

Abstract

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CORPORATE GOVERNANCE STRUCTURE and FIRM' FINANCIAL PERFORMANCE: EVIDENCES FROM EGYPT

Recent financial international scandals have generated hyped interest in the area of corporate governance as a mean to mitigate financial problems faced in developing nations. The purpose of this study is to examine the link between corporate governance structure and firm' financial performance in Egypt. The data for analysis are gathered from manual review of the financial statements and websites of the thirty enterprises that make up the (EGX 30) covering the four years period 2007-2010. Results from the study indicate that board size the presence of audit committee and audit quality significantly have relationship with firm' financial performance measured by ROA and ROE. The results also, indicate that board independence and institutional ownership have no significant correlation with firm' financial performance. For CEO duality, the results indicate that CEO duality has a positive impact upon companies' financial performance measured by ROE, at the same time, is not correlated with the ROA measure of financial performance. This study is important because it offers evidence on the impact of corporate governance structure on firm financial performance. In addition, it provides useful information that is of great value to policy makers, academics and other stakeholders.