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Board Characteristics and Performance from Perspective of Governance Code in Malaysia

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Board of directors has been a focus of attention for over two decades because their unethical behavior caused many big corporations to collapse. As a result, the governments revise the corporate governance codes to ensure right characteristics for the board members who are expected to play critical roles in making right business decisions and steering strategic directions for sustenance of good financial performance. In line with that objective, Malaysian Code of Corporate Governance (MCCG) was revised in 2007 to incorporate those characteristics for the board members with the expectation that the firms shall gain good performance. Therefore, this study examines empirically the effectiveness of the characteristics as stipulated in MCCG 2007 by investigating its correlation with firms' performance for pre (year 2006) and post (year 2008) period of the code. The study comprised of public listed companies from Bursa Malaysia as at end of year 2008. The finding shows that firms were responding positively to the requirements and in fact there was a direct relationship between board characteristics with organizations performance.

Keywords: Corporate governance, board characteristics, organizations' performance.

1. Introduction

For the past two decades starting from the currency crisis in 1997, financial scandals of well-established organizations such as Enron (2001), WorldCom (2002), Xerox (2002) and many more were due to questionable ethics and misconduct of their board of directors (IFAC, 2003). They seemed to be induced by the personal gain and more concerned about their self-interest rather than the organizations'. This temptation was a result of systemic effect where more and more organizations were competing to hire and retain good performance directors with lucrative remuneration schemes (Zinkin, 2009). The monetary value has turned them to be irresponsible and unethical by portraying good financial achievement at all cost. This attitude was a clear support to the Agency Theory which contemplated that managers would not exercise the same care as the owners and favored more on their interest rather than the organizations'.

The implication is so immense that the society as a whole suffered losses worth billions of dollars in investment. As a matter of fact, it caused the countries' economies to collapse (Johnson, Boone, Breach & Friedman, 2000). As a result, the regulatory bodies have the responsibility to keep revising and tightening the governance codes in order to prevent such crisis from recurring. The code's ultimate objective is to ensure

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firms are well governed by knowledgeable and professional directors who can elevate the firms' performance to the next level. It has been proven that the organizations with good governance compliant have the tendency to produce better financial performance (Brown & Caylor, 2004; Drobetz, Schillhofer & Zimmermann, 2003).

Malaysia was no exception when its first governance code issued in year 2000 was revised in year 2007. The code incorporates new evaluation criteria for appointment of board members. It recommends one-third independent directors for board composition and requires knowledgeable as well professionalism attributes for the board members. The regulatory body i.e. Securities Commission believes that capable directors with good governance shall enhance the firms' continued profitability in the long run (Tan, 2009).

In Malaysian context, the studies show that there are mixed views on the correlation of board and firms' performance. For example, Fazilah (2002) studied on the correlation of ownership, governance and performance for 731 companies in 1998 and concluded that independent companies were better on governance and performance. Similar study was also done by Mohd Ghazali (2010) using 87 public listed companies for 2001. The results on the other hand showed that none of the attributes in MCCG 2000 were significant even though foreign and government ownerships were related to performance of Tobin Q. Another study by Abdullah (2004) examined the relationship of board composition and CEO duality with performance. He concluded that there was no significant correlation for both variables with performance. Ponnu (2008) supports the same findings of no relationship for CEO duality and independent directors with the performance. This result was further supported by Ponnu and Karthigeyan (2010) who pointed out that there was no convincing evidence to support the relationship between independent directors and performance.

Thus, this study attempts to provide answers whether or not board indeed did not contribute to the firms' performance prior to MCCG 2007 but did improve the contribution for post MCCG 2007 when the code required them to have experience and qualification. This is also in line with calls by researchers for empirical research to include in experience and education for Malaysian context (Ponnu & Karthigesan, 2010). In other words, this study contributes to the knowledge of study for Malaysian environment with the inclusion of experience and qualification as part of board characteristics as well as applies MCCG 2007 as the basis for model framework.

The next section of this paper elaborates on the evolution and importance of board's role in driving better performance for the organizations. It is then followed by literature review on the variables used in the framework. The fourth section states the hypotheses developed for this study and followed by the methodology adopted to analyze the relationship. The subsequent section is on the results of the study and then the limitations and future research. Lastly, the study provides a conclusion.

