IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 17, Issue 3.Ver. II (Mar. 2015), PP 75-82
www.iosrjournals.org

Effects of Corporate Governance on Organization Performance: Evidence from Banking Sector of Pakistan

[1]Muhammad Waqas Chughtai, [2]Waqar Ahmed Tahir
Lecturer, School of Management Sciences National Textile Institute Islamabad-Pakistan
Research Scholar, School of Management Sciences National Textile Institute Islamabad-Pakistan

Abstract: *Any economic activity is performed by an organization need to act as what actually people want. Corporate Governance is an effective tool to manage organization's performance. This paper has aim to study effects of corporate governance on organizational performance by taking a case study of banking sector of Pakistan. A five year secondary data from 2009 to 2013 have been collected from various published reports and websites of fifteen selected banks which are listed in Lahore Stock Exchange. For this study, board size, board meetings, non executive directors, bank size and leverage have been taken as independent variables while bank performance has been considered as dependent variable which is measured through return on assets and return of equity. The overall results show that corporate governance has significant relationship with bank performance.*
Keywords: *Bank Efficiency, Corporate Governance, Board Size, Financial Performance, Capital Structure*

I. Introduction

Concept of Corporate Governance

The word Corporate Governance is basically concerned through which a company is managed and controlled. It deals with the setting of rights and duties among different peoples being involved with the company affairs. It also involves with the setting of company objectives keeping in view the interest of stakeholders of the company (La Porta et al, 2000). The most fundamental definition of corporate governance is based on the idea that is a contractual agreement between many parties for the purpose of achieving organization's goals. The decision making concerning to business affairs has been done by the corporate level management which includes CEO and Board of directors. The shareholders of the companies are those who appointed the CEO and Board of directors of the companies. The board makes policies, rules, regulations and set the objectives of the company and makes sure that such policies, rules & regulation have been properly adopted. The parties include shareholders, directors, managers (primary stake holders) and suppliers, employees, customers, financiers, government authorities, other stakeholders and the society (secondary stakeholders) in which the company operates (Shliefer & Vishny, 1997).

Importance of Corporate Governance

Corporate governance basically provides the guidelines to the board of directors of the company to make rules and regulations and policies of the companies and then make sure that policies of the companies have been carried out effectively (Shaheen & Nishat, 2004). In companies where effective corporate governance practices have been adopted, which present high level of transparency in these companies. It also enhanced the confidence of share holders of the companies (Ghani & Ashraf, 2005). Companies with high level of corporate governance practices lead to be progressed by leaps and bounds. It also enhanced confidence among the prospective investors who are willing to invest in the companies (Javed & Iqbal, 2009).

Corporate Governance increases the efficiency of the business by setting a business culture that stimulates directors, managers and entrepreneurs in order to maximize an operational efficiency of a company that can ensure high profits on investment and long term growth of the company (Mollah et al, 2012). It is a system which makes sure the true accountability of the directors, managers, and people involves in the management of the company by keeping an eye on every activity being performed by the managers to be liable for every activity. Corporate Governance makes sure that the managers must perform their duties with extra care and attention in the best benefit of the company as well as stakeholders involves with the company (Carcello et al, 2002).

Corporate Governance ensures the conformance of corporate laws, rules and practices which provide mechanisms to monitor directors and managers performance through corporate accountability that in turn safeguards the investor interest (Mcknight & Weir, 2009). It is fundamental that managers exercise their discretion with due diligence and in the best interest of the company and the shareholders (Hermalin & Weisbach, 1991). This can be better achieved through independent monitoring of management, transparency as to corporate performance, ownership, control and participation in certain fundamental decisions by shareholders (Byrd & Hickman, 1992).

In corporations, the shareholder delegates decision rights to the manager to act in his best interests. This separation of ownership from control implies a loss of effective control by shareholders over managerial decisions (Pound, 1988). Partly as a result of this separation between the two parties, a system of corporate governance controls is implemented to assist in aligning the incentives of managers with those of shareholders. With the significant increase in equity holdings of investors, there has been an opportunity for a reversal of the separation of ownership and control problems because ownership is not so diffused (Ibrahim, 2006).

A board of directors often plays a key role in corporate governance. It is their responsibility to endorse the organization strategy, develop directional policy, appointments, supervision and remuneration for senior executives and to ensure accountability of the organization to its owners and authorities (Pearce & Zahra, 1991).

