



**THE IMPACT OF CORPORATE GOVERNANCE TOWARDS FIRM PERFORMANCE: EMPIRICAL  
EVIDENCE FROM GOVERNANCE COMPLIANCE FIRM IN MALAYSIA**

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## **ABSTRACT**

This study provides a depth analysis and understanding of the corporate governance issues and its core characteristics based on the sample of Malaysian governance compliance firms. This study also intends to provide the insights of effects of CG towards firm performances in the context of Malaysian CG compliance firms that is indexed by Minority Shareholders Watchdog Group (MSWG). Corporate governance issues have been the main attraction in global financial knowledge that provides different types of variables to represent its characteristics of CG towards firm performance. This study uses three different regression model mainly linear and non-linear regression models. The independent variables use corporate governance index and dependent variables roa and stock return. Which represent accounting based performance and market based performance. According to the findings, the three regression analysis had shown diverse the relationship of corporate governance with firm performance. The findings suggest that there is a relationship of corporate governance with firm performance from the interpretation of the relationship of control variables with dependent variable through three different scenario mainly overall observations, low CG compliance and high CG compliance. The implication of this study much more can be used for corporate governance practitioner, policy makers and contributes to the body of knowledge mainly in the field of finance.

**Keywords :** Corporate governance, Firm performance, linear regression, non-linear regression, corporate governance index, stock return, return on asset