2. Background of the Study

2.1 Boards' Contribution and Performance

The evolution of board roles is very dynamic. Their perceived functions and responsibilities of legitimizing and auditing roles are no longer applicable. In fact, they could not just concentrate on reviewing past performance any more (Boulton, 1978). Nowadays, they are regarded as the mastermind in making right business decisions and steering the organizations towards long term strategic directions. Hence, they are required to embrace wider roles to drive the organizations for good sustenance of financial performance (Boulton, 1978). The boards can improve the organizations performance when they perform two important roles. Firstly, management operational activities must be monitored and controlled in order to provide check and balance between the management and board. (Hendry & Kiel, 2004; Hillman & Dalziel, 2003). Indirectly, it prevents any wrongdoings and thus contributes to good governance and transparency. The second task is to review and appraise management performance as well as advise them on business environmental scanning, strategic matters and share external source of knowledge (McIntyre & Murphy, 2007).

The governance structure is believed to have a direct significant on organizations' financial performance. The improvements are in the form of performance and remuneration scheme (Core, Holthausen & Larcker, 1999), higher stock returns (Selvaggi & Upton, 2008), better financial performance (Bauer, Frijns, Ottena & Tourani-Rad, 2008; Martani & Saputra, 2009), Higher dividend payout (Garay & Gonzalez, 2008; Morey, Gottesman, Baker & Godridge, 2009) and lower borrowing cost (Brown & Caylor, 2004).

3. Literature Review

3.1 Corporate Governance

The revision on corporate governance codes was very common throughout the world. Some of the examples are Sarbane-Oxley in year 2002 with revision on internal control by management in 2007, Preda Codes for Italy in year 2011, Organization for Economic Cooperation Development (OECD) 1999 with a revised version in year 2004, Corporate Governance for United Kingdom (UK) 2010 and King Report for South Africa with three revisions i.e. 1992, 2002, 2009.

In the Malaysian context, the Code of Corporate Governance was first issued in year 2000 and then revised in year 2007. One of the main changes was on the selection criteria for board members. The new code emphasizes on knowledge, experience and professionalism which the directors must possess in discharging their duties. Knowledge and information are found to be considerably correlated with board effectiveness and thus performance (Payne, Benson & Finegold, 2008). At the same time, the Malaysian Code of Corporate Governance (MCCG) 2007 still maintains its recommendation of board balance comprising of one-third independent directors. Besides qualification and capability, board size is also crucial to ensure its effectiveness. Most governance codes are silent on the suitable number of board size. The decision lies with the organizations because there are many factors to be considered such as firm size, complexity of the business, economic environment and legal requirements. Hence, the principle of one size fits all is not valid and does affect the effectiveness of the boards (Lehn, Patro & Zhao, 2003). In addition, the board effectiveness can also be represented by board meeting frequency because it was found to be directly correlated (Kula, 2005).

3.2 Education

The Malaysian governance code 2007 requires board members to have right qualification. The criterion is obviously represented by the boards' education background. Board members with good education background are expected to contribute much better towards organizations' performance (Carcello, 2009; Felo, Krisnamurthy & Solieri, 2003; Xie, Davidson & DaDalt, 2001). In addition, Chiang and He (2010) recommend strongly for the organizations to engage continuously on education and training to board members in order to increase their effectiveness. In relation to Malaysian environment, there is still lack of studies on this element for corporate governance especially after the issuance of MCCG 2007.

3.3 Experience

Experience is also regarded as another critical factor in the board selection since MCCG 2007 specifically mentions about it. Experienced board members had a positive correlation with the organizations' performance (McIntyre, Murphy & Mitchell, 2007). Similarly, there is insufficient research to substantiate the importance of this variable on performance after MCCG 2007 in Malaysia.

3.4 Board Size

Board size is an important characteristic because it must fit well with the responsibilities and needs of the organizations. The internal and external factors such as complexity of the organizational structure, industries, legal, economic and political environment play crucial determinant on the board size. Many studies have shown that there was a direct relationship between board size and financial performance (Haniffa & Hudaib, 2006; Jackling & Johl, 2009; Kiel & Nicholson, 2003).