All parties related to corporate governance have an interest whether directly or indirectly in the effective performance of the organization. Directors, workers and management receive salaries, benefits and reputation while shareholders receive capital return (Lam & Lee, 2012). A key factor in an individual's decision is to participate in an organization through providing financial capital and trust in order to receive a fair share of the organizational returns. If some parties are receiving unfairly more than their fair return then participants may affect in continuing financial participation that may have a chance of business collapse (Klapper, 2004).

History of Banking Sector and Corporate Governance in Pakistan

The financial sector of Pakistan has faced phenomenon changes over the past few decades. Many financial reforms transformed the country's financial strength and played a significant role for the development of banking sector. Privatization, restructuring of state owned banks, mergers and acquisitions of both private and foreign bank and Introduction of Islamic banking system have significantly changed the governance structure of banking sector. Before these reforms, financial sector was mainly considered as government sector in Pakistan because more than 90% of market share was owned by State Owned Banks (Rehman & Mangla, 2010). These banks played as effective tool to implement government development strategies.

In 1972, all commercial banks had been nationalized except few foreign banks and these foreign banks could not expand their financial operations due to strict regulations. They were used for lending to the preferred sector of economy and also sanctioned loans on political basis. In the beginning, these reforms gave remarkable results but it did not sustain for long. As the result the inefficiency of banking sector was observed shortly due to bad and highly influence by the government authorizes. Therefore, the amount of non-performing loans was increased day by day which results in shape of high defaults of state owned banks (Burki and Ahmed, 2007). It was realized soon and new financial reforms were introduced by SBP in early 1990s. The objectives of new reforms were to strengthen the financial institutions by following the open policies and regulations. The main justification for introduction of these reforms was not only to eliminate the inefficiencies but also improve the governance structure of banking sector.

In early 1990s, ten new private banks as well as three foreign banks were allowed to start their operations under such liberations and reforms. The control over opening new branches of the banks was uplifted as a part of these reforms. Similarly, privatization of state owned banks also took placed by selling 26% share of Muslim Commercial Banks to private sector, 50% to general public while the rest of 24% were sold in 2001-02. The privatization of Allied Bank Limited, United Bank Limited and Habib Bank Limited were also taken place. Consequently, a mass privatization of state owned banks led to decrease the market share to 20% in 2005 as compared to 70% in 1990 (Rehman & Mangla, 2010).

State owned banks faced huge structural changes and downsizing. World Bank funded to the state owned banks for restructuring and downsizing in 1997. A large number of bank employees were resigned voluntarily resigned from their jobs under golden shake scheme and all those branches of stated owned banks which were not performing well were also closed down. It had been observed that the banking sector of Pakistan was influenced by mergers and acquisitions of some both private and foreign banks.

State Bank of Pakistan introduced new policies that have encouraged mergers and acquisitions of small and struggling private and foreign banks by their financial counterparts. As a result, in the five years period from 2000-05, 12 banks were merged and acquired out of which nine foreign banks are obtained by the domestic private banks. Islamic banking was also introduced during this period by both private and foreign banks in Pakistan. In the beginning, it gained a very little market share but within a very short time Islamic banking assets were reached at 411 billion with a growth rate of 6.1 and the investor were interested in investing Islamic banks instead of conventional banks due its strong and effective governance structure (Akhter, 2006).

Now banking sector of Pakistan is enjoying healthy returns and achieving high growth after making suitable modification in structure of corporate governance. It is more liberal but concerned governance structure has been constructed in this sector with no political influence, zero corruption and unnecessary control of government. A strong and effective structure of corporate governance protects the right of shareholders which ultimately enhances the confidence of external investor.

Objectives of the Research

The main objectives of the research are

1. To know the effects of corporate governance on bank performance.
2. To give suggestions for improvement of corporate governance in banking sector of Pakistan.

Research Hypothesis

$H_{1:}$ Corporate Governance has significant effect on bank performance.

II. Literature Review

Tariq et al (2014) concluded that accurate corporate governance practices in the banking sector have positive impact on the performance of the banks. They also found a positive impact of frequent meeting of board of director on the performance bank and participation of non executive director in board of director would increase the efficiency of the board. Kaur (2014) stated that different committees (audit committee, employees grievances committee etc) under corporate governance practices have positive impact on the performance of banks in shape of proper system of internal controls and check & balance on the policies regarding compensation being made to the senior management as well as the members of the board of directors and resolve the various issues and problems being faced by the shareholders and prospective investors.

