

The Influence of Board Characteristics on the Firm's Financial Performance : An Empirical Study in Different Sectors in Egypt

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ABSTRACT

This research objectives is to fill the gap on the academic studies by focusing on the Egyptian firms during the period of 2007-2011 before the revolution by using secondary data and analyzing whether corporate governance measurements affect the firm financial performance positively or negatively.

The study found that there is a significant positive relationship between board size and both financial performance indicators; ROA and ROE. On the other hand, there was a significant positive relationship between each of CEO duality, Board Meetings Frequency and ROE, while there was an insignificant relationship between CEO duality, Board Meetings Frequency and ROA. This means that both CEO duality and Board Meetings Frequency vary in their effects on different financial performance measures.

Regarding the control variables, it was found that firm size has a significant effect on ROA, while it has an insignificant effect on ROE. while, it was found that leverage has an insignificant impact with both financial performance indicators; ROA and ROE.