

**DIRECTORS' DIVERSITY, OWNERSHIP
CONCENTRATION AND COMPANY
PERFORMANCE IN INDONESIAN LISTED
COMPANIES**

DESI ILONA

**DOCTOR OF PHILOSOPHY
UNIVERSITI UTARA MALAYSIA
SEPTEMBER 2015**

**DIRECTORS' DIVERSITY, OWNERSHIP CONCENTRATION AND
COMPANY PERFORMANCE IN INDONESIAN LISTED COMPANIES**

**By
DESI ILONA**

**Thesis Submitted to
School of Accountancy,
Universiti Utara Malaysia,
In Fulfillment of the Requirement for the Degree of Doctor of Philosophy**



SCHOOL OF ACCOUNTANCY
COLLEGE OF BUSINESS
Universiti Utara Malaysia

PERAKUAN KERJA TESIS / DISERTASI
(Certification of thesis / dissertation)

Kami, yang bertandatangan, memperakukan bahawa
(We, the undersigned, certify that)

DESI ILONA

calon untuk ijazah **DOCTOR OF PHILOSOPHY**
(candidate for the degree of)

telah mengemukakan tesis / disertasi yang bertajuk:
(has presented his/her thesis / dissertation of the following title):

**DIRECTORS' DIVERSITY, OWNERSHIP CONCENTRATION AND COMPANY PERFORMANCE IN
INDONESIAN LISTED COMPANIES**

seperti yang tercatat di muka surat tajuk dan kulit tesis / disertasi.
(as it appears on the title page and front cover of the thesis / dissertation).

Bahawa tesis/disertasi tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan, sebagaimana yang ditunjukkan oleh calon dalam ujian lisan yang diadakan pada:
30 Mac 2015.

*(That the said thesis/dissertation is acceptable in form and content and displays a satisfactory knowledge of the field of study as demonstrated by the candidate through an oral examination held on:
30 March 2015).*

Pengerusi Viva : **Prof. Dr. Kamil Md. Idris**
(Chairman for Viva)

Tandatangan
(Signature)

Pemeriksa Luar : **Prof. Dr. Norman Mohd. Saleh**
(External Examiner)

Tandatangan
(Signature)

Pemeriksa Dalam : **Assoc. Prof. Dr. Hasnah Kamardin**
(Internal Examiner)

Tandatangan
(Signature)

Tarikh: **30 March 2015**
(Date)

Nama Pelajar
(Name of Student)

: **Desi Ilona**

Tajuk Tesis / Disertasi
(Title of the Thesis / Dissertation)

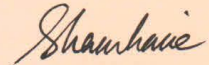
: **DIRECTORS' DIVERSITY, OWNERSHIP CONCENTRATION AND COMPANY
PERFORMANCE IN INDONESIAN LISTED COMPANY**

Program Pengajian
(Programme of Study)

: **Doctor of Philosophy**

Nama Penyelia/Penyelia-penyelia
(Name of Supervisor/Supervisors)


: **Assoc. Prof. Dr. Shamharir Abidin**



Tandatangan

Nama Penyelia/Penyelia-penyelia
(Name of Supervisor/Supervisors)

: **Assoc. Prof. Dr. Nurwati Ashikkin Ahmad Zaluki**



Tandatangan

PERMISSION TO USE

In presenting this thesis in partial fulfilment of the requirements for a postgraduate degree from Universiti Utara Malaysia (UUM), I agree that the University Library make a freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or, in their absence by the Dean, School of Accountancy. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Request for permission to copy or make other use of materials in this thesis, in whole or in part should be addressed to:

Dean School of Accountancy
Universiti Utara Malaysia
06010 UUM Sintok
Kedah DarulAman

ABSTRACT

This study investigates the relationship between directors' diversity, ownership concentration and company performance in Indonesian listed companies. It is argued that the diversity in terms of ethnicity, gender, nationality, experiences and qualification should be able to improve company performance. In addition, ownership concentration is viewed as one of the primary corporate governance mechanisms to minimize agency problems. Indonesia has been selected for the study because, unlike other ASEAN countries, its corporate governance is based on the adapted version of the Continental European's two-tier board system, which comprises of the Supervisory Board and the Board of Director. This study analyzed a number of 1981 company-year observations, which is drawn from the population of the Indonesian listed companies during the period of 2004-2010. With reference to the agency theory and the resources dependency theory, the present study finds that the Supervisory Board with diverse nationalities has a positive effect on accounting performance, while the Board of Directors with diverse nationalities has a positive effect on market performance. However, the Supervisory Board's gender diversity and the Board of Directors' ethnicity diversity are found to have negative effects, both on accounting and market performance. No evidence has been found to suggest the role of ownership concentration on company performance. The study also suggests that the implementation of the new revised Code of Corporate Governance does not significantly affect company performance. Based on the results of this study, it is recommended that the government should regulate the appointment and dismissal mechanism for the Supervisory Board, for instance, to include representatives selected by the employees. In addition, the authority should also limit the maximum number of multiple directorships by directors to ensure better performance.

Keywords: Supervisory Board, Board of Director, ownership concentration, company performance.

ABSTRAK

Kajian ini meneliti hubungan antara kepelbagaian pengarah, penumpuan pemilikan dengan prestasi syarikat yang tersenarai di Indonesia. Kajian ini menegaskan bahawa kepelbagaian dari segi etnik, jantina, bangsa, pengalaman dan kelayakan berupaya meningkatkan prestasi syarikat. Di samping itu, penumpuan pemilikan dilihat sebagai salah satu mekanisme utama tadbir urus korporat yang boleh mengurangkan masalah agensi. Indonesia telah dipilih untuk kajian ini kerana, tidak seperti negara ASEAN yang lain, tadbir urus korporat di Indonesia dilaksanakan berdasarkan versi sistem lembaga dua peringkat Benua Eropah yang telah disesuaikan. Sistem lembaga dua peringkat ini terdiri daripada Lembaga Penyeliaan dan Lembaga Pengarah. Kajian ini menganalisis pemerhatian tahun-anda daripada sejumlah 1981 buah syarikat yang diambil daripada populasi syarikat yang tersenarai di Indonesia bagi tempoh 2004-2010. Kajian ini yang merujuk teori agensi dan teori pergantungan sumber mendapati bahawa Lembaga Penyeliaan yang dianggotai oleh pelbagai bangsa mempunyai kesan yang positif terhadap prestasi berasaskan perakaunan, manakala Lembaga Pengarah yang terdiri daripada pelbagai bangsa mempunyai kesan yang positif terhadap prestasi berasaskan pasaran. Walau bagaimanapun, kepelbagaian jantina Lembaga Penyeliaan dan kepelbagaian etnik Lembaga Pengarah didapati mempunyai kesan yang negatif terhadap kedua-dua prestasi berasaskan perakaunan dan prestasi berasaskan pasaran. Tidak terdapat sebarang bukti yang memperlihatkan bahawa peranan penumpuan pemilikan mempengaruhi prestasi syarikat. Kajian juga menunjukkan pelaksanaan Kod Tadbir Urus Korporat yang baharu dan disemak semula tidak memberi kesan yang signifikan terhadap prestasi syarikat. Kajian mengesyorkan agar kerajaan mengawal selia mekanisme pelantikan dan pemecatan Lembaga Penyeliaan, sebagai contoh, dengan menyertakan wakil yang dipilih oleh pekerja. Selain itu, pihak berkuasa juga perlu menghadkan bilangan maksimum jawatan pengarah yang boleh disandang oleh para pengarah syarikat yang tersenarai bagi memastikan prestasi yang lebih baik.

Kata kunci: Lembaga Penyeliaan, Lembaga Pengarah, penumpuan pemilikan, prestasi syarikat.

ACKNOWLEDGEMENTS

THANKS TO ALLAH

The completion of this Thesis is a landmark on my journey of academic pursuit. I would like to express my heartfelt gratitude to all the people who have helped me thus far on this journey. First and foremost, I want to give thanks to my Thesis Examination Board: Prof. Dr. Kamil Md.Idris, as Chairman, Prof. Dr. Norman Saleh as External Examiner, Assoc. Prof. Dr. HasnahKamardin as Internal Examiner, and Ms. Faizulani Muhammad as Secretary. Thank you for agreeing to serve on my Thesis Examination Board and for your valuable feedbacks on my thesis.

I can never thank enough my Supervisors, Assoc. Prof. Dr. ShamharirAbidin and Assoc. Prof. Dr. NurwatiAshikkin Ahmad Zaluki, who always stood by me from the very beginning to the final completion of this work. The success of this work would have been impossible without your consistent support. I would like to express my special thanks to my family members. I want to thank my husband, Dr. ZaitulAbidin, for accompanying me through the ups and downs in the whole process and for taking care of our son during my busy hours. For my son, NadlifAfra, for his highly understanding of my status as student. I am also indebted to my late father and mother. I am profoundly grateful to my brothers and sisters for cultivating in me the desire for learning and the quality of persistence. Their unconditional love is my reservoir of strengths and happiness. Thank you.

I would say thanks to Government of West Sumatra Province for financially supporting my study, May God bless our country. Last but not the least, many thanks to my lecturers and best friends at UUM: Assoc. Prof. Dr. FaudziahHanimHj. Fadzil, Assoc. Prof. Dr. Syed SoffianSyed Ismail Aljeffri, Dr. HafizahAbd.Mutalib, HadiatiFitri, HendraYuharmain and others, for sharing with me their experiences, happiness and sadness.

TABLE OF CONTENTS

	Page No
TITLE PAGE.....	i
CERTIFICATION OF THESIS WORK.....	ii
PERMISSION TO USE.....	iv
ABSTRACT.....	v
ABSTRAK.....	vi
ACKNOWLEDGEMENT.....	vii
TABLE OF CONTENTS.....	viii
LIST OF TABLES.....	xviii
LIST OF FIGURES.....	xxi
LIST OF ABBREVIATIONS.....	xxii
CHAPTER	
ONE:INTRODUCTION.....	11.0
Background and Motivation of the Study.....	1
1.1 Problem Statement.....	4
1.2 Research Questions.....	12
1.3 Research Objectives.....	12
1.4 Significance of the Study.....	13
1.5 Scope of the Study.....	15

1.6	Organization of the Chapters.....	15
-----	-----------------------------------	----

**CHAPTER TWO:CORPORATE GOVERNANCE AND THE
INDONESIANBUSINESS ENVIRONMENT.....17**

2.0	Introduction.....	17
2.1	Corporate Governance Definition.....	17
2.2	Corporate Governance Systems.....	20
2.3	Corporate Governance Mechanisms.....	23
2.4	Indonesian Business Environment.....	26
2.5	Summary.....	33

**CHAPTER THREE:LITERATURE REVIEW AND
HYPOTHESESDEVELOPMENT.....
.....35**

3.0	Introduction.....	35
3.1	Theoretical Aspects of Corporate Governance.....	35
3.2	Prior Evidence of Directors’ Diversity and Company Performance.....	43
3.2.1	Ethnicity Diversity.....	47
3.2.2	Nationality Diversity.....	48
3.2.3	Gender Diversity.....	51
3.2.4	Experience Diversity.....	55
3.2.5	Qualification Diversity.....	58
3.2.6	Board Composition.....	60
3.2.7	Board Size.....	67
3.2.8	Multiple Directorships.....	70