Inam and Aqeel (2014) found a positive impact of corporate governance on net income, bank interest income and return on equity. It also includes that efficient corporate governance lead to growth of banking sector in Pakistan. They also concluded that a good corporate governance structure would lead to increase the earning per share. Shungu et al (2014) analyzed a positive effect of board composition, board diversity on bank performance in Zimbabwe. They also found a negative effect of board size and board committee meeting on the performance of banks

Ahmed et al (2014) described a positive impact of board size and board composition on the performance of the banks in Pakistan. With the efficient board composition and board size performance of banks can be enhanced in Pakistan. They also explained that banks with big board size has negative impact on the performance of the banks contrary to this participation of more of non executive directors in the board have positive impact on the performance of the banks in Pakistan.

Malik et al (2014) concluded that the large size of the board in the banks increased the performance of banks in Pakistan. They also concluded that larger size of the board bring more to enhance bank profitability. Fanta et al (2013) concluded that the existence of audit committee members in board of director of the bank put negative effect on the performance of bank in Ethiopian banking sector.

Omoniyi et al (2013) presented that corporate governance has not significant effect on the performance of the banks in Nigerian banking sector. They further concluded that capital competence ratio and loan deposit ratio do not have significant effect on the performance of the indicators of corporate governance in Nigerian banking system. They further analyzed and explained the proper monitoring and supervision of corporate governance practices with reference to monetary authorities in banks would be helpful in order to improve the performance of the banking industry.

Bahreini and Zain (2013) concluded that corporate governance variables i.e board composition size, audit committee composition and meeting of audit committee have positive impact on the performance of banks and variables like non executive director in the board and non executive members in the audit committee have negative relationship with bank performance in Malaysian banking sector. Poudel and Hovey (2013) stated that strong board composition and audit committee size and minimum board of director meeting have positive effect on the performance of the banks in Nepalese banking system. Ajanthan et al (2013) found a moderate impact of corporate governance on the performance of banking sector in Srilanka. They further explained that board diversity have negative impact on the performance of state bank in srilanka but have positive impact on the performance of private sector banks in the country.

Ndlovu et al (2013) concluded that local banks in Zimbabwe had low level of corporate governance practices as compared to international banks in terms of variables like board composition, number of director in the board, transparency of executive directors in the system. Jegede et al (2013) examined a positive impact of board size on earning per share which shows the performance of the bank. They further found a negative impact of board committee meeting on earning per share. Ilyas and Rafiq (2012) found corporate governance practices in banks in order to win the confidence of the customers which leads to the betterment of performance of the banks in Pakistan. Hassanein and Wahsh (2012) concluded that board audit committee meeting during the year are found helpful for the improving the performance of banks through supervision of proper management of assets and liabilities of the banks.

Mohammed (2012) found corporate governance code is best for improvement of bank performance in the Nigeria. he further explained that the efficiency of audit committees, board of director would determined the effectiveness of corporate governance practices. Stepanova and Ivantsova (2012) concluded that independent director in the board have significant impact on the performance of the bank because of those independent director have vast theoretical knowledge and experience. They also found the negative impact of larger board size on the performance of the banks.

Ayorinde et al (2012) found a negative relationship between board composition and bank performance in Nigerian banking system while a positive relationship found between director equity interest, corporate governance disclosure index and bank performance. Tomar and Bino (2012) stated a significant impact of board of director composition on the performance of the bank in Jordan. Mohammed (2011) concluded that low level of corporate governance in the bank leads to bad performance of the bank in Nigeria. He further concluded that by complying with the requirements of corporate governance practices are helpful in increasing the performance of the performance which in return would ultimately decrease the chances of failures. Adnan et al (2011) concluded that small board composition have positive effects on the performance of banking in Malaysian banking system. On the other hand, the effectiveness of independent director in the banks got disturbed where companies are being run by autocratic leader of the companies.

III. Research Methodology

This study is based on secondary data. Panel data has been collected from financial reports of banks of listed in Stock Exchange which is a mixture of both cross sectional and time series data. It removes the unobservable heterogeneity present in the data of different companies. A sample is comprised of 15 selected banks for the period from 2009 to 2013 listed in stock exchange.

