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Effective Oversight Roles of Board of Directors – The Case of Listed Firms on Bursa Malaysia

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This study investigates the influence of strong committee of independent directors on the board of directors on firm value. We focus on the factors that strengthen independent directors' performance of fiduciary duties notably the presence of independent financial expert, senior independent director, independent board's chairman, and absence of top management executives and presence of family members on the board of directors. We conduct our research using 221 samples of Malaysian listed companies. This study extends prior research by emphasizing the significance of regulating the appointment of independent financial expert and the support of independent director with in depth corporate governance experience on the board. The results show that board oversight roles enhanced firm performance when a senior independent director and an independent board's chairman were present on the board where CEO, CFO, COO or MD was not a board member. Furthermore, the negative relationship between the proportion of family member director on the board and firm performance supported the imperativeness of higher independent director presence on the board. These findings provide empirical evidence in support of the significance of board independence as an effective governing mechanism for monitoring family-member director influence on board decisions. On the other hand, the negative relationship between the presence of more than majority independent director on the board and firm performance signifies their productivity is valued more than numbers.

Field of Research: Corporate governance, board of director, independence, financial expertise, entrepreneurial director and family director.

1. Introduction

The formation of a board of directors in a corporation is important as an internal control mechanism to oversee the conduct of the owner-manager and managers and prevent them from endangering vested parties' interests (Hermalin & Weisbach 2003). Even though some of its responsibilities may have been delegated to firm managers, decisions relating to company's policies and strategies' planning, their set up and implementation, and the appointment, dismissal and compensation of executives are ratified and determined ultimately by the board (Fama & Jensen 1983). To understand the influence of board behaviours, effectiveness and dynamics, research has focused on the roles and contributions of different directorial types of individual board members, namely, the executive, non-executive and independent non-executive director. It has been reported that the extent of board members' direct and indirect influence on firm's governance has implications for their effectiveness and involvement (Long, Dulewicz & Gay 2005). The efficacy of the board as the firm's ultimate decision-making control is crucial to its ability to monitor

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and control the discretions of top-level managers (Fama & Jensen 1983). The board's dependence on managers to supply them with the firm's internal information (Ezzamel & Watson 1997) emphasises the importance of ensuring managers practising the same monitoring considerations as the board.

It is therefore seen as relevant and important to closely examine the roles, functions and commitment of the internal governing bodies, namely, the board of directors in their execution of oversight responsibilities (Malaysia Bourse Securities Limited 2004) since there appears to be disparity at the top management level in what constitutes the appropriate and sufficient supervision and oversight and assessment of directors' and executives' trustworthiness when managing and administrating a firm's affairs. As a result, some research has been undertaken to identify the characteristics of firms that may incline them towards engaging in fraudulent conduct given the state of their board members' monitoring and control of activities (Sonnenfeld 2004). As a consequence, there is an unresolved question on the combination of composition and knowledge and skills of board of directors that will have an impact on their effective performance of oversight roles.

The paper is organized as follows. The next section reviews the literatures on the characteristics of board of directors, in particular, their independence, financial knowledge and corporate governance experience. In addition, the methodology section discusses the research approach, hypotheses, research model, sampling and tool used to evaluate the current study. The subsequent section set forth the analyses and results of the current research. The last section concludes the study findings, limitation and direction for future research.

2. Literature Review

Independent Director

Notably, non-executive directors are perceived as significant long-term and impartial decision-makers and monitors of the governance process (Tricker 1978; Higgs 2003). From a corporate governance perspective, their separation and independence from management and any relationship that may potentially interfere with their independent judgement and fair representation of shareholders' interests emphasise their suitability as a reliable governing mechanism and their potential ability to concentrate on ensuring maximisation of shareholder value (Beasley 1996). Specifically, outside directors represent those who are not members of top management (Fosberg, 1989), their associates or families (Shivdasani, 1993), employees of the firm or its subsidiaries (Abbott, Park & Parker 2000) or members of the immediate past top management group (Rhoades, Rechner & Sundaramurthy, 2000). 'Outside director' is also the term given to an independent non-executive director who has no affiliation with the firm other than the affiliation derived from being on the firm's board of directors (Beasley, 1996).