As for Malaysian context, there is a finding that firms with smaller board size perform better in term of performance (Shakir, 2008). This is in line with Jensen (1993) who contended that smaller board size stemmed from changes in technology and organizational structure. With smaller size, boards are expected to function more effectively since coordination problem from many directors can be overcome (Jensen, 1993). Hence, it is the objective of this study to quantify this view.

3.5 Proportion of Independent Directors

The role of independent directors is to provide a check and balance on managements' performance and activities (Young, 2000). A higher proportion of independent directors enhanced the effectiveness of monitoring on management performance (Ryan Jr. & Wiggins III, 2004). Even though their discipline on monitoring may be impacted by high concentrated ownership, their presence indeed enhances firms' performance (Ghosh & Sirmans, 2003). The view was further supported by the survey done by McKinsey and company (2002) which reflected that 44% respondents of investors voted for more independent directors to be part of governance code. Thus, their contribution is significant towards improved organizations' performance (Choi, Park and Yoo, 2007; Connelly & Limpaphayom, 2004; Dahya & McConnel, 2007; Kakabadse, Ward, Korac-Kakabadse & Bowman, 2001).

However, researches done on Malaysian environment reflected otherwise. There is no significant relationship between board composition and performance (Abdullah, 2004; Ponnu, 2008; Ponnu & karthigesan, 2010). As a matter of fact, firms in reality prefer more executive directors than independent directors (Shakir, 2008). So, this study intends to substantiate this result.

3.6 Frequency of Board Meetings

Board effectiveness to steer the organization is seen via board meeting frequency (Van Der Walt & Ingley, 2001). This is the main venue for board to deliberate performance, business environment and strategic direction of the organizations. Past studies showed that there was a significant direct correlation between board meeting frequency and financial performance (Kula, 2005). In addition, audit committee and remuneration meetings are significantly related to the performance (Hoque, Islam & Azam, 2013). As a matter of fact, board attendance to board meeting is well emphasized by Sarbane-Oxley (SOX) 2002. Thus, this study includes in the variable to examine the correlation for Malaysian study.

Those characteristics mentioned above are clearly important for board to be effective and thus improve organizations' performance.

4. Theoretical Framework and Hypotheses

The framework is developed based on the attributes stated in MCCG 2007 with support of past literatures. Organizations' performance relies heavily on board effectiveness which comprises numbers of attributes. The characteristics depend on many external and internal factors and in fact, unique to each organization. Upon having the right blend of board characteristics, the organizations are expected to outperform those firms which do not have effective board. As a result, this study develops a direct causal relationship of board characteristics with five (5) elements of education, experience, board size, proportion of independent directors and frequency of board meetings with the organizations' performance. Return on Assets (ROA) is used as the financial measurement to represent organizations' performance. The figure is derived from the profit before interest, tax and extraordinary items over total assets. The measurement is chosen because it indicates the organizations' profitability and efficiency (Shrader, Blackburn & Iles, 1997) and is a well understood performance indicator (Kim, 2005). Hence, the hypothesis is developed:

H1: Board characteristics are correlated with organizations' performance.

MCCG 2007 emphasizes on knowledgeable board members. The contribution of directors is found to be five (5) times greater when they possess financial qualification (Chan & Li, 2008). It is strongly recommended that organizations to invest on continuing education for the board members to enhance their skill (Chiang & He, 2010). Therefore, it is logical for this study to use level of academic qualification to represent the element of knowledge (Chan & Li, 2008). So, the following is the hypothesis:

H1a: Educated directors are correlated with organizations' performance.

Similarly, years of experience possessed by directors are also important evaluation criterion as required by MCCG 2007. Their experience from other related industries does contribute considerably towards the organizations' performance (Dulewicz & Herbert, 2004). So, the hypothesis for this element is derived:

H1b: Experienced directors are correlated with organizations' performance.

MCCG 2007 requires organizations to have a balanced number of board members without specifically stating the number. This is because the principle of one size fits all is not valid and cannot be applied to all organizations (Lehn, Patro & Zhao, 2003). As a result, the organizations have the liberty to decide on the board size in order to suit their environment and needs. Board size variable has a direct relationship with the organizations financial performance (Dalton, Daily, Johnson & Ellstrand, 1999; Haniffa & Hudaib, 2006). From the above correlation, the following hypothesis is constructed:

H1c: Board size is correlated with organizations' performance.