S.No	Name of Banks
1	Askari Bank
2	Allied Bank
3	Bank Al Habib
4	Bank Alfalah Limited
5	Bank of Punjab
6	Faysal Bank
7	Habib Bank Limited
8	JS Bank
9	KASB Bank
10	MCB
11	Meezan Bank
12	National Bank of Pakistan
13	NIB Bank
14	Soneri Bank Limited
15	United Bank Limited

Econometric Model

A multiple linear regression model has been designed. A bank performance is taken as dependent variables while board size, board meeting, non executive director, bank size and leverage are taken as independent variables. The following model has been adopted by Tariq et al, (2014).

$$\mathbf{Y = \alpha+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+ \beta_5X_5+e}$$

$$\mathbf{Bank\ Performance = \alpha+\beta_1BORDZ_{it}+\beta_2BORDM_{it}+\beta_3NEXED_{it}+\beta_4BNKZ_{it}+ \beta_5LEV_{it}+e_{it}}$$

Where

i = 1 to 15 Banks

t = 2009-2013

Y = Bank Performance

α = Constant

BORDZ = Board Size

BORDM = Board Meeting (meeting conducted by board in the year)

NEXED = Non-Executive Director / total members in board

BNKZ = Bank Size

LEV = Leverage

e = Error term

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ are the coefficients of independent variables.

Variables

Dependent Variable

Bank Performance: The bank performance is the dependent variables in this study. It is measured by Return on Equity and Return on Assets.

Independent Variable

The independent variables involves in this study includes board size, board meeting, non-executive director, bank size, leverages.

Board Size: It involves the log of total members in the board.

Board Meeting: It includes the numbers of meetings held by the board during the year.

Non-executive Directors: It involves total non executive director divided by total members in a board.

Bank Size: It is calculated by log of total assets being held by the bank.

Leverage: It is calculated by total debts over total equity.

Hypothesis for the Study

H_1: Board size has significant relationship with bank performance.

H_2: Board meeting has significant relationship with bank performance.

H_3: Non-executive directors have significant relationship with bank performance.

H_4: Bank size has significant relationship with bank performance.

H_5: Leverage has significant relationship with bank performance.

IV. Results & Discussion

The following are the results which have been drawn from the analysis of data collected from the selected banks.

Table No. 1: Descriptive Statistics

Variables	Mean	Standard Deviation	Maximum	Minimum
BORDZ	8.34	1.58	11	4
BORDM	6.49	2.08	14	4
NEXED	6.15	1.97	12	2
BNKZ	5.04	0.35	5.98	4.19
LEV	12.42	8.64	71.68	1.29
ROE	0.07	0.05	0.31	0.01
ROA	0.04	0.02	0.004	-0.06

Source: Authors' Calculations

Table No. 1 presents the descriptive statistics results of the variables. Board size mean is found 8.34 which show a reasonable size of the board. Eisenberg & Sundgre (1998) state that a size of board members is between 6 to 15 high returns on margin and return on equity as compare to the other board size in the organization. Board meeting value is calculated 6.49 shows that board has conducted reasonable number of meetings in a year to participate in effective & efficient performance of the bank. Conger & Finegold (1998) describe that board having more than six meeting in a year contribute better performance of the organization. The mean value of Non-Executives directors is found 6 .15 states a suitable representation in board. Chos & Lee (2003) analyze that non-executive directors in board play a vital role to enhance the efficiency of board and also financial strength of the organization. The mean values of bank size and leverage are 5.04 and 12.42 respectively while the dependent variables return of equity and return on assets are 0.07 and 0.04 in the order.

Table No. 2: Correlation Matrix

Variables	BORDZ	BORDM	NEXCD	BNKZ	LEV	ROE	ROA
BORDZ	1.00						
BORDM	-0.29	1.00					
NEXED	-0.07	-0.06	1.00				
BNKZ	-0.05	0.19	0.10	1.00			
LEV	0.06	0.221	-0.05	0.11	1.00		
ROE	-0.02	-0.11	-0.09	-0.39	-0.49	1.00	
ROA	0.07	-0.09	0.05	0.36	-0.18	-0.15	1.00

VIF Mean: 1.42 which is less than 5 showing no multicollineraity.