Significantly, independent directors are viewed as people who can provide a better quality and assurance of reasoned corporate judgement (Ferris, Jagannathan & Pritchard 2003). Whilst managers, who have to face the pressures of day-to-day events, may overlook some of the decisions made and/or avoid making risky choices (Firstenberg & Malkiel 1980). Nevertheless, having general wisdom alone is not

sufficient for independent directors to contribute productively. They need to be competent and capable of understanding the firm's business operations (Gupta, Otley & Young 2008; Lessing 2009; Delgado-García, de Quevedo-Puente & de la Fuente-Sabaté 2010). In particular, the Combined Code (2006) emphasises non-executive directors should be those who possess sufficient calibre. This attribute is important for them to be able to influence board directions and decisions effectively and to ensure the implementation of plans that take into account the long-term interests of various shareholders, and the appropriate management of firm risk.

Further, independent directors' roles need to be supported by the advice of internal and external experts, with the latter being the crucial points of contact. This is vital to achieve objective, appropriate and informed decision-making. Without management acknowledging the benefit of sharing the company's governance process and collaborating with the directors, hiring competent directors will not necessarily result in effective board performance or in value being added to the company (Dulewicz, & Herbert 2004). Management therefore needs to accept, invite and encourage directors to participate actively in the area they are good at and provide them with the information they need to facilitate the performance of their duties.

The bargaining position of the CEO in relation to directors also has an effect on the board's conduct over time (Hermalin & Weisbach 2001). As well as ensuring balanced and objective views in the board's decision-making process, the presence of a majority of independent directors on the board also provides stronger and more affirmative independent views and judgement at all board deliberations. Moreover, their significant number will give sufficient weight to the value of their opinions and views of the board's decisions (Combined Code 2006). Essentially, given their main role in protecting and acting in the best interests of shareholders and stakeholders, including acting against entrenchment by managers' or misappropriation by controlling owners, the number of independent directors is crucial in influencing the extent of the board's considerations and the fair representation of shareholders' and other stakeholders' interests in the board's plans and resolutions.

According to Zajac & Westphal (1994), when the board is structured with more members with the particular objective of monitoring top management activities vigilantly, the firm will benefit more from the superior internal control in comparison to firms with a lower level of monitoring. In addition, Daily and Dalton (1993, p. 70), noted from a former SEC Chairman's comment that subordinates of CEOs are unlikely to oppose independent directors' opinions when there is a high presence of them on the board of the firm. Nonetheless, the active involvement and commitment of outside independent directors in ensuring fair representation of shareholders' interests will contribute to establishing and enforcing appropriate firm governance conduct (Brooks, Oliver & Veljanovski 2009). The impartiality of outside independent directors and their relevant knowledge and skills are important factors in justifying their presence on the firm's board (Fama & Jensen 1983; Wan & Ong 2005).

Financial Competency

In addition, Libby & Luft (1993) and DeZoort (1998) claim that, appointing directors with related and relevant skills and the knowledge to perform task-specific duties, such as the evaluation of the firm's internal control and accounting procedures, will

enhance the quality of information gathered, of the solutions to problems, and of the views held and judgements made during the decision-making process. Also, outside directors with a variety of specialist knowledge will be valuable to the creation of a strong and informed board, in particular, in justifying their views on and concern with management propositions (Fairchild & Li 2005; Frye & Wang 2010).

Dionne & Triki (2005) further argue board members from a non-financial background contribute by extending the company's viewpoint and prospects on particular issues in terms of the broader context of the industry and business perspectives. The aforementioned advantages support a firm's decision and strategy to include on its board of directors individuals with a mixture of skills, knowledge and experience in specific and a broad range of industries and from financial and non-financial backgrounds. Moreover, by having board members with a diverse range of expertise, the firm strengthens its human capital competitiveness (Kor 2003; Kor & Mahoney 2005).

Nonetheless, many Securities Commissions and Stock Exchanges require listed firms to appoint at least one board member with financial knowledge and skills (see Schleifer & Vishny 1997; La Porta et al. 2000; Organisation for Economic Co-operation and Development 2002; PricewaterhouseCoopers 2003). Underlying this requirement are the board of directors' oversight duties to ensure that listed issuers have complied and conformed to the relevant accounting standards and regulations when preparing financial reports (Malaysia Code on Corporate Governance 2001). Its effective implementation is critical, which further requires board members to be objective, vigilant and accountable particularly when performing their financial oversight duties (DeFond & Francis, 2005).

