtani N.S., 2017, Organizational ambidexterity as a prelude to corporate sustainability, "Journal of Security and Sustainability Issues", 7(2).
57. Tamulevičienė D., 2016, Methodology of complex analysis of companies' profitability, "Entrepreneurship and Sustainability Issues", 4(1).
58. Vintila G., Gherghina S.C., Nedelescu M., 2014, The effects of ownership concentration and origin on listed firms' value: empirical evidence from Romania, "Romanian Journal of Economic Forecasting", 17(3).
59. Wahab E.A.A., How J.C., Verhoeven P., 2007, The impact of the Malaysian code on corporate governance: compliance, institutional investors and stock performance, "Journal of Contemporary Accounting & Economics", 3(2).
60. Williamson O.E., 1981, The economics of organization: the transactional cost approach, "American Journal of Sociology", 87(3).
61. Yoo T., Jung D.K., 2015, Corporate governance change and performance: the roles of traditional mechanisms in France and South Korea, "Scandinavian Journal of Management", 31(1).
62. Zabri S.M., Ahmad K., Wah K.K., 2016, Corporate governance practices and firm performance: evidence from top 100 public listed companies in Malaysia, "Procedia Economics and Finance", 35.
63. Zagorchev A., Gao L., 2015, Corporate governance and performance of financial institutions, "Journal of Economics and Business", 82.

**Uwagi:**

Opracowanie rekordu w ramach umowy 509/P-DUN/2018 ze środków MNiSW przeznaczonych na działalność upowszechniającą naukę (2018).

**Identyfikator YADDA:**

bwmeta1.element.baztech-892e4156-f5cc-4dc4-92d0-a28a297f808f