Table No. 3: Multicollineraity Test

Var.	Tolerance	VIF
BORDZ	0.84	1.17
BORDM	0.71	1.42
NEXED	0.90	1.11
BNKZ	0.86	1.09
LEV	0.82	1.14

Table No. 2 and Table No. 3 show that there is no correlation and multicollineraity among variables.

Table No. 4: Results of Regression Analysis

	ROA		ROE	
	Coefficient	**P-Value**	**Coefficient**	**P-Value**
BORDZ	0.021	0.09	-0.001	0.99
BORDM	-0.001	0.006***	0.001	0.11
NEXED	-0.004	0.34	-0.020	0.10
BNKZ	0.019	0.00*	-0.049	0.00*
LEV	-0.001	0.00*	-0.029	0.00*
Const	-0.103	0.00*	0.327	0.00*
Durbin Watson	1.85		2.00	
F-Statistics	13.01		29.81	
R^2	0.42		0.61	

Level of Significance
0.01 at*, 0.05 at**, 0.10 at***

Table No. 4 shows that the result of regression analysis for return on Asset. Board meeting shows the negative and significant (P<0.10) relationship. The board size and non executive director show insignificant relationship with bank performance. The bank size shows positive and significant relationship where as leverages shows negative but significant relationship. The F-statistics shows that overall model is significant.

Table No. 4 also describes the result of regression analysis for return on equity. The board size, board meeting and non executive director show insignificant relationship with bank performance. The board size show negative and significant relationship. The F-statistics value show overall model is significant.

Table No. 5: Result of Fixed and Random Effect model for ROE and ROA

	ROE				ROA			
	Fixed Effect		Random Effect		Fixed Effect		Random Effect	
	Coefficient	P-Value	Coefficient	Z-Value	Coefficient	P-Value	Coefficient	Z-Value
BORDZ	0.011	0.79	0.005	0.81	-0.009	0.74	0.007	0.72
BORDM	-0.001	0.42	-0.001	0.49	-0.001	0.02**	-0.001	0.01**
NEXED	-0.002	0.77	-0.009	0.54	-0.026	0.01**	-0.013	0.05***
BNKZ	-0.052	0.01*	-0.060	0.00*	0.009	0.20	0.021	0.00*
LEV	-0.002	0.00*	-0.002	0.00*	-0.001	0.02**	-0.001	0.00*
Const	0.225	0.00*	0.222	0.00*	-0.011	0.81	-0.113	0.00*
Durbin Watson	1.62				1.68			
F-Statistics	6.71		52.19		2.54		30.02	
R^2	0.43		0.56		0.19		0.41	

Level of Significance
0.01 at*, 0.05 at**, 0.10 at***

According to Table No. 5 the Hausman's test recommends that random effect model is most appropriate. The board size, board meeting and non executive director state insignificant relationship with bank performance. The banks size shows the negative and significant relationship. The F-statistics shows that overall model is significant.

Furthermore, Table No. 5 Hausman's test describes a random effect model for return on asset. The board meeting shows negative and significant relationship at (p<0.005). The non executive director shows negative but significant relationship at (p<0.10 while the F-statistics value shows that overall model is significant.

V. Conclusion

Financial sector plays a very important in economic development of any country in the world. One of the main and core element of financial sector is banking sector. A healthy banking sector would be helpful in the healthy progression of the economy of a country. This study is focused on performance of the banks sector. Governance is the core issue of many corporations. In this study it has been analyze the relationship of corporate governance on performance of banking sector of Pakistan. The study examines the financial performance of 15 selected banks listed in stock exchange for the period from 2009 to 2013. The board size, board meeting, non executive director, bank size and leverages has been taken as independent variables whereas Return on Equity (ROE) and Return on assets (ROA) have been used as dependent variables. The results conclude that board meeting has negative relationship with bank performance which means lesser number of boards of directors meeting during the year has negative effect on performance of the banks. The board size and non executive director has insignificant relationship with the performance of the banks which means that by increasing the member of board of director and maximum participation of non executive director in the board would be helpful in increasing the performance of the banks. The bank size has found a positive relationship with performance of the banks which means high bank size is beneficial for higher performance of the bank. The leverages has negative but having significant relationship.