To ensure the accomplishment of credible and quality evaluation and the production of an accurate financial statement, it is necessary for the board of the firm to comprise individuals with relevant and related financial and accounting knowledge and expertise (Güner, Malmendier & Tate 2005). Despite their relevant knowledge, financial experts' effective performance requires them to be objective, vigilant and accountable when performing the oversight responsibilities (DeFond, Hann & Hu 2005). Indeed, Lee, Rosenstein & Wyatt (1999) found that outside directors who work in the financial industry and possess specific financial experience, namely, commercial banking and insurance and investment management experience, have a positive impact on firm abnormal return. Particularly, their appointment to the board of small firms assists companies' access to financial market.

Moreover, Dionne & Triki (2005) report that the presence of independent directors with financial knowledge and skills enhances evaluation of management resolutions' impact on shareholders' wealth. Consistently, Booth & Deli (1999) and Güner, Malmendier & Tate (2005) found that, directors with a commercial banking background are able to assist the firm in managing the financing options of its debts. Whilst, the non-appointment of independent financial expert on the board may hinder independent board members critical evaluation of management derivatives plans (Buckley & Van Der Nat, 2003).

Senior Independent Director

Hampel Committee (1998), the Malaysia Code on Corporate Governance (2001, 2007) and the Higgs Report (2003) advocated the importance for companies to identify a senior independent director of the board, even though the company has different individuals as the Board's Chairman and as the Chief Executive Officer. Notably, in a situation where there is a potential close alliance between the Board's Chairman and the Chief Executive Officer, the senior independent director can act as the independent person to whom other directors and shareholders may convey their concerns. In the relationship between major shareholders, the presence of senior independent director assists in developing a balanced understanding of the issues and concerns of shareholders; acting as mediator when there are unresolved issues between shareholders and the Board's Chairman and Chief Executive; ensuring a balanced view is taken of shareholders' views (Higgs 2003).

Founder and/or Family-Member Director

Given the conflict of interests created by the separation of ownership and management, Fama & Jensen (1983) concur that family-managed firms should be better at monitoring and controlling firm activities. It is recognised that when managers own a large number of shares in a firm, they are unlikely to take actions that may reduce the value of the firm's shares (Morck & Yeung, 2003). Rather, the ownership of large equity mitigates managers' indulgence in private rent seeking and concentrates their aim for firm value maximisation through efficient deployment of corporate assets (Morck, Schleifer & Vishny 1988), particularly where there is a positive Tobin's Q in family-controlled firms. However, this motive seems to be less transparent when the shares of the firm are widely dispersed (Berle & Means 1932).

In the case of public companies, the increase in the number of family members being assigned executive responsibilities is part of the strategy for strengthening the managerial vote of the ownership (DeAngelo & DeAngelo, 1985). This is to avoid the consequences of default debt payments that could lead to bankruptcy whereupon family members may have to relinquish their shares to bondholders (Agrawal & Nagarajan 1990) and lose their business inheritance. On the other hand, dominant family shareholders can exert control over corporate policies by directly managing the firm or by closely monitoring the management team (Bennedson & Wolfenzon 2000). Besides that, studies have examined differences in the management approach of independent CEOs and CEO-founders (Levinson 1971; Willard, Krueger & Feeser 1992). The former have been assessed as having more professional attributes than the latter; this may affect the firm's future success (Daily & Dalton 1993). Nevertheless, the business acumen of other perceived founders is as legitimate as that of non-founders (Alcorn 1982), considering the initiative they showed in founding the business and ensuring its viability for an extensive period of time.

In view of their long-standing business traditions and customs, some family-owned enterprises, where firms' shares are significantly owned by the founders have raised their concerns about the impact of the new corporate governance code on the business perceptions of their board members since the importance of accepting certain risks in business is viewed as essential for the growth of firms (Abdul Kadir, Chairman of Securities Commission 2003). However without the implementation of appropriate and sufficient governing rules and regulations it is difficult to inhibit,

control and prevent controlling owners from expropriating minority shareholders' interests in Malaysia corporation (see Claessens et al. 1999; Johnson, Boone & Friedman 2000; Organisation for Economic Co-operation and Development 2004). Moreover, the disparity between control and cash flow rights in Malaysian corporations as a result of investors' indirect links with several associated firms (or pyramidal business links) can create incentives for investors to divert resources into the firm that gives them the greatest cash flow rights (Thillainathan 1999). Also, family-controlled firms have the tendency to put the interests of the family members above shareholders' interests (Hermalin & Weisbach 1991).