3.3	Prior Evidence of Ownership Concentration and Company Performance.....	74
3.3.1	Director Shareholding.....	75
3.3.2	Family Ownership.....	79
3.3.3	Foreign Ownership.....	82
3.4	Hypotheses Development of Directors' Diversity and Company Performance.....	84
3.4.1	Ethnicity Diversity.....	87
3.4.2	Nationality Diversity.....	89
3.4.3	Gender Diversity.....	92
3.4.4	Experience Diversity.....	94
3.4.5	Qualification Diversity.....	97
3.4.6	Board Composition.....	99
3.4.7	Board Size.....	102
3.4.8	Multiple Directorships.....	106
3.5	Hypotheses Development of Ownership Concentration and Company Performance.....	108
3.5.1	Director Shareholding.....	109
3.5.2	Family Ownership.....	111
3.5.3	Foreign Ownership.....	113
3.6	Summary.....	115
	CHAPTER FOUR: RESEARCH METHODS.....	117
4.0	Introduction.....	117
4.1	Data Collection.....	117

4.1.1	Population and Sample Selection.....	118
4.2	Procedure on Collecting Sample.....	119
4.3	Variable Measurement of Company Performance.....	119
4.3.1	Accounting Based Performance.....	120
4.3.2	Market Based Performance.....	121
4.4	Variable Measurement of Directors' Diversity.....	122
4.4.1	Ethnicity Diversity.....	123
4.4.2	Nationality Diversity.....	124
4.4.3	Gender Diversity.....	125
4.4.4	Experience Diversity.....	125
4.4.5	Qualification Diversity.....	126
4.4.6	Board Composition.....	127
4.4.7	Board Size.....	127
4.4.8	Multiple Directorships.....	127
4.5	Variable Measurement of Ownership Concentration	128
4.5.1	Director Shareholding.....	128
4.5.2	Family Ownership.....	129
4.5.3	Foreign Ownership.....	129
4.6	Variable Measurement of Control Variables.....	130
4.6.1	Quality of External Auditor.....	130
4.6.2	Company Size.....	131
4.6.3	Company Age.....	131
4.6.4	Company Growth.....	132

4.6.5	Company Leverage.....	132
4.7	Model Specification and Analysis.....	133
4.7.1	Normality.....	136
4.7.2	Multicollinearity.....	136
4.7.3	Heteroscedasticity.....	137
4.8	Test for Hypotheses.....	137
4.9	Additional Test.....	138
4.10	Summary.....	139
 CHAPTER FIVE: RESULTS AND DISCUSSION.....		140
5.0	Introduction.....	140
5.1	Sample Classification.....	140
5.2	Descriptive Statistics.....	142
5.3	Preliminary Data Analysis.....	161
5.3.1	Outlier Test.....	161
5.3.2	Descriptive StatisticsafterRemedying Outliers.....	162
5.3.3	Results of Normality.....	167
5.3.4	Results ofMulticollinearity.....	169
5.3.5	Results of Heteroscedasticity.....	172
5.3.6	Results of HausmanTest.....	172
5.4	Results and Discussion Based on Return on Assets.....	173
5.4.1	Directors' Diversity.....	174
5.4.1.1	Ethnicity Diversity.....	176

5.4.1.2	Nationality Diversity.....	177
5.4.1.3	Gender Diversity.....	178
5.4.1.4	Experience Diversity.....	179
5.4.1.5	Qualification Diversity.....	179
5.4.1.6	Board Composition.....	180
5.4.1.7	Board Size.....	181
5.4.1.8	Multiple Directorships.....	182
5.4.2	Ownership Concentration.....	183
5.4.2.1	Director Shareholding.....	183
5.4.2.2	Family Ownership.....	184
5.4.2.3	Foreign Ownership.....	184
5.4.3	Control Variables.....	185
5.4.3.1	Quality of External Auditor.....	185
5.4.3.2	Company Size.....	186
5.4.3.3	Company Age.....	186
5.4.3.4	Company Growth.....	186
5.4.3.5	Company Leverage.....	187
5.5	Results and Discussion Based on Return on Sales.....	188
5.5.1	Directors' Diversity.....	188
5.5.1.1	Ethnicity Diversity.....	188
5.5.1.2	Nationality Diversity.....	190
5.5.1.3	Gender Diversity.....	190
5.5.1.4	Experience Diversity.....	191

5.5.1.5	Qualification Diversity.....	192
5.5.1.6	BoardComposition.....	192
5.5.1.7	Board Size.....	193
5.5.1.8	Multiple Directorships.....	194
5.5.2	Ownership Concentration.....	195
5.5.2.1	Director Shareholding.....	195
5.5.2.2	Family Ownership.....	195
5.5.2.3	Foreign Ownership.....	196
5.5.3	Control Variables.....	196
5.5.3.1	Quality of External Auditor.....	196
5.5.3.2	Company Size.....	197
5.5.3.3	Company Age.....	197
5.5.3.4	Company Growth.....	197
5.5.3.5	Company Leverage.....	198
5.6	Results and Discussion Based on Tobin’s Q.....	198
5.6.1	Directors’ Diversity.....	200
5.6.1.1	Ethnicity Diversity.....	200
5.6.1.2	Nationality Diversity.....	201
5.6.1.3	Gender Diversity.....	202
5.6.1.4	Experience Diversity.....	203
5.6.1.5	Qualification Diversity.....	203
5.6.1.6	Board Composition.....	204
5.6.1.7	BoardSize.....	204

5.6.1.8	Multiple Directorships.....	205
5.6.2	Ownership Concentration.....	205
5.6.2.1	Director Shareholding.....	206
5.6.2.2	Family Ownership.....	206
5.6.2.3	Foreign Ownership.....	207
5.6.3	Control Variables.....	208
5.6.3.1	Quality of External Auditor.....	208
5.6.3.2	Company Size.....	208
5.6.3.3	Company Age.....	209
5.6.3.4	Company Growth.....	209
5.6.3.5	Company Leverage.....	210
5.7	Results and Discussion Based on Stock Returns.....	211
5.7.1	Directors' Diversity.....	211
5.7.1.1	Ethnicity Diversity.....	211
5.7.1.2	Nationality Diversity.....	213
5.7.1.3	Gender Diversity.....	214
5.7.1.4	Experience Diversity.....	214
5.7.1.5	Qualification Diversity.....	215
5.7.1.6	Board Composition.....	215
5.7.1.7	Board Size.....	216
5.7.1.8	Multiple Directorships.....	216
5.7.2	Ownership Concentration.....	217

5.7.2.1	Director Shareholding.....	217
5.7.2.2	Family Ownership.....	218
5.7.2.3	Foreign Ownership.....	218
5.7.3	Control Variables.....	219
5.7.3.1	Quality of External Auditor.....	219
5.7.3.2	Company Size.....	220
5.7.3.3	Company Age.....	220
5.7.3.4	Company Growth.....	220
5.7.3.5	Company Leverage.....	220
5.8	Additional Test.....	221
5.8.1	Results and Discussion Based on Return on Assets.....	222
5.8.1.1	Directors' Diversity.....	222
5.8.1.2	Ownership Concentration.....	224
5.8.1.3	Control Variables.....	225
5.8.2	Results and Discussion Based on Return on Sales.....	225
5.8.2.1	Directors' Diversity.....	227
5.8.2.2	Ownership Concentration.....	229
5.8.2.3	Control Variables.....	229
5.8.3	Results and Discussion Based on Tobin's Q.....	230
5.8.3.1	Directors' Diversity.....	230
5.8.3.2	Ownership Concentration.....	234
5.8.3.3	Control Variables.....	235
5.8.4	Results and Discussion Based on Stock Returns.....	236

5.8.4.1	Directors' Diversity.....	236
5.8.4.2	Ownership Concentration.....	239
5.8.4.3	Control Variables.....	239
5.9	Summary.....	240
CHAPTER SIX: CONCLUSION AND RECOMMENDATION.....		247
6.0	Introduction.....	247
6.1	Summary.....	247
6.2	Implication of the Study.....	251
6.2.1	Policy Implications.....	251
6.2.2	Theoretical Implications.....	253
6.3	Limitations and Suggestions for Future Research.....	255
6.3.1	Limitations.....	255
6.3.2	Suggestions for Future Research.....	255
REFERENCES.....		257
EXHIBITS.....		297

LIST OF TABLES

Table		Page
Table 2.1	Summary of Prior Studies in the Anglo-Saxon System.....	25
Table 2.2	Summary of Prior Studies in Continental European System.....	27
Table 2.3	Quality of Corporate Governance.....	31
Table 2.4	Corruption Index.....	32
Table 3.1	Summary of Prior Studies on the Directors' Diversity and Company Performance.....	46
Table 3.2	Summary of Prior Studies on the Director Characteristics and Company Performance.....	61
Table 3.3	Summary of Prior Studies on Ownership Concentration and Company Performance.....	76
Table 4.1	The Number of Companies Listed on the IDX for the Years 2004-2010.....	119
Table 4.2	Operationalisation of Company Performance.....	122
Table 4.3	Operationalisation of Directors' Diversity.....	128
Table 4.4	Operationalisation of Ownership Concentration.....	129
Table 4.5	Operationalisation of Control Variables.....	132
Table 5.1	Number of Samples by Industry Classification.....	141
Table 5.2	Descriptive Statistics before Detecting Outliers for 2004- 2010.....	143
Table 5.3	Distribution Sample in Term of Performance Indicators.....	145
Table 5.4	Distribution of Board in Terms of Ethnic Diversity.....	146
Table 5.5	Distribution of Board in Terms of Nationality Diversity.....	147

Table 5.6	Distribution of Board in Terms of Gender Diversity.....	148
Table 5.7	Distribution of Board in Terms of Experience Diversity.....	149
Table 5.8	Distribution of Board in Terms of Qualification Diversity.....	151
Table 5.9	Distribution of Sample in Terms of Board Composition.....	152
Table 5.10	Distribution of Sample in Terms of Board Size.....	153
Table 5.11	Distribution of Board in Terms of Multiple Directorships.....	155
Table 5.12	Distribution of Share Based on the Ownership Concentration...	157
Table 5.13	Distribution of Sample Based on Control Variables.....	159
Table 5.14	Descriptive Statistics after Remedying Outliers for 2004- 2010.....	163
Table 5.15	The Results of t-test for Supervisory Board and Board of Director.....	167
Table 5.16	Normality and Transformation.....	168
Table 5.17	Pearson's Correlation.....	170
Table 5.18	Variations Inflation Factors.....	171
Table 5.19	White General Heteroscedasticity Test.....	172
Table 5.20	Hausman Test.....	173
Table 5.21	Empirical Findings of Panel Data Regression for ROA.....	175
Table 5.22	Empirical Findings of Panel Data Regression for ROS.....	189
Table 5.23	Empirical Findings of Panel Data Regression for Tobin's Q.....	199
Table 5.24	Empirical Findings of Panel Data Regression for Stock Returns.....	212
Table 5.25	Empirical Findings of Panel Data Regression for ROA.....	223
Table 5.26	Empirical Findings of Panel Data Regression for ROS.....	226
Table 5.27	Empirical Findings of Panel Data Regression for Tobin's Q.....	231

Table 5.28	Empirical Findings of Panel Data Regression for Stock Returns.....	237
Table 5.29	Summary of Regression Results for Accounting Performance.....	241
Table 5.30	Summary of Regression Results for Market Performance.....	242
Table 5.31	Summary of Results for Accounting Performance (Old and Revised Periods).....	244
Table 5.32	Summary of Results for Market Performance (Old and Revised Periods).....	245