VI. Suggestions

- Accurate measures of corporate governance should be adopted by the banks in order to improve the performance of the banks. It gives guidelines to the board of director how to run the affairs of the banks and how to increase the efficiency of the banks.
- The maximum number of board of directors meetings would be helpful in increasing the performance of the banks. Also the maximum number of non executive director in board would also increase the efficiency of the boards and in this way shareholder rights can better be protected.
- The efforts should be made in order to make board size of the banks should be of larger size but it should not be more then that its efficiency may be hampered instead of productive becoming non productive. The efforts in this regard should be made.
- It is also suggested that there should also be accountability of board of director.
- The board diversification should also be adopted which means that participation of female as member of board of director would also be helpful in increasing the performance of the banks as they bring diversity with them in relation to experience they bring them in the boards.
- The annual evolution of board of director as well as individual performance of each member of board of director of banks should be adopted in order to increase the efficiency of the boards.

References

[1]. A, Ajanthan., S, Balaputhiran. AndB, Nimalathashan. (2013). Corporate Governance and Banking Performance.A ComparativeStudy between Private and State Banking Sector in Sri Lanka.European Journal of Business and Management, Vol. 5, No. 20.

[2]. Adnan,Akhyar.Muhammad.Htay, Nu Nu. Sheila. Rashid,AbMajdi. Hafiz., And Meera,Mydin,Kameel.Ahamed. (2011). A Panel Data Analysis on the Relationship between Corporate Governance and Bank Efficiency. Journal of Accounting, Finance and Economics, Vol. 1, No.1,Pp 1-15.

[3]. Ahmad, Naveed., Tariq, Suleman. Muhammad.,Hamad, Naqvi., Samad, Sadia. (2014). An Exploration of Corporate Governance and Its Relation with Financial Performance: A case study from Banking Institutions of Pakistan. Arabian Journal of Business and Management Review (Oman Chapter), Vol. 4, No. 1, August, 2014.

[4]. Akhtar, Shamshad. (2006). Syariah Compliant Corporate Governance. Keynote address by the Governor of the State Bank of Pakistan at the Annual Corporate Governance Conference, Dubai, United Arab Emirates.

[5]. Attiya Y. Javid, Robina Iqbal. (2010). Corporate Governance in Pakistan: Corporate Valuation, Ownership and Financing. PIDE Working Papers. Vol. 57.

[6]. Ayorinde, Oladayo.,Ajala. Toyin, Amuda. And Leye, Arulogun. (2012). Evaluating the Effects of Corporate Governance on the performance of Nigerian Banking Structure. Review of Contemporary Business Research, Vol. 1, No. 1, PP 32-42.

[7]. Bahreini, Mahboubeh. And Zain, Mat., Mazlina. (2013). Impact of Corporate Governance on performance of banking sector in Malaysia. Research Journal of Finance and Accounting , Vol. 4, No. 19,

[8]. Berger, A. N., G. R. G. Clarke, R. Cull, L. Klapper, and G. F. Udell. (2005). Corporate Governance and Bank Performance: A Joint Analysis of Statics, Selection, and Dynamic Effects of Domestic, Foreign and State Ownership. Journal of Baking and Finance. Vol. 29, Pp 2179–2221.

[9]. Burki, A. and S. Ahmad. (2007). Corporate Governance Changes in Pakistan's Banking Sector: Is there a Performance Effect? Center for Management and Economic Research. (Working Paper No. 07–59).

[10]. Byrd, J. W., & Hickman, K. A. (1992). Do outside directors monitor managers? Journal of Financial Economics. Vol. 32, Pp 195–221.

[11]. Carcello, J.V., Hermanson, D.R., Neal, T.L. and Riley, R.A. (2002). Board characteristics and audit fees", Contemporary Accounting Research. Vol. 19, No. 3, Pp 365-84.

[12]. Choe, H., & Lee, B.S. (2003). Korean Bank Governance reform after the Asian Financial crises. Pacific- Basin Finance Journal. Vol. 11, No. 4, Pp 483-508.

[13]. Claessens, S., S. Djankov, and L. Larry. (2000) The Separation of Ownership and Control in East Asian Corporations. Journal of Financial Economics. Vol. 58. Pp 81–112.

[14]. Conger, J. A., Finegold, D., et al. (1998). Appraising boardroom performance. Harvard Business Review Vol. 76, Pp 136-164.

[15]. Eisenberg, T., Sundgren, S., et al. (1998). Larger board size and decreasing firm value in small firms. Journal of Financial Economics. Vol. 48, No. 1, pp 35-54.