To discipline and oversee family firms' governance to protect them from being inappropriately managed and influenced by family members, the market authorities, such as the Securities Exchange and Commission, enforce requirements for corporations to increase their transparency and disclosure of information (Rhee 1997-1998; La Porta et al. 2000), including information on potential family relationships amongst board members and shareholders, shareholdings in firms and related party transactions (Thillainathan 1999; Malaysia Bourse Securities Limited 2001).

3. Methodology

The current study employed a cross-sectional research approach where the corporate governance practice and financial performance of Main and Second Board Malaysian listed firms were examined over a two-year period. Namely independent variables of year 2002 (2003) were evaluated against firm performance variable of year 2002 (2003) and 2003 (2004), respectively. Specifically, year 2002, 2003 and 2004 were chosen as the observation periods of the study to examine the impact of the incorporation of Malaysia Code on Corporate Governance as part of Malaysia Bourse Securities Limited listing requirement in 2001. Moreover, prior studies on firms' governance in Malaysia have yet to examine the impact of corporate governance development after Malaysia financial crisis in 1997.

The study used random sampling to identify the sample size of Malaysian Main and Second Board listed companies. Financial data were gathered from Malaysian public listed companies' annual reports, Datastream and OSIRIS database. Data were subsequently explored and analysed using multiple regression analysis to examine and identify their statistical significance for the purposes of the study.

Further, the followings hypotheses are postulated for the study:

H1: The domination of board of director's composition by independent directors will have a positive impact on firm performance.

H2: The proportion of independent directors with accounting and finance knowledge will have a positive impact on firm performance.

H3: The presence of a senior independent outside director will have an impact on firm performance.

H4: The exclusion of Chief Executive Officer, Chief Financial Officer or Managing Director from board of director's membership will have a positive impact on firm performance.

H5: The appointment of an independent director as a board of director's chairman will have a positive impact on firm performance.

H6: The presence of family directors on the board will have an impact on firm performance.

H7: The presence of a founder director on the board will have an impact on firm performance.

The above hypotheses are empirically tested using the following ordinary least square model,

$$\text{Firm Performance}_{ti} = \alpha + \beta_0 DOINED + \beta_1 NINACF + \beta_2 SRI + \beta_3 EXCEO + \beta_4 CHIN + B_5 NFAMDI + \beta_6 FOUD + \text{Control Variables} + \varepsilon_j$$

Where

(i) DOINED: binary coding of 1 or 0 otherwise when the firm's board composition is dominated by independent directors

(ii) NINACF: proportion of independent directors with accounting and financial knowledge and skill on the board,

(iii) SRI: binary coding of 1 or 0 otherwise when there is a senior independent director on the board,

(iv) EXCEO: binary coding of 1 or 0 otherwise when the CEO, CFO, COO or Managing Director is not a board member (EXCEO)

(v) CHIN: binary coding of 1 or 0 otherwise when an independent director is the chairman of the board of directors,

(vi) NFAMDI: proportion of family members on the board (NFAMDI) and,

(vii) FOUD: binary coding of 1 or 0 otherwise when the founder is a board member

The dependent variable, firm performance, is represented by market value measure (i.e. Tobin's Q) and accounting-based measure (i.e. Return on Equity), respectively.

4. Analyses and Results

A sample of 221 companies was created from the 486 Main Board and Second Board companies using the simple random sampling technique (see Table 1). The sample size was determined based on sample size guidelines in Sekaran (2003, p. 294) and use of the extrapolation technique. Saunders, Lewis & Thornhill (1997, p. 132) recommend a sample size for research that uses the simple random sampling technique of slightly more than a few hundred subjects. Applying this

recommendation, a sample size of 221 meant that almost 50% of the 486 listed firms were studied. The sample size of 221 also broadly represented 29% and 25% of the total number of listed companies in the Stock Exchange in 2000 and 2003 respectively.