LIST OF FIGURES

Table		Page
Figure 2.1	Two-Tier Board System Adopted in Indonesia.....	29
Figure 2.2	Two-Tier Board System Adopted in Continental European Countries.....	29
Figure 2.3	Indonesia Stock Exchange Composite Index and Trading Value.....	33
Figure 3.1	Research Framework of Directors' Diversity, Ownership Concentration and Company Performance.....	116

LIST OF ABBREVIATIONS

ADB	Asian Development Bank
CA	Company Age
CEO	Chief Executive Officers
CG	Company Growth
CL	Company Leverage
CS	Company Size
DE	Board of Director Ethnicity Diversity
DExp	Board of Director Experience Diversity
DG	Board of Director Gender Diversity
DN	Board of Director Nationality Diversity
DS	Supervisory and Board of Director Shareholding
DQ	Board of Director Qualification Diversity
DZ	Board of Director Size
FOP	Family Ownership
FrO	Foreign Ownership
IDX	Indonesian Stock Exchange
KLSE	Kuala Lumpur Stock Exchange
MD	Multiple Directorships of Board of Director
MS	Multiple Directorships of Supervisory Board
NACD	National Association of Corporate Directors Guidelines

NCCG	National Committee on Corporate Governance
NCG	National Committee on Governance
NEDs	Non-Executive Directors
OECD	Organization for Economic Cooperation and Development
OJK	Indonesia Authority for Financial Services
QA	Quality of External Auditor
ROA	Return on Assets
ROS	Return on Sales
SC	Supervisory Board Composition
SE	Supervisory Board Ethnicity Diversity
SExp	Supervisory Board Experience Diversity
SG	Supervisory Board Gender Diversity
SN	Supervisory Board Nationality Diversity
SQ	Supervisory Board Qualification Diversity
Srt	Stock Returns
SZ	Supervisory Board Size
TMT	Top Management Team
TQ	Tobin's Q

CHAPTER ONE

INTRODUCTION

1.0 Background and Motivation of the Study

Corporate governance relates to a system in which the Board of Directors governs the companies based on shareholders' interest (Pass, 2006). The Organization for Economic Cooperation and Development (OECD, 1999) asserts that corporate governance as "a system of how company is monitored and controlled to enhance company performance". The term of corporate governance has been discussed for a long time (e.g., Berle & Means, 1932) and until now, the topic of corporate governance is still in debated (Nyamongo & Temesgen, 2013). Despite the attention, many business scandals have still occurred all over the world. Examples of corporate failure include the US Corporate Scandal (e.g., Penn Central in the 1970s and Enron in 2001), UK (e.g., Polly Peck in 1990/91), Asian Financial Crisis in 1997/98, and Perwaja (Malaysia). In Indonesia, the cases of failure include Kimia Farma Co. 2001/02 and Century Bank (2008). Further, the Wall Street crash in 2008 also impacted most companies and economies around the world. Lack of corporate governance system was one of the causes, blamed for those scandals and economic crises, especially in the developing countries (Lukviarman, 2004; Haniffa & Hudaib, 2006; and Darmadi, 2013).

Corporate governance agencies in many countries have responded to the failures by enhancing rules, regulation, laws and code of conduct. Indonesia, for instance, has published the Code of Corporate Governance (the Code) in 2001 and its revision in 2006.

The contents of
the thesis is for
internal user
only

REFERENCES

- Abdul Rahman, R., & Mohamed Ali, F. H. (2006). Board, Audit Committee, Culture and Earnings Management: Malaysian Evidence. *Managerial Auditing Journal*, 21(7), 783-804.
- Abidin, S., Ahmad-Zaluki, N. A., & Ilona, D. (2011). Board Quality and the Performance of Indonesian Listed Companies. *Corporate Board: Role, Duties & Composition*, 7(1), 57-65.
- Achleitner, Ann-Kristin., Betzer, A., Goergen, M., & Hinterramskogler, B. (2013). Private Equity Acquisitions of Continental European Firms: the Impact of Ownership and Control on the Likelihood of Being Taken Private. *European Financial Management*, 19(1), 72-107.
- Achmad, T., Rusmin, Neilson, J., Tower, G. (2009). The Iniquitous Influence of Family Ownership Structures on Corporate Performance. *Journal of Global Business Issues*, 3(1), 41-48.
- Adams, R. B., & Ferreira, D. (2009). Women in the Boardroom and Their Impact on Governance and Performance. *Journal of Financial Economics*, 94, 291-309.
- Adjoud, F., Zeghal, D., & Andaleeb, S. (2007). The Effect of Board's Quality on Performance: a Study of Canadian Firms. *Corporate Governance: An International Review*, 15(4), 623-635.
- Aguilera, R. V. & Cuervo-Cazurra, A. (2009). Codes of Good Governance. *Corporate Governance: An International Review*, 17(3), 376-387.

- Aguilera, V. R. & Cuervo-Cazurra, A. (2004) Codes of Good Governance Worldwide: What is the Trigger? *Organization Studies*, 25: 415–43.
- Agrawal, A., & Knoeber, C. R. (2001). Do Some Outside Directors Play a Political Role? *Journal of Law and Economics*, 44(1), 179-198.
- Ahmad-Zaluki, N. A. (2012). The Pre- and Post-IPOs Gender Composition of Board of Directors in Malaysia. *Gender in Management: An International Journal*, 27(7), 449-462.
- Ahmad-Zaluki, N. A. & Wan-Hussin, W. N. (2010). Corporate Governance and Earnings Forecasts Accuracy. *Asian Review of Accounting*, 18(1), 50-67.
- Ahn, S., Jiraporn, P., & Kim, Y. S. (2010). Multiple Directorships and Acquirer Returns. *Journal of Banking & Finance*, 34, 2011-2026.
- Akhtaruddin, M., & Haron, H. (2010). Board Ownership, Audit Committees' Effectiveness, and Corporate Voluntary Disclosures. *Asian Review of Accounting*, 18(3), 245-259.
- Alavi, A., Pham, P. K., & Pham, T. M. (2008). Pre-IPO Ownership Structure and its Impact on the IPO Process. *Journal of Banking & Finance*, 32, 2361-2375.
- Allen, R. S., Dawson, G., Wheatley, K., & White, C. S. (2008). Perceived Diversity and Organizational Performance. *Employee Relations*, 30(1), 20-33.
- Aman, H., & Nguyen, P. (2008). Do Stock Prices Reflect the Corporate Governance Quality of Japanese Firms? *Journal of Japanese International Economies*, 22, 647-662.

- Ameer, R., Ramli, F., & Zakaria, H. (2010). A New Perspective on Board Composition and Firm Performance in an Emerging Market. *Corporate Governance*, 10(5), 647-661.
- Amran, N. A., & Ahmad, A. C. (2009). Family Business, Board Dynamics and Firm Value: Evidence from Malaysia. *Journal of Financial Reporting & Accounting*, 7(1), 53-74.
- Ancona, D. G., & Caldwell, D. F. (1992). Demography and Design: Predictors of New Product Team Performance. *Organization Science*, 3(3), 321-341.
- Anderson, R. C., Reeb, D. M., Upadhyay, A., & Zhao, W. (2011). The Economics of Director Heterogeneity. *Financial Management*, 5-38.
- Andres, C. (2008). Large Shareholders and Firm Performance-an Empirical Examination of Founding-Family Ownership. *Journal of Corporate Finance*, 14, 431-445.
- Arfken, D. E., Bellar, S. L., & Helms, M. M. (2004). The Ultimate Glass Ceiling Revisited: The Presence of Women on Corporate Boards. *Journal of Business Ethics*, 50, 177-186.
- Arosa, B., Iturralde, T., & Maseda, A. (2010). Ownership Structure and Firm Performance in Non-listed Firms: Evidence from Spain. *Journal of Family Business Strategy*. 1, 88-96.
- Asian Development Bank/A.D.B. (2000). Corporate Governance and Finance in East Asia: a Study of Indonesia, Republic of Korea, Malaysia, Philippines, and Thailand. *Asian Development Institute*.

- Asian Development /ADB (2004) Corporate Governance in Asia: Recent Evidence from Indonesia, Republic of Korea, Malaysia, and Thailand. *Asian Development Bank Institute*.
- Bae, Kee-Honh, Kim, Seung-Bo & Kim, W. (2012). Family Control and Expropriation at Not-for-Profit Organizations: Evidence from Korean Private Universities. *Corporate Governance: An International Review*, 20(4), 388-404.
- Balatbat, M. C. A., Taylor, S. L., & Walter, T. S. (2004). Corporate Governance, Insider Ownership and Operating Performance of Australian Initial Public Offerings. *Accounting and Finance*, 44, 299-328.
- Baltagi, B. H. (2005). *Econometric Analysis of Panel Data*, 3rd edition, England: John Wiley & Sons Ltd.
- Barnett, V. and Lewis, T. (1994). *Outlier in Statistical Data*, 3rd edition, New York: Wiley.
- Barzegar, B. & Babu, K. N. (2008). The Effects of Ownership Structure on Firm Performance: Evidence from Iran. *ICFAI Journal of Applied Finance*, 14(3), 43-55.
- Basu, S., Hwang, Lee-Seok, Mitsudome, T., & Weintrop, J. (2007). Corporate Governance, Top Executive Compensation and Firm Performance in Japan. *Pacific-Basin Finance Journal*, 15, 56-79.
- Bauguess, S. W., Moeller, S. B., Schlingemann, F. P., & Zutter, C. J. (2009). Ownership Structure and Target Returns. *Journal of Corporate Finance*, 15, 48-65.
- Barnhart, S. W., Marr W. & Rosenstein S. (1994). Firm Performance and Board Composition: Some New Evidence. *Managerial and Decision Economics*, 15, 329-340.

- Baysinger, B. D. & Butler, H. N. (1985). Corporate Governance and the Board of Directors: Performance Effects of Changes in Board Composition. *Journal of Law, Economics, & Organization*, 1(1), 101-124.
- Bear, S., Rahman, N., & Post, C. (2010). The Impact of Board Diversity and Gender Composition on Corporate Social Responsibility and Firm Reputation, *Journal of Business Ethics*, 97, 207-221.
- Beasley, M. S. (1996). An Empirical Analysis of the Relation between the Board of Director Composition and Financial Statement Fraud. *Accounting Review*, 71(4), 443-465.
- Bekaert, G. & Harvey, C. R. (2000). Foreign Speculators and Emerging Equity Markets, *Journal of Finance*, 55, 565-613.
- Benfratello, L. & Sembenelli, A. (2002). Foreign Ownership and Productivity: is the Direction of Causality so Obvious? *Working Paper*.
- Bennedsen, M., Kongsted, H. C., & Nielsen, K. M. (2008). The Causal Effect of Board Size in the Performance of Small and Medium-Sized Firms. *Journal of Banking & Finance*, 32, 1098-1109.
- Benson, B. W., & Davidson III, W. N. (2009). Re-examining the Managerial Ownership Effect on Firm Value. *Journal of Corporate Finance*, 15, 573-586.
- Berger, P. G., Ofek, E., & Yermack, D. L. (1997). Managerial Entrenchment and Capital Structure Decisions. *The Journal of Finance*, 52(4), 1411-1438.
- Berle, A. A. & Means, G. C. (1932). *The Modern Corporation and Private Property*. New York: Macmillan Publishing Co.