[16]. Fanta BeyeneAshenafi., Kemal SrmoloKelifa. And WakaKassaYodit. (2013). Corporate Governance and Impact on Bank Performance. Journal of Finance and Accounting, Vol. 1, No. 1, PP 19-26.

[17]. Gani, W. I. and J. Ashraf. (2005). Corporate Governance, Business Group Affiliation and Firm Performance: Descriptive Evidence from Pakistan. Lahore University of Management Sciences. (CMER Working Paper No 05-35).

[18]. Hassanein, Medhat. And Wahsh, Rehab. (2012). CEO duality and bank performance : the consistent null. Banks and Banks Systems, Vol. 7, Issue. 1

[19]. Hermalin, B. E., & Weisbach, M. S. (1991). The effects of board composition and direct incentives on firm performance. Financial Management. Vol. 21, Pp 101–112.

[20]. Ibrahim (2006). Corporate governance in Pakistan: Analysis of current challenges and recommendations for future reforms Washington university global studies law review. Vol. 5, No. 323.

[21]. Ilyas, Muhammad. And Rafiq Muhammad (2012). Impact of Corporate Governance on Perceived Organizational Success (Empirical Study on Consumer Banks in Lahore, Pakistan). International Journal of Business and Social Science, Vol. 3, No. 13,

[22]. Inam, Hifza. And Mukhtar Aqeel. (2014). Corporate Governance and its Impact on performance of banking sector in Pakistan. International Journal of Academic Research in Applied Science, Vol. 3, No. 2, PP 26-36.