Many studies on governance have focused much on independent directors since the last decades. So, it is basically agreed that independent directors do provide substantial contributions to the organizations' performance. The organizations were seen to produce better financial achievement when the proportion of independent directors was higher (Bhojraj and Sengupta, 2003; Brown & Caylor, 2004). Thus, the following hypothesis is derived:

H1d: Percentage of independent directors is correlated with organizations' performance

Board meeting is the main venue for directors to deliberate and set up the strategic direction of the organizations. Thus, the attendance by board members is deemed to be important. As a matter of fact, with at least 75% attendance of board members to the board meeting have significant impact on the organizations' performance (Brown & Caylor, 2006). It is expected that board meeting frequency assists directors to monitor performance and consolidate synergy for strategic directions. Hence, the hypothesis is:

H1e: Board meeting frequency is correlated with organizations' performance.

In addition, the study examines the overall compliance governance score for prior and post period of MCCG 2007 implementation. It is expected that organizations improves their compliance scores for post MCCG 2007 period. Thus, the hypothesis is:

H2: There is significant difference between board characteristics 2006 and board characteristics 2008.

5. Methodology

The sample size for this study comprises of 162 public listed companies at Bursa Malaysia using stratified sampling. It is about 20% of the total companies at Bursa Malaysia. The sample is reasonable because the minimum acceptable number is ten (10) times of the independent variables (Hair, Black, Babin, Anderson & Tatham, 2006).

The sample covers all sectors except for finance, mining and Real Estate Investment Trust (REITs). This is because of statutory requirement for finance and insignificant number of companies under the other two (2) sectors. This study collects secondary data from the annual reports for year ending 2006 and 2008 to represent pre and post period of implementation respectively. Pre period i.e. year 2006 is basically a representation of MCCG 2000 and post period i.e. year 2008 is the first of implementation for MCCG 2007. This study adopts a different approach by applying the experience and qualification as part of the variables in the model framework which are part of MCCG 2007 requirement. In other words, this paper is different from past studies in term of variables and use of MCCG 207 as the basis of model framework.

5.1 Measurement

The 5 independent variables are measured as follows:

i. Education - It represents the level of academic qualification possessed by the directors.
ii. Experience - It reflects the number of years of directors' experience.
iii. Board Size - It represents the number of board members in the organizations.
iv. Percentage of independent directors - This variable reflects the percentage of independent directors over total number of board members
v. Board meeting frequency - The number of board meeting held by the firms in the financial periods.

5.2 Data Analysis Techniques

This study uses multiple regressions to examine the correlation of the variables with assistance of SPSS Statistical application version 17. At the same time, t-test was also used to provide evidence on the overall governance scores for the variables for pre and post periods.

6. Results

This section represents both descriptive and regression statistics. The former explains in detail on the sampling data whereas the latter provides the interpretation of the sampling output.

Table 1 below shows the overall mean for the variables. Three (3) variables showed higher means for the year 2008 compared to 2006. They are percentage of independent directors, education level and years of experience. Board size and meeting frequency showed a lower mean for the year 2008. The decrease was due to the change in the management for most companies which organized frequent board meeting during the period of 2006.

Table 1: Mean for Board Characteristics Dimension for Year 2006 and 2008

No.	Board Characteristics Dimension	Mean (2006)	Mean (2008)
1	Board size	7.741	7.771
2	**Percentage of independent directors over board size**	0.419	**0.435**
3	Meeting frequency	5.580	5.524
4	**Education level**	2.955	**2.976**
5	**Years of experience**	31.546	**32.385**

6.1 Correlation of Board Characteristics and Performance

Table 2 shows that the adjusted R-Square is 0.012 which explains about 1.2% of the variation in year 2006 performance. Regression results in Table 3 for board characteristics in year 2006 are not significant with p-value of 0.087 which is above $\alpha = 0.05$. On the other hand, Table 4 and 5 reflect better results for the year 2008. The model explains about 2.8% of the variation for the year 2008 performance. And the board characteristics have positive correlation with organizations' performance with the p-value of 0.019 which is below $\alpha = 0.05$. Hence, H1 is supported.