- Bertrand, M., Mehta, P., & Mullainathan, S. (2002). Ferreting Out Tunneling: an Application to Indian Business Groups. *Quarterly Journal of Economics*, 117, 121-148.
- Birley, S. (1985). The Role of Networks in the Entrepreneurial Process. *Journal of Business Venturing*, 1, 107-118.
- Blau, P. M. (1977). *Inequality and Heterogeneity*. The Free Press, New York.
- Booth, J. R. & Deli, D. N. (1996). Factors Affecting the Number of Outside Directorships Held by CEOs. *Journal of Financial Economics*, 40, 81-104.
- Borokhovich, K. A., Brunarski, K. R., Donahue, M. S., & Harman, Y. S. (2006). The Important of Board Quality in the Event of a CEO Death. *Financial Review*, 41, 307-337.
- Boyle, G., & Ji, X. (2013). New Zealand Corporate Boards in Transition Composition, Activity and Incentives between 1995 and 2010. *Pacific Accounting Review*, 25(3), 236-258.
- Bozec, R. (2005). Boards of Directors, Market Discipline and Firm Performance. *Journal of Business Finance & Accounting*, 32(9) & (10), 1921-1960.
- Burke, R. J. (1997). Women on Corporate Boards of Directors: a Needed Resources. *Journal of Business Ethics*, 16, 909-915.
- Byrd, J., Parrino, R., & Pritsch, G. (1998). Stockholder-Manager Conflicts and Firm Value. *Financial Analysts Journal*, 54(3), 14-30.
- Cadbury Committee (1992). Report of the Committee on the Financial Aspects of Corporate Governance (Gee, London).

- Caligiuri, P., Lazarova, M., & Zehetbauer, S. (2004). Top Managers' National Diversity and Boundary Spanning; Attitudinal Indicators of a Firm's Internationalization, *Journal of Management Development*, 23(9), 848-859.
- Campbell, K. & Minguez-Vera, A. (2008). Gender Diversity in the Boardroom and Firm Financial Performance. *Journal of Business Ethics*, 83, 435-451.
- Carati, G & Rad, A. T. (2000). Convergence of Corporate Governance Systems. *Managerial Finance*, 26(10), 66-83.
- Carpenter, M. A., Sanders, W. G. & Gregersen, H. B. (2001). Bundling Human Capital with Organizational Context: the Impact of International Assignment Experience on Multinational Firm Performance and CEO Pay. *Academy of Management Journal*, 44(3), 493-511.
- Carpenter, M. A., & Westphal, J. D. (2001). The Strategic Context of External Network Ties: Examining the Impact of Director Appointments on Board Involvement in Strategic Decision Making. *Academy of Management Journal*, 44, 749-462.
- Carter, D. A., D'Souza, F., Simkins, B. J., & Simpson, W. G. (2010). The Gender and Ethnic Diversity of US Boards and Board Committees and Firm Financial Performance. *Corporate Governance: An International Review*, 18(5), 396-414.
- Carter, D. A., Simkins, B. J., Simpson, W. G. (2003). Corporate Governance, Board Diversity, and Firm Value. *Financial Review*, 38, 33-53.
- Carter, E., Kepner, E., Shaw, M., & Woodson, W. B. (1982). The Effective Management of Diversity. Society for the Advancement of Management. *Advanced Management Journal*, 47, 49-53.

- Certo, T. S. (2003). Influencing Initial Public Offering Investor with Prestige: Signaling with Board Structures. *Academy of Management Review*, 28(3), 432-446.
- Chan, R. Y. K., Cheng, L. T. W., & Leung, T. Y. (2011). Corporate Performance Implications of Relational Demographic Differences: On Age and Titles of Chairpersons versus General Managers of Listed Chinese Companies. *British Journal of Management*, 22, 96-113.
- Chancharat, N., Krishnamurti, C., & Tian, G. (2012). Board Structure and Survival of New Economy IPO Firms. *Corporate Governance: An International Review*, 20(2), 144-163.
- Chang, J. J., & Shin, Hyuan-Han (2007). Family Ownership and Performance in Korean Conglomerates. *Pacific-Basin Finance Journal*, 15, 329-352.
- Chao, M. C-H. & Kumar, V. (2010). The Impact of Institutional Distance on International Diversity-Performance Relationship. *Journal of World Business*, 45, 93-103.
- Chen, En-Te & Nowland, J. (2010). Optimal Board Monitoring in Family-owned Companies: Evidence from Asia. *Corporate Governance: An International Review*, 18(1), 3-17.
- Chen, Z., Cheung, Yan-Leung, Stouraitis, A., & Wong, A. W. S. (2005). Ownership Concentration, Firm Performance, and Dividend Policy in Hong Kong. *Pacific-Basin Finance Journal*, 13, 431-449.
- Cheng, L. T. W., Chan, R. Y. K., & Leung, T. Y. (2010). Management Demography and Corporate Performance: Evidence from China. *International Business Review*, 19(3), 261-275.

- Cheng, S. (2008). Board Size and the Variability of Corporate Performance. *Journal of Financial Economics*, 87, 157-176.
- Cheung, Yan-Leung, Connelly, J. T., Jiang, P., & Limpaphayom, P. (2011). Does Corporate Governance Predict Future Performance? Evidence from Hong Kong. *Financial Management*, 159-197.
- Chhibber, P. K., & Majumdar, S. K. (1999). Foreign Ownership and Profitability: Property Rights, Control, and the Performance of Firms in India Industry. *Journal of Law and Economics*, 42(1), 209-238.
- Chhibber, P. K. & Majumdar, S. K. (2005). Property Rights and the Control of Strategy: Foreign Ownership Rules and Domestic Firm Globalization in Indian Industry. *Law & Policy*, 27(1), 52-80.
- Chiang, Hsiang-Tsai, & He, Li-Jen (2010). Board Supervision Capability and Information Transparency. *Corporate Governance: An International Review*, 18(1), 18-31.
- Chiang, M-H. & Lin, J-H. (2007). The Relationship between Corporate Governance and Firm Productivity: Evidence from Taiwan's Manufacturing Firms. *Corporate Governance: An International Review*, 15(5), 768-779.
- Chitnomrath, T., Evans, R., & Christopher, T. (2011). Corporate Governance and Post-Bankruptcy Reorganisation Performance Evidence from Thailand. *Asian Review of Accounting*, 19(1), 50-67.
- Choi, H. M., Sul, W., & Min S. K. (2012). Foreign Board membership and Firm Value in Korea. *Management Decision*, 50(2), 207-233.

- Choi, J. J., Park, S. W., & Yoo, S. S. (2007). The Value of Outside Directors: Evidence from Corporate Governance Reform in Korea. *Journal of Financial and Quantitative Analysis*, 42(4), 941-962.
- Choi, S. B., Park, B. II., & Hong, P. (2012). Does Ownership Structure matter for Firm Technological Innovation Performance? The Case of Korean Firms. *Corporate Governance; an International Review*, 20(3), 267-288.
- Chou, Te-Kuang. (2013). Effects of Insider Shareholding on Corporate Governance in Emerging Markets: Evidence from Taiwan. *Global Journal of Business Research*, 7(3), 47-58.
- Chuanrommanee, W. & Swierczek, F. W. (2007). Corporate Governance in ASEAN Financial Corporations: Reality or Illusion? *Corporate Governance: An International Review*, 15(2), 272-283.
- Citak, L. (2007). The Impact of Ownership Structure on Company Performance; A Panel Data Analysis on Istanbul Stock Exchange Listed (ISE-100) Companies. *International Research Journal of Finance and Economics*, 9, 231-245.
- Claessens, S., Djankov, S., & Lang, L. H. P. (2000). East Asian Corporations Heroes or Villains? *World Bank Discussion Paper*, 409, 1-44.
- Coffey, B. S. & Wang, J. (1998). Board Diversity and Managerial Control as Predictors of Corporate Social Performance. *Journal of Business Ethics*, 17, 1595-1603.
- Cole, M. A., Elliott, R. J. R., & Strobl, E. (2008). The Environmental Performance of Firms: The Role of Foreign Ownership, Training, and Experience. *Ecological Economics*, 65, 538-546.

- Colpan, A. M. & Yoshikawa, T. (2012). Performance Sensitivity of Executive Pay: The Role of Foreign Investors and Affiliated Directors in Japan. *Corporate Governance: An International Review*, 20(6), 547-561.
- Cooper, E., & Uzun, H. (2012). Directors with a Full Plate: the Impact of Busy Directors on Bank Risk. *Managerial Finance*, 38(6), 571-586.
- Core, J. E., Holthausen, R. W., & Larcker, D. F. (1999). Corporate Governance, CEO Compensation, and Firm Performance. *Journal of Financial Economics*, 51, 371-406.
- Cox, T. H., Lobel, S. A., & McLEOD, P. L. (1991). Effect of Ethnic Group Cultural Differences on Cooperative and Competitive Behavior on a Group Task. *Academy of Management Journal*, 34(4), 827-847.
- Cui, H. & Mak, Y. T. (2002). The Relationship between Managerial Ownership and Firm Performance in High R&D Firms. *Journal of Corporate Finance*, 8, 313-336.
- Craswell, A. T., Taylor, S. L., & Saywell, R. A. (1997). Ownership Structure and Corporate Performance: Australian Evidence. *Pacific-Basin Finance Journal*, 5, 301-323.
- Dahya, H., Lonie, A. A., & Power, D.M. (1996). The Case for Separating the Roles of Chairman and CEO: An Analysis of Stock Market and Accounting Data. *Corporate Governance: An International Review*, 308-321.
- Daily, C. M., Certo, S. T., & Dalton, D. R. (2000). International Experience in the Executive Suite: the Path to Prosperity? *Strategic Management Journal*, 21, 515-523.
- Daily, C. & Dalton, D. (1994). Bankruptcy and Corporate Governance: the Impact of Board Composition and Structure. *Academy of Management Journal*, 37, 1603-1617.

- Daily, C. M., Dalton, D. R., & Cannella, Jr. A. A. (2003). Corporate Governance: Decades of Dialogue and Data. *Academy of Management Review*, 28(3), 371-382.
- Dalton, D. R., Daily, C. M., Johnson, J. L. & Ellstrand, A. E. (1999). Number of Directors and Financial Performance: A Meta-Analysis. *Academy of Management Journal*, 42(6), 674-686.
- Darmadi, S. (2011). Board Compensation, Corporate Governance, and Firm Performance in Indonesia. Available at SSRN: <http://ssrn.com/abstract=1907103> or <http://dx.doi.org/10.2139/ssrn.1907103>. accessed 10 February 2013.
- Darmadi, S. (2013). Board Members' Education and Firm Performance: Evidence from a Developing Economy. *International Journal of Commerce and Management*, 23(2), 113-135.
- Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a Stewardship Theory of Management. *Academy of Management Review*, 22(1), 20-47.
- De Andres, P., & Vallelado, E. (2008). Corporate Governance in Banking: The Role of the Board of Directors. *Journal of Banking & Finance*, 32, 2570-2580.
- De Angelo, L. E. (1981). Auditor Independence, "Low Balling" and Disclosure Regulation. *Journal of Accounting and Economics*, 3(2), 113-127.
- De Jager, P. (2008). Panel Data Techniques and Accounting Research. *Meditari Accountancy Research*, 16(2), 53-68.
- Dehaene, A., Vuyst, V. D., & Ooghe, H. (2001). Corporate Performance and Board Structure in Belgian Companies. *Long Range Planning*, 34, 383-398.
- Demsetz, H. & Lehn, K. (1985). The Structure of Corporate Ownership: Cause and Consequences. *Journal of Political Economy*, 93(6), 1155-1177.