[23]. Javid, Attiya Y. and Robina Iqbal. (2009). Ownership Concentration, Corporate Governance and Firm Performance: Evidence from Pakistan. The Pakistan Development Review Vol. 48, No. 4.
[24]. Jegede, C.A., Akinlabi, H.B., Soyebo, Y.A. (2013). Corporate Governance Efficiency and Bank Performance in Nigeria. World Journal of Social Sciences, Vol. 3, No. 1, PP 178-192.
[25]. Kalid, A. M. and M. N. Hanif. (2005). Corporate Governance for Bank in Pakistan: Recent Development and Regional Comparison. Lahore University of Management Sciences, Lahore. (CMER Working Paper).
[26]. Kaur,Jatinder. (2014) Corporate Governance & Financial Performance: A case study of Indian Banking Industry. Asian Journal of Multidisciplinary Studies, Vol. 2, Issue. 2,
[27]. Kini, O., W. Kracaw and S. Mian. (2004). The Nature of Discipline by Corporate Takeovers. Journal of Finance. Vol. 59, Pp 1511–1552.
[28]. Klapper, L. F. (2004). Corporate governance, investor protection, and performance in emerging markets. Journal of Corporate Finance. Vol. 10, No. 5, Pp 703-728.
[29]. La Porta, R., F. Lopez-de-Silanes, A. Shleifer, and R. Vishny. (2000). Investor Protection and Corporate Governance. Journal of Financial Economics Vol. 58, Pp 3–27.
[30]. Lam, T. Y., & Lee, S. K. (2012). Family ownership, board committees and firm performance: evidence from Hong Kong. Corporate Governance. Vol.12, No. 3, Pp 6-6.
[31]. Malik, Maria.,Wan, Defang., Ahmad, Ishfaq.,Muhammad., Naseem, Akram., Muhammad, and Rehaman, ur., Ramiz. (2014). Role of Board size in Corporate and Firm Performance Applying Pareto Approach, Is it Cultural Phenomena?. The Journal of Applied Business Research, Vol. 30, No. 5.
[32]. McKnight, P.J. and Weir, C. (2009). Agency costs, corporate governance and ownership structure in large UK publicly quoted companies: a panel data analysis, The Quarterly Review of Economics and Finance. Vol. 49, No. 2, Pp 139-58.
[33]. Mohammad, Fatimoh. (2011) Impact of Corporate Governance on banking sector performance in Nigeria. International Journal of Economic Development Research and Investment, Vol. 2, No. 2,
[34]. Mohammad, Fatimoh. (2012) Impact of Corporate Governance on bank Performance in Nigeria. Journal of Emerging Trends in Economics and Management Sciences (JETEMS), Vol. 3, No. 3, PP 257-260.
[35]. Mollah, S., Al Farooque, O., & Karim, W. (2012). Ownership structure, corporate governance and firm performance:Evidence from an African emerging market. Studies in Economics and Financ. Vol. 29, No. 4, Pp 301-319.
[36]. Nasir, B.,Saad. (2012) Impact of Corporate Governance on firm performance (A case study of family-owned financial sector in Pakistan).Elixir International Journal, Vol. 47,PP. 8934-8936.
[37]. Ndlovu, W. Milton.,Bhiri, Thomas., Mutambanadzo, Tendekayivanhu. And Hlahla, P. Blessing (2013) A comparative Analysis of the Corporate Governance practices in Multinational and domestic Banks in Zimbabwe. Journal of Emerging Trends in Economics and Management Sciences (JETEMS), Vol, 5, No. 5, PP 473-480
[38]. Omoniyi, O.B., C.F, Ajayi. and I.O., Kekereowo. (2013).An Exploration of the Impact of Corporate Governance on Bank Performance In Nigeria 2006-2010. International Journal of Business and Management Invention, Vol. 2, Issue. 7, P.P. 12-16.
[39]. Omran, Mohammad. (2004). The Performance of State Owned Enterprises and Newly Privatised Firms: Empirical Evidence from Egypt. The Arab Academy of Science and Technology and Arab Monetary Fund.
[40]. Pearce, J.A. and Zahra, S.A. (1991). The Relative Power of CEOs and Boards of Directors: Association with Corporate Governance, Strategic Management Journal. Vol. 12: 135-18.
[41]. Poudel, Sharman.,Parkash., Ravi. And Hovey, Martin. (2013). Corporate Governance and Efficiency in Nepalese Commercial Banks. International Review of Business Research Papers, Vol. 9, No. 4, PP 53-64
[42]. Pound, J. (1988). Proxy contests and the efficiency of shareholder oversight. Journal of Financial Economics. Vol. 20, Pp 237–265.
[43]. Rehman, U. Ramiz. and Mangla, U. Inayat. (2010). Corporate Governance and Performance of Financial Institutions in Pakistan: A Comparison between Conventional and Islamic Banks in Pakistan. The Pakistan Development Review. Vol. 49, No. 4, Pp 461–475.
[44]. Report on the Observance of Standards and Code (ROSC), Corporate Governance Country Assessment: India . June 2003.
[45]. Report on the Observance of Standards and Code (ROSC), Corporate Governance Country Assessment: Bangladesh. June 2005.
[46]. Sanda, A. U., A. S, Mikailu, and T. Garba. (2005) Corporate Governance Mechanisms and Firm Financial Performance in Nigeria. (AERC Research Paper 149).
[47]. Shaheen, Rozina and Mohammad Nishat. (2005). Corporate Governance and Firm Performance: An Exploratory Analysis. Paper presented in the Conference of Lahore School of Management Sciences, Lahore.
[48]. Shleifer, A. R. and W. Vishny. (1997). A Survey of Corporate Governance. Journal of Finance. Vol.52, No.2, Pp 737–783.
[49]. Shungu, Progress.,Ngirande, Hlanganipai., Ndlovu, Godfrey. (2014). Impact of Corporate Governance on the Performance of Commercial Banks in Zimbabwe. Mediterranean Journal of Social Sciences MCSER Publishing Rome, Italy, Vol. 5, No. 15, July, 2014.
[50]. Stepanova, Anastasia. And Ivantsova, Olga. (2012). Role of Corporate Governance in Banking Sector: Evidence from all over the world, BlIIYCK No. 24.
[51]. Tariq, Waqas., Ali, Imran., Ibrahim, Muhammad., Asim, Muhammad. And Rehman Ur Naeem (2014). Theory and Empirical Evidence on Corporate Governance from Banking Sector of Pakistan. Business and Economic Research, Vol. 4, No. 1,
[52]. Tomar, Shorouq., And Bino., Adel . (2012). Corporate Governance and Bank Performance: Evidence from Jordanian Banking Industry. Jordanian Journal of Business Administration, Vol. 8, No. 2.
[53]. Wright, P., M. Kroll, A. Lado, and B. Van Ness. (2002). The Structure of Ownership and Corporate Acquisition Strategies. Strategic Management Journal. Vol.23, Pp 41–53.