Table 1(i): The Main Board Companies in Operation Between 1999 to 2004

Main Board Firms	Population of Firms	Sampled Firms
Sectors	No. of Co.	No. of Co
Trading/Services	66	32
Finance	40	19
Consumer Products	37	21
Industrial Products	73	34
Construction	21	9
Properties	56	24
Plantations	31	17
Hotels	4	2
Infrastructure Project Companies	4	2
Mining	2	0
Trusts	2	-
Closed-End Funds	1	-
Total	337	160

Table 1(ii): The Second Board Companies in Operation Between 1999 to 2004

Second Board Firms	Population of Firms	Sampled Firms
Sectors	No. of Co.	No. of Co
Trading/Services	29	9
Consumer Products	28	11
Industrial Products	78	33
Construction	14	8
Total	149	61

Due to high skewness and kurtosis level of performance variables, the data are subsequently transformed to normal scores using Van der Waerden approach (See, Cooke, 1998). The normal scores transformation reduced the skewness and kurtosis levels of the performance variables to a value near to zero. Also, the transformation improved the normality of the firm performance variables. Correspondingly, the independent variables were also transformed to normal scores to be consistent with the employment of normal scores in the dependent variables. Table 1 and 2 provide the descriptive statistics and correlations of the variables.The correlation analysis presented on Tables 3(i) and 3(ii) indicated that the variables had a low correlation (i.e. r less than 0.6)

Table 2: Descriptive Statistics of Performance and Explanatory Variables (Year 2002-2003).

YEAR 2002	NTOBQ 02	NROE 02	DOINED 02	NINACF 02	SRI 02	EXCEO 02	CHIN 02	FOUD 02	NFAMDI 02
Mean	0.0000	0.0000	0.2127	0.0336	0.4434	0.2308	0.2353	0.3303	0.0605
Std. Dev.	0.9813	0.9813	0.4101	0.9014	0.4979	0.4223	0.4252	0.4714	0.8262
Skewness	0.0000	0.0000	1.414	0.4291	0.2290	1.2870	1.257	0.7265	0.8357
Kurtosis	-0.2179	-0.2179	-0.001	-0.6289	-1.965	-0.3470	-0.425	-1.4857	-0.3911
YEAR 2003	NTOBQ 03	NROE 03	DOINED 03	NINACF 03	SRI 03	EXCEO 03	CHIN 03	FOUD 03	NFAMDI 03
Mean	0.0000	0.0000	0.2354	0.0317	0.4796	0.2896	0.2443	0.3122	0.0605
Std. Dev.	0.9813	0.9813	0.4359	0.9018	0.5007	0.4546	0.43067	0.4644	0.8197
Skewness	0.0000	0.0000	1.1420	0.4021	0.082	0.9340	1.198	0.8160	0.8341
Kurtosis	-0.2179	-0.2179	-0.703	-0.6710	-2.012	-1.1380	-0.57	-1.3464	-0.4690

Table 3(i): Pearson correlation analysis of performance and explanatory variables (Year 2002) .

2002	NTOBQ 02	NROE 02	DOINED 02	NINACF 02	SRI 02	EXCEO 02	CHIN 02	FOUD 02	NFAMDI 02
NTOBQ02	1								
NROE02		1							
DOINED02	.020	-.095	1						
NINACF02	-.002	-.006	.094	1					
SRI02	-.199**	.114	.026	.098	1				
EXCEO02	.104	.049	.162*	.058	-.186**	1			
CHIN02	.062	-.045	.077	-.176**	-.130	.000	1		
FOUD02	-.032	.051	-.059	.060	.109	-.133*	-.344**	1	
NFAMDI02	-.159*	-.005	-.142*	-.004	.045	-.187**	-.093	.547**	1

Table 3(ii): Pearson correlation analysis of performance and explanatory variables (Year 2003)

2003	NTOBQ 03	NROE 03	DOINED 03	NINACF 03	SRI 03	EXCEO 03	CHIN 03	FOUD 03	NFAMDI 03
NTOBQ03	1								
NROE030		1							
DOINED03	.099	-.103	1						
NINACF03	.039	-.073	.063	1					
SRI03	-.109	.185**	.057	-.006	1				
EXCEO03	.078	.063	.158*	.033	-.074	1			
CHIN03	.105	-.119	.077	-.043	-.061	-.038	1		
FOUD03	-.032	-.031	-.132*	-.047	.057	-.086	-.360**	1	
NFAMDI03	-.038	-.103	-.009	-.059	.038	-.175**	-.095	.568**	1

p < 0.05; p < 0.01**.*

According to Bhagat and Black (2002), it is difficult to assess board members' contribution when they are likely to be replaced in a short time period. They further argue that to assess board of directors' performance in the year they were appointed may not fully capture their potential and contribution to the firm's value. In addition, the appointment of new independent directors may have an impact on the quality of oversight duties performed in the firm, as their understanding, experience and

capability to perform their oversight responsibilities will take time to develop and subsequently influence firm performance (Yermack, 2004; Brooks et al., 2009). In consideration of this argument, the current research models observed the impact of board of directors' attributes in 2002 (2003) with firm performance in 2002 and 2003 (2003 and 2004).