- Demsetz, H. & Villalonga, B. (2001). Ownership Structure and Corporate Performance. *Journal of Corporate Finance*, 7, 209-233.
- Denis, D. K. (2001). Twenty-Five Years of Corporate Governance Research and Counting. *Review of Financial Economics*, 10, 191-212.
- Denis, D. K. & McConnell, J. J. (2003). International Corporate Governance. *Journal of Financial and Quantitative Analysis*, 38(1), 1-36.
- Dey, D. K., & Chauhan, Y. K. (2008). Board Composition and Performance in India Firms: A Comparison. *The Icfai University Journal of Corporate Governance*, 8(2), 7-19.
- Dharwadkar, R., George, G., & Brandes, P. (2000). Privatization in Emerging Economies: An Agency Perspective. *Academy of Management Review*, 25(3), 650-669.
- DiMaggio, P. & Powell, W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48(2), 147-160.
- Douma, S., George, R. & Kabir, R. (2006). Foreign and Domestic Ownership, Business Groups, and Firm Performance: Evidence from a Large Emerging Market. *Strategic Management Journal*, 27, 637-657.
- Downen, R. J. (1995). Board of Director Quality and Firm Performance. *International Journal of the Economics of Business*, 2(1), 123-132.
- Dulewicz, V. & Herbert, P. (2004). Does the Composition and Practice of Boards of Directors Bear any Relationship to the Performance of their Companies? *Corporate Governance*, 12(3), 263-280.

- Diaz-Fernandez, M. C., & Gonzalez-Rodriguez, M. R. (2014). Top Management Demographic Characteristics and Company Performance. *Industrial Management & Data Systems*, 114(3), 365-386.
- Dwyer, S., Richard, O. C., & Chadwick, K. (2003). Gender Diversity in Management and Firm Performance: the Influence of Growth Orientation and Organizational Culture. *Journal of Business Research*, 56, 1009-1019.
- Efferin, S. & Hopper, T. (2007). Management Control, Culture and Ethnicity in Chinese Indonesian Company. *Accounting, Organizations and Society*, 32, 223-262.
- Eisenberg, T., Sundgren, S., & Wells, M. T. (1998). Larger Board Size and Decreasing Firm Value in Small Firms. *Journal of Financial Economics*, 48, 35-54.
- Erhardt, N. L., Werbel, J. D. & Shrader, C. B. (2003). Board of Director Diversity and Firm Financial Performance. *Corporate Governance: An International Review*, 11(2), 102-111.
- Erickson, J., Park, Y.W., Reising, J., & Shin, H. H. (2005). Board Composition and Firm Value under Concentrated Ownership: the Canadian Evidence. *Pacific-Basin Finance Journal*, 13, 387-410.
- Evans, W. R. & Carson, C. M. (2005). A Social Capital Explanation of the Relationship between Functional Diversity and Group Performance. *Team Performance Management*, 11, 7/8, 302-315.
- Faccio, M. & Lang, L. H. P. (2002). The Ultimate Ownership of Western European Corporations. *Journal of Finance Economics*, 65, 365-395.
- Faccio, M. & Lang, L. H. P. & Young, L. (2001). Dividends and Expropriation. *American Economic Review*, 91, 54-78.

- Fama, E. F. (1980). Agency Problems and the Theory of the Firm. *Journal of Political Economy*, 88(2), 288-307.
- Fama, E. F. & Jensen, M. C. (1983b). Agency Problem and Residual Claims. *Journal of Law and Economics*, 26(2), 327-349.
- Fama, E. F. & Jensen, M. C. (1983a). Separation of Ownership and Control. *Journal of Law and Economics*, 26(2), 301-325.
- Farrell, K. A., & Hersch, P. L. (2005). Addition to Corporate Boards: the Effect of Gender. *Journal of Corporate Finance*, 11, 85-106.
- Farrer, J., & Ramsay, I. M. (1998). Director Share Ownership and Corporate Performance: Evidence from Australia. *Corporate Governance*, 6(4), 233-248.
- Fernandes, N. (2008). EC: Board Compensation and Firm Performance: The Role of Independent Board Members. *Journal of Multinational Financial Management*, 18, 30-44.
- Ferris, S. P., Jagannathan, M. & Pritchard, A. C. (2003). Too Busy to Mind the Business? Monitoring by Directors with Multiple Board Appointments. *Journal of Finance*, 58(3), 1087-1111.
- Fich, E. M. & Shivdasani, A. (2006). Are Busy Boards Effective Monitors? *Journal of Finance*, 61(2), 689-724.
- Florackis, C., Kostakis, A., & Ozkan, A. (2009). Managerial Ownership and Performance. *Journal of Business Research*, 62, 1350-1357.
- Foong, Soon-Yau., & Idris, R. (2012). Leverage, Product Diversity and Performance of General Insurers in Malaysia. *The Journal of Risk Finance*, 13(4), 347-361.

- Franks, J. and Mayer, C. (2001). Ownership and Control of German Corporations. *Review of Financial Studies*, 14(4), 943-977.
- Frooman, J. (1999). Stakeholder Influence Strategies. *Academy of Management Review*, 24(2), 191-205.
- Gani, L., & Jermias, J. (2006). Investigating the Effect of Board Independence on Performance across Different Strategies. *International Journal of Accounting*, 41, 295-314.
- Ghahroudi, M. R. (2011). Ownership Advantages and Firm Factors Influencing Performance of Foreign Affiliates in Japan. *International Journal of Business and Management*, 6(11), 119-137.
- Gill, M. S., Vijay, T S., & Jha, S. (2009). Corporate Governance Mechanisms and Firm Performance: A Survey of Literature. *ICFAI University Journal of Corporate Governance*, 8(1), 7-21.
- Goodstein, J., Gautam, K. & Boeker, W. (1994). The Effects of Board Size and Diversity on Strategic Change. *Strategic Management Journal*, 15, 241-250.
- Greene, W. H. (2003). *Econometric Analysis* 5th edition. New Jersey: Prentice Hall International.
- Grove, H., Patelli, L., Victoravich, L. M. & Xu, P. (Tracy). (2011). Corporate Governance and Performance in the Wake of the Financial Crisis: Evidence from US Commercial Banks. *Corporate Governance; An International Review*, 19(5), 418-436.
- Gujarati, D.N. (1995). *Basic Econometrics*, McGraw-Hill Inc.
- Gujarati, D. N. (2003). *Basic Econometrics* 4th edition. Singapore: McGraw Hill.

- Gul, F. A., Kim, Jeong-Bon, & Qiu, A. A. (2010). Ownership Concentration, Foreign Shareholding, Audit Quality, and Stock Price Synchronicity: Evidence from China. *Journal of Financial Economics*, 95, 425-442.
- Gulati, R., & Gargiulo, M. (1999). Where do Interorganizational Networks Come From? *American Journal of Sociology*, 104, 1439-1493.
- Gurbuz, A. O., & Aybars, A. (2010). The Impact of Foreign Ownership on Firm Performance, Evidence from an Emerging Market: Turkey. *American Journal of Economics and Business Administration*, 2(4), 350-359.
- Haat, M. H. C., Abdul Rahman, R. & Mahenthiran, S. (2008). Corporate Governance, Transparency and Performance of Malaysian Companies. *Managerial Auditing Journal*, 23(8), 744-778.
- Hair, J.F., Anderson, R.E., Tatham, R.L., & Black, W.C. (1998). *Multivariate Data Analysis*. 5th edition. New Jersey: Prentice Hall.
- Haleblian, J. & Finkelstein, S. (1993). Top Management Team Size, CEO Dominance, and Firm Performance: the Moderating Roles of Environmental Turbulence and Discretion. *Academy of Management Journal*, 844-863.
- Hambrick, D. C. (1987). The Top Management Team: Key to Strategic Success. *California Management Review*, 30(1), 88-108.
- Hambrick, D. C. & Mason, P. A. (1984). Upper Echelons: The Organization as a Reflection of its Top Managers. *Academy of Management Review*, 9(2), 193-206.
- Han, K. C., & Suk, D. Y. (1998). The Effect of Ownership Structure on Firm Performance: Additional Evidence. *Review of Financial Economics*, 7(2), 143-155.

- Haniffa, R. & Hudaib, M. (2006). Corporate Governance Structure and Performance of Malaysian Listed Companies. *Journal of Business Finance & Accounting*, 33((7) & (8)), 1034-1062.
- Hanson, R. C. & Song, M. H. (2000). Managerial Ownership, Board Structure, and the Division of Gains in Divestitures. *Journal of Corporate Finance*, 6, 55-70.
- Harrigan, K. R. (1981). Numbers and Positions of Women Elected to Corporate Boards. *Academy of Management Journal*, 24(3), 619-625.
- Harris, I. C. & Shimizu, K. (2004). Too Busy To Serve? An Examination of the Influence of Over Boarded Directors. *Journal of Management Studies*, 41, 775-798.
- Harris, P. R., & Harris, K. G. (1996). Managing Effectively Through Teams. *Team Performance Management: An International Journal*, 2(3), 23-36.
- Harrison, D. A., & Klein, K. J. (2007). What's the Difference? Diversity Constructs as Separation, Variety, or Disparity in Organizations. *Academy of Management Review*, 32(4), 1199-1228.
- Hart, O. (1995). Corporate Governance: Some Theory and Implications. *Economic Journal*, 105, 678-689.
- Hasan, T., Kadapakkam, P-R., & Kumar, P. C. (2008). Firm Investment and Corporate Governance in Asian Emerging Markets. *Multinational Finance Journal*, 12(1/2), 21-44.
- Hastuti, D. T. (2005). Hubungan antara Good Corporate Governance dan Struktur Kepemilikan dengan Kinerja Keuangan. Paper presented at the *Simposium Nasional Akuntansi VIII*, Solo, Indonesia.

- Hausman, J. A. (1978). Specification Tests in Econometrics. *Econometrica*, 46(6), 1251-1272.
- Helland, E. & Sykuta, M. (2005). Who's Monitoring the Monitor? Do Outside Directors Protect Shareholders' Interests? *Financial Review*, 40, 155-172.
- Hendry & Kiel (2004). The Role of the Board in Firm Strategy: Integrating Agency and Organizational Control Perspectives, *Corporate Governance*, 12(4), 500-520.
- Hillman, A. J., Cannella, JR. A. A & Harris, I. C. (2002). Women and Racial Minorities in the Boardroom: How Do Directors Differ? *Journal of Management*, 28(6), 747-763.
- Hillman, A. J., Cannella, JR. A. A & Paetzold, R. L. (2000). The Resource Dependence Role of Corporate Directors: Strategic Adaptation of Board Composition in Response to Environmental Change. *Journal of Management Studies*, 37(2), 235-255.
- Hillman, A. J. & Dalziel, T. (2003). Boards of Directors and Firm Performance: Integrating Agency and Resource Dependence Perspectives. *Academy of Management Review*, 28(3), 383-396.
- Himmelberg, C. P., Hubbard, R. G., & Palia, D. (1999). Understanding the Determinants of Managerial Ownership and the Link Between Ownership and Performance. *Journal of Financial Economics*, 53, 353-384.
- Houmes, R. E., MacArthur, J. B., & Stranahan, H. (2012). The Operating Leverage Impact on Systematic Risk within a Context of Choice. *Managerial Finance*. 38(12), 1184-1202.