Table 2: Adjusted R-Square Results between Board Characteristics and Organizations' Performance Year 2006

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.135[a]	0.018	0.012	0.0967130

a. Predictors: (Constant), Board characteristics

b. Dependent Variable: ROA06

Table 3: Multiple Regression Results between Board Characteristics and Organizations' Performance Year 2006

	Model	Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-0.058	0.061	-	-0.947	0.345
	Board Characteristics	0.013	0.007	0.135	1.720	0.087

a. Dependent Variable: ROA06

Table 4: Adjusted R-Square Results between Board Characteristics and Organizations' Performance Year 2008

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.184[a]	0.034	0.028	0.1121411

a. Predictors: (Constant), Board characteristics

b. Dependent Variable: ROA08

Table 5: Multiple Regression Results between Board Characteristics and Organizations' Performance Year 2008

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-0.113	0.066	-	-1.710	0.089
	Board Characteristics	0.019	0.008	0.184	2.372	0.019

a. Dependent Variable: ROA08

Table 6 and Table 7 below present the results of the regressions for each dimension categorized under the board characteristics for the year 2006 and 2008 respectively. All the elements for the year 2006 are not positively correlated with firms' performance since all the p-values are above $\alpha = 0.05$. On contrary, there are 3 elements for the board characteristics for the year 2008 which shows a direct relationship with organizations' performance. They are experience, independent directors and board meeting frequency because their p-values of 0.046, 0.031 and 0.012 respectively are below α = 0.05. Consequently, H1b, H1d and H1e are supported but H1a and H1c are not supported.

The results of this study show a positive correlation of board with performance and are different from past studies of Ponnu (2008), Ponnu and Karthigesan (2010) and Ghazali (2010) which did not support the relationship.

Table 6: Multiple Regression Results between Board Characteristics Dimensions and Organizations' Performance Year 2006

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	Beta	**t**	**Sig.**
1	(Constant)	-0.065	0.075	-	-0.874	0.384
	Education	0.002	0.016	0.009	0.113	0.910
	Experience	0.002	0.002	0.104	1.301	0.195
	Board Size	0.008	0.004	0.167	1.908	0.058
	Percentage Independent	-0.006	0.076	-0.007	-0.081	0.936
	Meeting Frequency	-0.003	0.003	-0.071	-0.885	0.377

Note: Dependent Variable: ROA06

Table 7: Multiple Regression Results between Board Characteristics Dimensions and Organizations' Performance Year 2008

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	0.000	0.085	-	-0.009	0.993
	Education	0.007	0.019	0.030	0.369	0.713
	Experience	0.004	0.001	0.194	2.548	**0.012**
	Board Size	0.004	0.005	0.067	0.780	0.437
	Percentage Independent	-0.163	0.081	-0.175	-2.016	**0.046**
	Meeting Frequency	-0.010	0.004	-0.173	-2.182	**0.031**

Note: Dependent Variable: ROA08

6.2 Compliance with MCCG

The t-test shown in Table 8 below reflects a better mean figure of 8.327 for the year 2008 as compared to 8.178 in the year 2006.

Table 8: Descriptive Statistics for Board Characteristics for Year 2006 and 2008

Paired Samples Statistics					
		Mean	**N**	**Std. Deviation**	**Std. Error Mean**
Pair 1	Board Characteristics 2006	8.178	162	1.0313	0.0810
	Board Characteristics 2008	8.327	162	1.1253	0.0884

The correlation of the two variables as depicted in Table 9 is very significant because the p-value is 0.000 which is < 0.05.

Table 9: Correlation Results for Board Characteristics for Year 2006 and 2008

Paired Samples Correlations				
		N	**Correlation**	**Sig.**
Pair 1	Board Characteristics 2006 & Board Characteristics 2008	162	0.678	0.000

Based on the result in Table 10, there is statistically reliable difference between the two means since the p-value is 0.031 which is < 0.05. In other words, we can reject the null hypothesis and thus conclude that there is a significant difference. So, H2 hypothesis is supported.

