

**THE IMPACT OF CORPORATE GOVERNANCE TOWARDS
FIRM PERFORMANCE IN MALAYSIA**

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ABSTRACT

INTRODUCTION

This paper investigates whether there is effect of corporate governance towards firm performance in the listed companies in Bursa Malaysia. The numbers of companies taken are 20 companies with mixed industries from the period of 2010 to 2016. The panel data was used in order to know the whether the board size and non-executive directors have effect on the firm performances. The Random Effect is applied because the Hausman Test shows a significant result which is the p-value is less than 0.05 as for the Dependent Variable of Earnings per Share and as Pooled-OLS for the other Dependent Variable of Return on Equity. Based on the result, the corporate governance do have effect on the firm performance which is the board size, and the non-executive directors have insignificant negative relationship on return on equity whilst the board size, and the non-executive directors have significant negative relationship on earnings per share. This shows that both board size and non-executive directors supports the relevance theory because the dividend policy can affect the corporate governance.