- Hossain, M., Prevost, A.K., & Rao, R. P. (2001). Corporate Governance in New Zealand: The Effect of the 1993 Companies Act on the Relation between Board Composition and Firm Performance. *Pacific-Basin Finance Journal*, (9), 119-145.
- Hu, Y. & Izumida, S. (2008). Ownership Concentration and Corporate Performance: A Causal Analysis with Japanese Panel data. *Corporate Governance: An International Review*, 16(4), 342-358.
- Hu, Y., & Zhou, X. (2008). The Performance Effect of Managerial Ownership: Evidence from China. *Journal of Banking & Finance*, 32, 2099-2110.
- Huafang, X., & Jianguo, Y. (2007). Ownership Structure, Board Composition and Corporate Voluntary Disclosure: Evidence from Listed Companies in China. *Managerial Auditing Journal*, 22(6), 604-619.
- Huang, Chi-Jui. (2010). Board, Ownership and Performance of Bank with a Dual Board System: Evidence from Taiwan. *Journal of Management & Organization*, 16, 219-234.
- Huang, Hsu-Huei, Chan, Min-Lee, Huang, I-Hsiang, & Chang, Chih-Hsiang. (2011). Stock Price Volatility and Overreaction in a Political Crisis: The Effects of Corporate Governance and Performance. *Pacific-Basin Finance Journal*, 19, 1-20.
- Hutchinson, M. & Gul, F. A. (2004). Investment Opportunity Set, Corporate Governance Practices and Firm Performance. *Journal of Corporate Finance*, 10, 595-614.
- Hyland, M. M., & Marcellino, P. A. (2002). Examining Gender on Corporate Boards: a Regional Study. *Corporate Governance*, 2(4), 24-31.
- Iannotta, G., Nocera, G., & Sironi, A. (2007). Ownership Structure, Risk and Performance in the European Banking Industry. *Journal of Banking & Finance*, 31, 2127-2149.

- Ingley, C. B. and van der Walt, N. T. (2001). The Strategic Board: The Changing Role of Directors in Developing and Maintaining Corporate Capability, *Corporate Governance: An International Review*, 9(3), 174–185.
- Ismail, I., Haron, H., Ibrahim, D. N., & Isa, S. M. (2006). Service Quality, Client Satisfaction and Loyalty towards Audit Firms Perceptions of Malaysian Public Listed Companies. *Managerial Auditing Journal*, 21(7), 738-756.
- Jackling, B. & Johl, S. (2009). Board Structure and Firm Performance: Evidence from India's Top Companies. *Corporate Governance: An International Review*, 17(4), 492-509.
- Jackson, S. E., & Joshi, A. (2004). Diversity in Social Context: A Multi-Attribute, Multilevel Analysis of Team Diversity and Sales Performance. *Journal of Organizational Behavior*, 25, 675-702.
- Jensen, M. C. (1993). The Modern Industrial Revolution, Exit, and Failure of Internal Control Systems. *Journal of Finance*, 48, 831-880.
- Jensen, M. C. (2001). Value Maximization, Stakeholder Theory, and the Corporate Objective Function, *Journal of Applied Corporate Finance*, 14(3), 8-21.
- Jensen, M. C. & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure. *Journal of Financial Economics*, 3(4), 306-360.
- Jiraporn, P., Kim, Y. S. & Davidson III, W. N. (2008). Multiple Directorships and Corporate Diversification. *Journal of Empirical Finance*, 15, 418-435.

- Jiraporn, P., Singh, M. & Lee, C. I. (2009). Ineffective Corporate Governance: Director Busyness and Board Committee Memberships. *Journal of Banking & Finance*, 33, 819-828.
- Joh, S. W. (2003). Corporate Governance and Firm Profitability: Evidence from Korea before the Economic Crisis. *Journal of Financial Economics*, 68, 287-322.
- Jong, H. W. D. (1997). The Governance Structure and Performance of Large European Corporations. *Journal of Management and Governance*, 1, 5-27.
- Judge, W. Q., Naoumova, I., & Koutzevol, N. (2003). Corporate Governance and Firm Performance in Russia: an Empirical Study. *Journal of World Business*, 38, 385-396.
- Jungmann, C. (2006). The Effectiveness of Corporate Governance in One-Tier and Two-Tier Board System: Evidence from the UK and Germany. *European Company & Financial Law Review*, 426-474.
- Jurajda, S., & Stancik, J. (2012). Foreign Ownership and Corporate Performance the Czech Republic at EU Entry. *Journal of Economics and Finance*, 62(4), 306-324.
- Jurkus, A. F., Park, J. C., & Woodard, L. S. (2010). Women in Top Management and Agency Costs. *Journal of Business Research*, 1-7.
- Kaczmarek, S., Kimino, S. & Pye, A. (2012). Antecedents of Board Composition: The Role of Nomination Committees. *Corporate Governance: An International Review*, 20(5), 474-489.
- Kamardin, H., & Haron, H., (2011). Internal Corporate Governance and Board Performance in Monitoring Roles Evidence from Malaysia. *Journal of Financial Reporting & Accounting*, 9(2), 119-140.

- Kang, H., Cheng, M., & Gray, S. J. (2007). Corporate Governance and Board Composition: Diversity and Independence of Australian Boards. *Corporate Governance: An International Review*, 15(2), 194-207.
- Kang, Jun-Koo & Shivdasani, A. (1995). Firm Performance, Corporate Governance, and Top Executive Turnover in Japan. *Journal of Financial Economics*, 38, 29-58.
- Kaplan, S. N., & Minton, B. A. (1994). Appointments of Outsiders to Japanese Boards: Determinants and Implications for Managers, *Journal of Financial Economics*, 36(2), 225-258.
- Kaplan, S. N., & Reishus, D. (1990). Independence NED Ships and Corporate Governance. *Journal of Financial Economics*, 27, 389-410.
- Kapopoulos, P. & Lazaretou, S. (2007). Corporate Ownership Structure and Firm Performance: Evidence from Greek Firms. *Corporate Governance: An International Review*, 15(2), 144-158.
- Kappes, I., & Schmid, T. (2013). The Effect of Family Governance on Corporate Time Horizons, *Corporate Governance: An International Review*, 21(6), 547-566.
- Kesner, I. F. (1987). Directors' Stock Ownership and Organizational Performance: An Investigation of Fortune 500 Companies. *Journal of Management*, 13(3), 499-507.
- Kiel, G. C., & Nicholson, G. J. (2006). Multiple Directorships and Corporate Performance in Australian Listed Companies. *Corporate Governance*, 14(6), 530-546.
- Kim, B. & Lee, I. (2003). Agency Problems and Performance of Korean Companies during the Asian Financial Crisis: Chaebol vs. Non-Chaebol Firms. *Pacific-Basin Finance Journal*, 11, 327-348.

- Kim, H. & Lim, C. (2010). Diversity, Outside Directors and Firm Valuation: Korean Evidence. *Journal of Business Research*, 63, 284-291. *Corporate Governance*, 15(6), 1168-1176.
- Kim, I. J., Eppler-Kim, J., Kim, W. S., & Byun, S. J. (2010). Foreign Investors and Corporate Governance in Korea. *Pacific-Basin Finance Journal*, 18, 390-402.
- Kim, K. A., Kitsabunnarat, P., & Nofsinger, J. R. (2004). Ownership and Operating Performance in an Emerging Market: Evidence from Thai IPO Firms. *Journal of Corporate Finance*, 10, 355-381.
- Kim, Y. (2005). Board Network Characteristics and Firm Performance in Korea. *Corporate Governance*, 13(6), 800-808.
- Kim, Y. (2007). Outside Directors and Their Impacts on Firm Value: Evidence from Korea. *Corporate Governance*, 15(6), 1168-1176.
- Klapper, L.F. and Love, I. (2004). Corporate Governance, Investor Protection and Performance in Emerging Markets. *Journal of Corporate Finance*, 10(5), 703-728.
- Klein, P., Shapiro, D., & Young, J. (2005). Corporate Governance, Family Ownership and Firm Value: the Canadian Evidence. *Corporate Governance: An International Review*, 13(6), 769-784.
- Kochan, T., Bezrukova, K., Ely, R., Jackson, S., Joshi, A., Jehn, K., Leonard, J., Levine, D., & Thomas, D. (2003). The Effects of Diversity on Business Performance: Report of the Diversity Research Network. *Human Resource Management*, 42(1), 3-21.
- Korac-Kakabadse, N., Kakabadse, A. K. & Kouzmin, A. (2001). Board Governance and Company Performance: Any Correlations? *Corporate Governance: An International Review*, 1(1), 24-30.

- Koutoupis, A. G. (2012). Importing International Corporate Governance Codes in Greek Publicly Listed Enterprises: A Case Study Analysis. *International Journal of Organizational Analysis*, 20(4), 447-463.
- Kozlov, Y. K., Melentieva, N. & Ponomareva, N. (2000). Does Foreign Ownership Matter? *Working Paper*.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30, 607-610.
- Krishnan, H. A. & Park, D. (2005). A Few Good Women on Top Management Teams. *Journal of Business Research*, 58, 1712-1720.
- Krivogorsky, V. (2006). Ownership, Board Structure, and Performance in Continental Europe. *International Journal of Accounting*, 41, 176-197.
- Kroll, M., Walters, B. A., & Wright, P. (2008). Board Vigilance, Director Experience and Corporate Outcomes. *Strategic Management Journal*, 29, 363-382.
- Kuhn, J. M. (2013). Age, Retirement and Establishment Closure. *International Journal of Manpower*. 34(5), 536-551.
- Laing, D. & Weir, M. C. (1999). Governance Structures, Size and Corporate Performance in UK Firms. *Management Decision*, 37(5), 457-464.
- Lam, Tin-yan, & Lee, Shu-kam. (2012). Family Ownership, Board Committees and Firm Performance: Evidence from Hong Kong. *Corporate Governance*. 12(3). 353-366.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (1998). Law and Finance. *Journal of Political Economy*, 106, 1113-1155.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (2000). Agency Problems and Dividend Policies around the World. *Journal of Finance*, 55(1), 1-33.

- Larmou, S., & Vafeas, N. (2010). The Relation between Board Size and Firm Performance in Firms with a History of Poor Operating Performance. *Journal Management Governance*, 14, 61-85.
- Larson, A. (1992). Network Dyads in Entrepreneurial Settings: A Study of the Governance of Exchange Relationships. *Administrative Science Quarterly*, 37, 76-104.
- Lefort, F. & Urzua, F. (2008). Board Independence, Firm Performance and Ownership Concentration: Evidence from Chile. *Journal of Business Research*, 61, 615-622.
- Lensink, R., Meesters, A., & Naaborg, I. (2008). Bank Efficiency and Foreign Ownership: Do Good Institutions Matter? *Journal of Banking & Finance*, 32, 834-844.
- Li, J. & Hambrick, D. C. (2005). Factional Groups: A New Vantage on Demographic Faultlines, Conflict and Disintegration in Work Teams. *Academy of Management Journal*, 48, 794-813.
- Liu, Chih-Liang & Lai, Shu-Miao (2012). Organizational Complexity and Auditor Quality. *Corporate Governance: An International Review*, 20(4), 352-368.
- Lin, Z. J., & Liu, M. (2009). The Impact of Corporate Governance on Auditor Choice: Evidence from China. *Journal of International Accounting, Auditing and Taxation*, 18, 44-59.
- Lipton, M. & Lorsch, J. (1992). A Modest Proposal for Improved Corporate Governance, *Business Lawyer*, 48, 59-77.
- Loderer, C. & Peyer, U. (2002). Board Overlap, Seat Accumulation and Share Prices. *European Financial Management*, 8(2), 165-192.