Table 10: Inferential Statistics for Board Characteristics for Year 2006 and 2008

Paired Differences								
				95% Confidence Interval of the Difference				
Pair 1 Board Characteristics 2006 – Board Characteristics 2008	**Mean**	**Std. Deviation**	**Std. Error Mean**	**Lower**	**Upper**	**t**	**df**	**Sig.(2 tailed)**
	-0.1491	0.8692	0.068	-0.283	-0.014	-2.18	161	0.031

6.3 Correlation Matrix

This study also examines the relationship between the independent variables with dependent variable (ROA). The correlation coefficients (r) values in table 11 and table 12 indicate the strength of the relationship among the variables. Generally, the correlation values of the variables show that the correlations coefficients are below 0.5 which indicate weak associations between the variables and ROA. In summary, they give a clear indication that the corporate governance attributes are not the major or the only variables influencing organizations’ performance.

Table 11: Correlation Matrix for Board Characteristics 2006

	Board size	Percentage Independent Director	Board Meeting Frequency	Education	Experience	ROA
Board size	1	-0.456**	0.103	0.030	0.055	**0.139**
Percentage Independent Director	-0.456**	1	0.018	0.179*	-0.051	**-0.213****
Board Meeting Frequency	0.103	0.018	1	0.288**	-0.066	**-0.175***
Education	0.030	0.179*	0.288**	1	0.100	**-0.032**
Experience	0.055	-0.051	-0.066	0.100	1	**0.222****

Table 12: Correlation Matrix for Board Characteristics 2008

	Board size	Percentage Independent Director	Board Meeting Frequency	Education	Experience	ROA
Board size	1	-0.406**	0.061	0.051	0.111	**0.179***
Percentage Independent Director	-0.406**	1	0.030	0.156*	0.057	**-0.078**
Board Meeting Frequency	0.061	0.030	1	0.220**	-0.015	**-0.056**
Education	0.051	0.156*	0.220**	1	0.162*	**0.018**
Experience	0.111	0.057	-0.015	0.162*	1	**0.127**

In summary, this study reflects new findings for Malaysian context which support the correlation between experience, percentage of independent directors and board meeting frequency with firms' performance. At the same time, education and board size are not related to firms' performance. In addition, it provides evidence on the improvements made by organizations on the compliance of MCCG 2007.

7. Limitation

Besides the results provided, this study has few limitations. Firstly, it applied one basis year to represent pre and post implementation period i.e. 2006 and 2008 respectively. The financial results may be distorted by many external and internal factors such as economic climate. Even though from the statistical point of view, the sample size of 20% of the population is valid and acceptable, the results may not represent the generalization of the findings.

Another aspect of limitation is on the roles of independent directors. The study did not look at their roles which potentially creates another research area to enhance the results. Continuous trainings required by directors are also not included as part of the dimension. This is another area for future research to be undertaken. The time spent by directors due to interlocking is also identified as one the main factors affecting their contributions to the organizations. Therefore, the research can be further extended by taking into account of these variables.

8. Conclusion

From the results, it can be concluded that firms have improved their selection criteria on the board members in year 2008 than in year 2006. In fact, board characteristics reflect a direct correlation with firms' performance in year 2008. Three important elements identified under the board characteristics for the year 2008 which have significant influence on performance are independent directors, boards' meeting frequency and experience. The results support the study in United Kingdom which contended that when firms were required to appoint at least three (3) independent directors as per recommendation by Cadbury Report, they tend to exhibit better improvement on performance (Dahya & McConnell, 2007). This view was also shared by Abidin, Kamal and Jusoff, (2009) who found that board composition of independent directors did correlate directly with performance. Likewise, the outcomes are similar to other researches in other countries (Kula, 2005; McIntyre, Murphy & Mitchell, 2007). At the same time, this study provides different views on board and performance for Malaysian studies (Ghazali, 2010; Ponnu, 2008; Ponnu & Karthigesan, 2010).

On the overall corporate compliance score, the t-test results show that the mean value is higher and correlated in year 2008 than year 2006. In fact, the mean does represent a significant difference with p-value of 0.031.

This research provides contribution to knowledge of corporate governance by examining the relationship of experience and qualification variables and performance and at the same time study the effectiveness of compliance MCCG 2007. With positive outcomes on three (3) elements of board characteristics and corporate compliance score, the study contributes additional insights on corporate governance for Malaysian context.

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