Correspondingly, Table 4(i) and 4(ii) show the regression results of board attributes and firm performance models.

Table 4(i): Board Governance 2002 and Firm Performance 2002 and 2003

	NTOBQ02	NROE03
Constant	-.019	-.197
DOINED02	-.069	-.198
NINACF02	-.020	-.001
SR102	-.175	.332**
EXCEO02	.137	.144
CHIN02	-.040	-.077
FOUD02	.165	.000
NFAMDI02	-.186**	.026
R^2	0.294	0.229

Table 4(ii): Board Governance 2003 and Firm Performance 2003 and 2004

	NTOBQ03	NROE03	NROE04
Constant	-.298	-.085	-.235
DOINED03	-.024	-.440**	-.281
NINACF03	.092	.037	.077
SRI03	-.067	.350**	.043
EXCEO03	.091	.214	.188
CHIN03	.170	-.215	.323*
FOUD03	.176	-.155	.030
NFAMDI03	-.028	.020	.031
R^2	0.298	0.259	0.199

Note: $p < 0.10$; $p < 0.05$**; 02, 03 and 04 represent the year 2002, 2003 and 2004 respectively.*

H1 predicted that the domination of board of director composition by independent directors (DOINED) would have a positive impact on firm performance. As shown in Table 4(ii), the hypothesised positive relationship between DOINED and firm performance was statistically rejected by one of the cases observed, indicated by a significant negative relationship between DOINED in 2003 and NROE in 2003 (β = -0.44; p = 0.05). With respect to H3 testing, the results in Tables 4(i) and 4(ii) indicated that the relationship between the presence of a senior independent director (SRI) and firm performance was statistically significant between SRI in 2002 and NROE in 2003 (β = 0.33; p = 0.05) and between SRI in 2003 and NROE in 2003 (β = 0.35; p = 0.05). For H5 testing, there existed a significant positive relationship between the presence of an independent board's chairman (CHINED) in 2003 and NROE in 2004 (β = 0.323; p = 0.1). H6 results indicated that there existed a significant negative relationship between NFAMDI in 2002 with NTobin's Q in 2002

(β = -0.19; p = 0.05). However, the results from model testing of H2, H4 and H7 indicated that, in all the cases observed the respective hypothesised relationships were not statistically significant

5.0 Conclusions

The current study finds that board independence enhanced firm performance when a senior independent director and an independent board's chairman were present on the board, and CEO, CFO, COO or MD was not a board member. The corporate governance experience of the independent director, contributed to his reputation and influence on the board as well as to the board's decision making. In addition, being the leader of the board, independent board chairman had greater control and authority to influence organisational process. Moreover, the absence of top management executives from the board provided independent directors with greater freedom to express their independent views or challenged management decisions that were in conflict with shareholders interests.

Furthermore, the negative relationship between the proportion of family member director on the board and firm performance supported the imperativeness of higher independent director presence on the board. These findings provide empirical evidence in support of the significance of board independence as an effective governing mechanism for monitoring family-member director influence on board decisions.

Nevertheless, the study has several limitations. First the study only uses Malaysian firms. It would be interesting to incorporate other firms in Asia to see whether the results hold for the firms in the regions. Second this study defines qualification of financial expert as person(s) with accounting and finance knowledge and may not be an accurate measure of board's comprehension of the financial aspect of the company. Third, the effectiveness of independent director could be better captured with the collection of information of vigilance duties that they have actually performed rather than assuming their independence status ensure such responsibilities are carried out.

For the future direction of the current research, a more wholesome approach to examining independent board members' effectiveness in performing their oversight duties and the subsequent contribution of it to firm performance could be undertaken with the investigation of their contribution and involvement in the advisory, strategic and monitoring duties. In particular, this will require the identification of the tasks that they perform in each of these respective duties.

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