- Lodh, S., Nandy, M., & Chen, J. (2014). Innovation and Family Ownership; Empirical Evidence from India. *Corporate Governance: An International Review*, 22(1), 4-23.
- Lskavyan, V. & Spatareanu, M. (2006). Ownership Concentration, Market Monitoring and Performance: Evidence from the UK, the Czech Republic and Poland. *Journal of Applied Economics*, 9(1), 91-104.
- Lu, X., Wang, J. & Dong, D., (2013). Busy Boards and Corporate Performance. *China Finance Review International*, 3(2), 203-219.
- Lukviarman, N. (2004). Ownership Structure and Firm Performance: The Case of Indonesia. Dissertation, Doctor of Business Administration, of Curtin University of Technology.
- Lynall, M. D., Golden, B. R. & Hillman, A. J. (2003). Board Composition from Adolescence to Maturity: A Multitheoretic View. *Academy of Management Review*, 28(3), 416-431.
- Ma, S., Naughton, T., & Tian, G. (2010). Ownership and Ownership Concentration: which is Important in Determining the Performance of China's Listed Firms? *Accounting and Finance*, 50, 871-897.
- Mahadeo, J. D., Soobaroyen, T. & Hanuman, V. O. (2012). Board Composition and Financial Performance: Uncovering the Effects of Diversity in an Emerging Economy. *Journal Business Ethics*, 105, 375-388.
- Mak, Y. T. & Li, Y. (2001). Determinants of Corporate Ownership and Board Structure: Evidence from Singapore. *Journal of Corporate Finance*, 7, 235-256.

- Mak, Y. T. & Kusnadi, Y. (2005). Size Really Matters: Further Evidence on the Negative Relationship between Board Size and Firm Value. *Pacific-Basin Finance Journal*, 13, 301-318.
- Malin, C. A. (2007). *Corporate Governance: Second Edition*, Oxford University Press Inc., New York.
- Martin, L. M., Warren-Smith, I., Scott, J. M., & Roper, S. (2008). Boards of Directors and Gender Diversity in UK Companies. *Gender in Management: An International Journal*, 23(3), 194-208.
- Martinez, J. I., Stohr, B. S., & Quiroga, B. F. (2007). Family Ownership and Firm Performance: Evidence from Public Companies in Chile. *Family Business Review*, 20(2), 83-94.
- Mauro, P. (1995). Corruption and Growth. *Quarterly Journal of Economics*, 110(3), 681-712.
- Maury, B. (2006). Family Ownership and Firm performance: Empirical Evidence from Western European Corporations. *Journal of Corporate Finance*, 12, 321-341.
- McKnight, P. J. Milonas, N. T. Travlos, N. G., & Weir, C. (2009). The Cadbury Code Reforms and Corporate Performance. *The Icfai University Journal of Corporate Governance*, 8(1), 22-42.
- Md Kassim, A. A., Ishak, Z., & Abdul Manaf, N. A. (2013). Board Effectiveness and Company Performance: Assessing the Mediating Role of Capital Structure Decisions. *International Journal of Business and Society*, 14(2), 319-338.
- Mersland, R., & Strom, R. O. (2009). Performance and Governance in Microfinance Institutions. *Journal of Banking & Finance*, 33, 662-669.

- Miller, T. & Triana, M. del. C., (2009). Demographic Diversity in the Board: Mediators of the Board Diversity-Firm Performance Relationship. *Journal of Management Studies*, 46(5), 755-786.
- Milliken, F. J. & Martins, L. L. (1996). Searching for Common Threads: Understanding the Multiple Effects of Diversity in Organizational Groups. *Academy of Management Review*, 21(2), 402-433.
- Mishra, S., & Mohanty, P. (2014). Corporate Governance as a Value Driver for Firm Performance: Evidence from India. *Corporate Governance*, 14(2).265-280.
- MK. J., & Mohamad-Sori, Z. (2012). Gender Diversity in the Boardroom and Firm Performance of Malaysian Public Listed Companies. *Procedia – Social and Behavioral Sciences*, 65, 1077-1085.
- Mohd-Ghazali, N. A. (2010). Ownership Structure, Corporate Governance and Corporate Performance in Malaysia. *International Journal of Commerce and Management*, 20(2), 109-119.
- Mohamed-Yunos, R., Ismail, Z., & Smith, M. (2012). Ethnicity and Accounting Conservatism: Malaysian Evidence. *Asian Review of Accounting*, 20(1), 34-57.
- Monks, R. A. G., & Minow, N. (2008). *Corporate Governance* (4th edition) Wiley, Chichester.
- Monks, R. & Minow, N. (1995). *Corporate Governance*. Cambridge, Massachusetts, Blackwell.
- Morck, R., Shleifer, A., & Vishny, R. (1988). Management Ownership and Market Valuation: An Empirical Analysis. *Journal of Financial Economics*. 20, 293-316.

- Muth, M. M. & Donaldson, L. (1998). Stewardship Theory and Board Structure: a Contingency Approach. *Scholarly Research and Theory Papers*, 6(1), 5-28.
- National Association of Corporate Directors. 1996. Report of the NACD Blue Ribbon Commission on Value Evaluation of Chief Executive Officers, Board, and Directors, Washington, DC.
- National Committee on Corporate Governance, (2001).Indonesia Code for Corporate Governance. Indonesia.
- National Committee on Governance, (2006).Indonesia Code of Good Corporate Governance. Indonesia.
- Nelson, J. (2005). Corporate Governance Practices, CEO Characteristics and Firm Performance.*Journal of Corporate Finance*, 11, 197-228.
- Nicholson, G. J. & Kiel, G. C. (2007). Can Directors Impact Performance? A Case-Based Test of Three Theories of Corporate Governance.*Corporate Governance: An International Review*, 15(4), 585-608.
- Nuryanah, S., & Islam, S. M. N. (2011). Corporate Governance and Performance: Evidence from an Emerging Market. *Malaysian Accounting Review*, 10(1), 17-42.
- Nyamongo, E. M., & Temesgen, K. (2013). The Effect of Governance on Performance of Commercial Banks in Kenya: a Panel Study. *Corporate Governance*, 13(3), 236-248.
- OECD, (1999).OECD Principles of Corporate Governance.OECD Publications Service.
- Okpara, J. O. (2011). Corporate Governance in a Developing Economy: Barriers, Issues, and Implications for Firms. *Corporate Governance*, 11(2), 184-199.
- Okten, C. & Osili, U. O. (2004). Contributions in Heterogeneous Communities: Evidence from Indonesia. *Journal of Population Economics*, 17, 603-626.

- Oxelheim, L. & Randoy, T. (2003). The Impact of Foreign Board Membership on Firm Value. *Journal of Banking & Finance*, 27, 2369-2392.
- Pallant, J. (2001). SPSS Survival Manual: A Step by Step Guide to Data Analysis Using SPSS for Windows (Version 10). Chicago: Allen & Unwin.
- Park, K., & Jang, S. (2010). Insider Ownership and Firm Performance: An Examination of Restaurant Firms. *International Journal of Hospitality Management*, 29, 448-458.
- Pass, C. (2006). The Revised Combined Code and Corporate Governance: An Empirical Survey of 50 Large UK Companies. *Managerial Law*, 48(5), 467-478.
- Patibandla, M. (2006). Equity Pattern, Corporate Governance and Performance: A Study of India's Corporate Sector. *Journal of Economic Behavior & Organization*, 59, 29-44.
- Patrick, H. (2001) Corporate Governance and the Indonesian Financial System: A Comparative Perspective. APEC Study Center Columbia Business School. *Discussion Paper*, 16.
- Payne, G. T., Benson, G. S. & Finegold, D. L. (2009). Corporate Board Attributes, Team Effectiveness and Financial Performance. *Journal of Management Studies*, 46(4), 704-731.
- Pearce, J. A. II., & Zahra, S. A. (1991). The Relative Power of CEOs and Boards of Directors: Associations with Corporate Performance. *Strategic Management Journal*, 12, 135-153.
- Pelled, L. H. (1996). Demographic Diversity, Conflict, and Work Group Outcomes: An Intervening Process Theory, *Organization Science*, 7, 615-631.

- Perrini, F., Rossi, G., & Rovetta, B. (2008). Does Ownership Structure Affect Performance? Evidence from the Italian Market. *Corporate Governance*, 16(4), 312-325.
- Perry, T. & Peyer, U. (2005). Board Seat Accumulation by Executives: A Shareholder's Perspective. *Journal of Finance*, 60(4), 2083-2123.
- Peters, S., Miller, M. & Kusyk, S. (2011). Academic Paper: How Relevant is Corporate Governance and Corporate Social Responsibility in Emerging Markets? *Corporate Governance*, 11(4), 429-445.
- Peterson, C. A., Philpot, J. (2007). Women's Roles on U.S. Fortune 500 Boards: Director Expertise and Committee Memberships. *Journal of Business Ethics*, 72, 177-196.
- Peterson, C. A., & Philpot, J. (2009). Roles of Academic Directors on US Fortune 500 Boards. *Corporate Governance*, 9(2), 202-215.
- Pfeffer, J. (1972). Size and Composition of Corporate Boards of Directors: The Organization and its Environment. *Administrative Science Quarterly*, 17(2), 218-228.
- Pfeffer, J. & Salancik, G.,R. (1978). The External Control of Organizations: A Resource Dependence Perspective. New York: Harper and Row.
- Ponnu, C. H. (2008). Academic Qualifications of Board of Directors and Company Performance. *The Business Review, Cambridge*, 10(1), 177-181.
- Porter, M. E. (1998). *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. Free Press.

- Pudjiastuti, W. & Mardiyah, A. A. (2007). The Influence of Board Structure on Firm Performance. Paper presented at the *Simposium Nasional Akuntansi IX*, Makasar, Indonesia.
- Qi, D., Wu, W., & Zhang, H. (2000). Shareholding Structure and Corporate Performance of Partially Privatized Firms: Evidence from Listed Chinese Companies. *Pacific-Basin Finance Journal*, 8, 587-610.
- Ren, T., & Wang, Z. (2011). Female Participation in TMT and Firm Performance: Evidence from Chinese Private Enterprises. *Nankai Business Review International*, 2(2), 140-157.
- Renders, A. & Gaeremynck, A. (2012). Corporate Governance, Principal-Principal Agency Conflicts, and Firm Value in European Listed Companies. *Corporate Governance: An International Review*, 20(2), 125-143.
- Renders, A., Gaeremynck, A. & Sercu, P. (2010). Corporate Governance Ratings and Company Performance: A Cross European Study. *Corporate Governance: An International Review*, 18, 87-106.
- Retsikas, K. (2007). The Power of the Senses Ethnicity, History and Embodiment in East Java, Indonesia. *Indonesia and the Malay World*. 35(102), 183-210.
- Rhee, M., & Lee, Ji-Hwan. (2008). The Signals Outside Directors Send to Foreign Investors: Evidence from Korea. *Corporate Governance*, 16(1), 41-51.
- Rhee, S. G., & Wang, J. (2009). Foreign Institutional Ownership and Stock Market Liquidity: Evidence from Indonesia. *Journal of Banking & Finance*, 33, 1312-1324.
- Rose, C. (2005). Managerial Ownership and Firm Performance in Listed Danish Firms: In Search of the Missing Link. *European Management Journal*, 23(5), 542-553.

