



THE INFLUENCE OF CORPORATE BOARD CHARACTERISTICS ON FIRM
PERFORMANCE: EVIDENCE FROM TRADING/SERVICE INDUSTRY IN
MALAYSIA

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ABSTRACT

The contradicting view on corporate governance has sparked a continuous debate on the role of boards in the performance of the firms. Despite that refinements of corporate governance have been applied in Malaysia, the disclosure of corporate governance has not yet to prove its influence towards the firm performance. This study examines the relationship between the influence of board characteristics and firm performance. Board characteristics that considered in this study include board size, board meeting as well as firm size. Meanwhile, the firm performance is measured by the return on equity and return on asset. A total of 30 public listed companies in trading/service sector were randomly selected from Bursa Malaysia for the year 2009 until 2016. Data were imported into Stata 12 to examine the data obtained and perform statistical analysis using regression to model and determine the relationships through the test of hypotheses. This study finds that board size and firm size had positive relationship to Return on Equity and Return on Asset. However, board meeting has no significant relationship with the firm performance. It is also recommended to examine the correlation between board characteristics and firm performance using other variables.