- Rose, C. (2005). The Composition of Semi-Two-Tier Corporate Boards and Firm Performance. *Corporate Governance: An International Review*, 13(5), 691-701.
- Rose, C. (2007). Does Female Board Representation Influence Firm Performance? The Danish Evidence. *Corporate Governance: An International Review*, 15(2), 404-413.
- Ross, S. A. (1977). The Determination of Financial Structure: the Incentive Signaling Approach. *Bell Journal of Economics*, 8(1), 23-40.
- Ross, A. & Crossan, K. (2012). A Review of the Influence of Corporate Governance on the Banking Crises in the United Kingdom and Germany. *Corporate Governance: The International of Effective Board Performance*, 12(2), 215-225.
- Ruigrok, W., Peck, S. & Tacheva, S. (2007). Nationality and Gender Diversity on Swiss Corporate Boards. *Corporate Governance: An International Review*, 15(4), 546-557.
- Sambharya, R. B. (1996). Foreign Experience of Top Management Teams and International Diversification Strategies of U.S. Multinational Corporations. *Strategic Management Journal*, 17, 739-746.
- Sarkar, J. & Sarkar, S. (2009). Multiple Board Appointments and Firm Performance in Emerging Economies: evidence from India. *Pacific-Basin Finance Journal*, 17, 271-293.
- Schiehll, E. (2006). Ownership Structure, Large Inside/Outside Shareholders, and Firm Performance: Evidence from Canada. *Corporate Ownership & Control*, 3 (3), 96-112.
- Shan, Y. G., & McIver, P. R. (2011). Corporate Governance Mechanisms and Financial Performance in China: Panel Data Evidence on Listed Non Financial Companies. *Asia Pacific Business Review*, 17(3), 301-324.

- Shleifer, A., & Vishny, R. W. (1997). A Survey of Corporate Governance. *Journal of Finance*, 52(2), 737-783.
- Shoobridge, G. E., & Mohr, A. T. (2006). Ethnic Diversity and Export Performance of SMEs. *Working Paper*, 6(25), 1-20.
- Short, H. & Keasey, K. (1999). Managerial Ownership and the Performance of Firms: Evidence from the UK. *Journal of Corporate Finance*, 5, 79-101.
- Shrader, C. B., Blackburn, V. B., & Iles, P. (1997). Women in Management and Firm Financial Performance: An Exploratory Study. *Journal of Managerial Issues*, 9(3), 355-372.
- Shukeri, S. N., Shin, O. W. & Shaari, M. S. (2012). Does Board of Director's Characteristics Affect Firm Performance? Evidence from Malaysian Public Listed Companies. *International Business Research*, 5(9), 120-127.
- Shyu, J. (2011). Family Ownership and Firm Performance: Evidence from Taiwanese Firms. *International Journal of Managerial Finance*, 7(4), 397-411.
- Siallagan, H. & Machfoedz, M. (2006). Mekanisme Corporate Governance, Kualitas Laba dan Nilai Perusahaan. Paper presented at the *Simposium Nasional Akuntansi IX*, Padang, Indonesia.
- Siciliano, J. I. (1996). The Relationship of Board Member Diversity to Organizational Performance. *Journal of Business Ethics*, 15(12), 1313-1320.
- Silva, F., & Majluf, N. (2008). Does Family Ownership Shape Performance Outcomes? *Journal of Business Research*, 61, 609-614.
- Simons, T. & Pelled, L. H. (1999). Understanding Executive Diversity: More than Meets the Eye. *Human Resource Planning*, 49-51.

- Simpson, W. G., Carter, D.A., & D'Souza, F. (2010). What Do We Know About Women on Boards? *Journal of Applied Finance*, 2, 27-39.
- Singh, D. A., & Gaur, A. S. (2009). Business Group Affiliation, Firm Governance, and Firm Performance: Evidence from China and India. *Corporate Governance: An International Review*, 17(4), 411-425.
- Singh, V., Terjesen, S., & Vinnicombe, S. (2008). Newly Appointed Directors in the Boardroom: How do Women and Men Differ? *European Management Journal*, 26, 48-58.
- Smith, N., Smith, V., & Verner, M. (2006). Do Women in Top Management Affect Firm Performance? A Panel Study of 2,500 Danish Firms. *International Journal of Productivity and Performance Management*, 55(7), 569-593.
- Sueyoshi, T., Goto, M., & Omi, Y. (2010). Corporate Governance and Firm Performance: Evidence from Japanese Manufacturing Industries after the Lost Decade. *European Journal of Operational Research*, 203, 724-736.
- Switzer, L. N., & Cao, Y. (2011). Shareholder Interests vs Board of Director Members' Interests and Company Performance a New Look. *Review of Accounting and Finance*, 10(3), 228-245.
- Syed-Mustapha-Nazri, S. N. F., Smith, M., & Ismail, Z. (2012). The Impact of Ethnicity on Auditor Choice: Malaysian Evidence. *Asian Review of Accounting*, 20(3), 198-221.
- Tabachnick, B. G., & Fidell, L. S. (2007). *Using Multivariate Statistics* 5th edition. Pearson.

- Talke, K., Salomo, S., & Rost, K. (2010). How Top Management Team Diversity Affects Innovativeness and Performance via the Strategic Choice to Focus on Innovation fields. *Research Policy*, 39, 907-918.
- Tam, O. K., & Tan, M. Guo-Sze.(2007). Ownership, Governance and Firm Performance in Malaysia.*Corporate Governance*, 15(2), 208-222.
- Terjesen, S., Sealy, R., & Singh, V. (2009). Women Directors on Corporate Boards: A Review and Research Agenda. *Corporate Governance: An International Review*, 17(3), 320-337.
- Thonet, P. J., & Poensgen, O. H. (1979).Managerial Control and Economic Performance in Western Germany.*The Journal of Industrial Economics*, 28, 23-37
- Tomagola.http://www.komunitasdemokrasi.or.id/comments.php?id=P64_0_11_0_C. 2010.
- Turner, S., & Allent, P. (2007). Chinese Indonesians in a Rapidly Changing Nation: Pressures of Ethnicity and Identity. *Asian Pacific Viewpoint*, 48(1), 112-127.
- Ujunwa, A., Okoyeuzu, C., & Nwakoby, I. (2012). Corporate Board Diversity and Firm Performance: Evidence from Nigeria. *Review of International Comparative Management*, 13(4), 605-620.
- Vafeas, N. & Theodorou, E. (1998).The Relationship between Board Structure and Firm Performance in the UK.*British Accounting Review*, 30, 383-407.
- Van der Sluis, J., Van Praag, M., & Vijverberg, W. (2008). Education and Entrepreneurship Selection and Performance: A Review of the Empirical Literature. *Journal of Economic Surveys*, 22(5), 795-841.

- Van der Walt, N., & Ingley, C. (2003). Board Dynamics and the Influence of Professional Background, Gender and Ethnic Diversity of Directors. *Corporate Governance*, 11(3), 218-234.
- Van der Walt, N., Ingley, C., Shergill, G. S., & Townsend, A. (2006). Board Configuration: are Diverse Boards Better Boards? *Corporate Governance*, 6(2), 129-147.
- Van der Zahn, J-L., W., M. (2008). Educational Qualifications, Business Experience and Diversity Factors of Independent Audit Committee Members and an IPO's First-Day Returns. *ICFAI Journal of Audit Practice*, 5(2), 7-41.
- Van Ees, H., Gabrielsson, J., & Huse, M. (2009). Toward a Behavioral Theory of Boards and Corporate Governance. *Corporate Governance: An International Review*, 17(3), 307-319.
- Van Ees, H., Postma, T. J. B. M., and Sterken, E. (2003). Board Characteristics and Corporate Performance in the Netherlands. *Eastern Economic Journal*, 29(1), 41-58.
- Wang, Y. & Clift, B. (2009). Is There a "Business Case" for Board Diversity? *Pacific Accounting Review*, 21(2), 88-103.
- Wanous, J. P. & Youtz, M. A. (1986). Solution Diversity and the Quality of Group Decisions. *Academy of Management Journal*, 29(1), 149-159.
- Watkins, A. L., Hillison, W., & Morecroft, S. E. (2004). Audit Quality: a Synthesis of Theory and Empirical Evidence. *Journal of Accounting Literature*, 23, 153-193.
- Weir, C. & Laing, D. (2001). Governance Structures, Director Independence and Corporate Performance in the UK. *European Business Review*, 13(2), 86-94.

- Weir, C., Laing, D. & McKnight, P. J. (2002). Internal and External Governance Mechanisms: Their Impact on the Performance of Large UK Public Companies. *Journal of Business Finance & Accounting*, 29(5) & (6), 579-611.
- Wellalage, N. H., Locke, S. & Scrimgeour, F. (2012). The Global Financial Crisis Impact on Ethnic Diversity of Sri Lanka Boards. *Asian Journal of Finance & Accounting*, 4(1), 52-68.
- Williamson, O.E. (1985). *The Economic Institutions of Capitalism Firms, Market and Relational Contracting*, New York, Free Press.
- Williamson, O. E. (1988). Corporate Finance and Corporate Governance. *Journal of Finance*, 43(3), 567-591.
- Williamson, O.E. (1996). *The Mechanism of Governance*, Oxford.
- Wiwattanakantang, Y. (2001). Controlling Shareholders and Corporate Value: Evidence from Thailand. *Pacific-Basin Finance Journal*, 9, 323-362.
- Wooldridge, J. M. (2003). *Introductory Econometrics: A Modern Approach*. 2nd edition. Ohio: Thomson South Western.
- Wu, Ruei-Shian (2012). Does Corporate Governance Quality Lend Credibility to Open-market Share Repurchase Announcements? *Corporate Governance: An International Review*, 20(5), 490-508.
- Yamneesri, J. & Herath, S. K. (2010). Board Characteristics and Corporate Value: Evidence from Thailand. *Corporate Governance*, 10(3), 279-292.
- Yang, J. Chi, J., & Young, M. (2011). A Review of Corporate Governance in China. *Asian-Pacific Economic Literature*. 15-28.

- Yuan, R., Xiao, J., Z. & Zou, H. (2008). Mutual Funds' Ownership and Firm Performance: Evidence from China. *Journal of Banking & Finance*, 32, 1552-1556.
- Zahra, S. A. & Pearce, J. A. II. (1989). Boards of Directors and Corporate Financial Performance: A Review and Integrative Model. *Journal of Management*, 15(2), 291-334.
- Zald, M. N. (1969). The Power and Functions of Boards of Directors: A Theoretical Synthesis. *American Journal of Sociology*, 75(1), 97-111.
- Zhang, L. (2012). Board Demographic Diversity, Independence, and Corporate Social Performance. *Corporate Governance*, 12(5), 686-700.