UCT JOURNAL OF MANAGEMENT AND ACCOUNTING STUDIES 2017(03)

Available online at http://journals.researchub.org

Investigating the relationship between boards independence and firm performance with moderating role of ownership structure

Fereshteh Tavalaei*[1] *, Majid Ashrafi*[2]*

[1]*Department of Accounting and Management, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran.*

[2]*Department of Accounting and Management, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran*

ARTICLE INFO

Article history:
Received 06 Jun 2017
Received in revised form 07 Jul 2017
Accepted 18 Jul 2017

Keywords:
Corporate performance,
Independence of the board,
Ownership concentration,
Tehran Stock Exchange

ABSTRACT

Objective: The purpose of this research is to answer the question of whether the concentration of ownership can modify the relationship between board independence and corporate performance? **Methodology:** For this purpose, 108 active companies were studied during the years 1389- 1393. **Results:** The results of this research indicate that the independence of the board of directors on the performance of the company (ROA) has no significant effect on the 95% confidence level. Therefore, ownership concentration does not modify the relationship between board autonomy and corporate performance (ROA). On the other hand, the independence of the board of directors (QTOBIN) has a negative and significant effect on the 95% confidence level. As a result of a decrease in ownership concentration will increase the effectiveness of the Board of Directors' equity on the company's performance (QTOBIN). Also, according to the survey, the type of company has no effect on the relationship between the independence of the board of directors and the company's performance. As a result, a decrease in ownership concentration will increase the effectiveness of the Board of Directors' equity on the company's performance (QTOBIN). Also, according to the survey, the type of company has no effect on the relationship between the independence of the board of directors and the company's performance. **Conclusion:** Finally, in companies with high independence of the board, attention should be paid to the role of supervisory role of major shareholders, and the results and rules can be found in public and private companies. The same thing exploited. It is also recommended that the Stock Exchange and Exxon Societies of Iran create disclosure requirements for accepted companies and provide this disclosure to investors quickly.

1. Introduction

Today, one of the most important financial issues of companies is measuring their performance. Measuring corporate financial performance is important because it is the basis for many decisions inside and outside the company. Decisions on investments, increasing corporate capital, the relationship of representation, and many other decisions are all based on performance measurement (Ansari and Karimi, 2012). The independence of the board of directors or the separation of ownership from management was originally developed by Adam Smith in 1776 and at first it analyzed by Berle and Meens (1932). Today, this separation is known as the problem of representation, and this means how it can be assured that managers will use their freedom to act in investors interests. By separating ownership from management, managers as agents of owners and shareholders are responsible for managing the company, thus creating a conflict of interests between managers and shareholders. In other words, managers may make decisions that are not in the interest of shareholders (Drobetz et al., 2004). One of the important criteria for the corporate ownership structure, which in many studies is their impact on corporate performance, is the independence of the board. The corporate governance system is designed to reduce the cost of representation through monitoring performance and limiting the opportunistic behavior of managers. Distributed (decentralized) ownership in companies will weaken shareholders' incentives to control the management. In addition, distributed shareholders do not have the ability to effectively manage management, since

* *Corresponding author:* mjd_ashrafi@aliabadiau.ac.ir
DOI: https://doi.org/10.24200/jmas.vol5iss03pp24-33

they do not have the expertise and knowledge to make the right decisions. Today, the distribution of owners in stock companies has made it difficult to portray their relationship with the company in the form of traditional ownership. The shareholders of these companies, except for entitlement to receive part of the income and interests of the company in accordance with their share, in other cases they do not have a lot of the salary. This illustrates the conflict between owners and managers, and the contradiction of this conflict is nothing but a distortion of ownership of shareholders. In this way, it becomes clear that shareholders of public corporations are so scattered that they lack the power and enthusiasm to modify and limit the direction that the managers of these companies are going through. Therefore, the purpose of this research is to investigate the relationship between the independence of the board of directors and the performance of the company with the moderating role of ownership structure. In this way, it becomes clear that shareholders of public corporations are so scattered that they lack the power and enthusiasm to modify and limit the direction that the managers of these companies are going through. Therefore, the purpose of this research is to investigate the relationship between the independence of the board of directors and the performance of the company with the moderating role of ownership structure.

1.1 Literature review and development of hypotheses

After the industrial revolution began in the nineteenth century, with the development of corporations, there were a lot of investors. They did not directly play in the management of their economic units, and they are pleased by choosing and supervising the board of directors, managing their economic unit, the result of this process was the separation of ownership from corporate governance and the independence of the board of directors. The separation of ownership led to the emergence of agency theory. This theory relates to the case in which a person (owner) assigns responsibility to a decision on the distribution of financial and economic resources or the performance of a service under a specified contract to another (broker). Non-executive members of the board monitor their decisions through the oversight of the responsible managers. As a result, the composition of the board can affect the financial performance of companies. The board of directors should be under the authority of outside directors (non-executive). Because management opportunistic behaviors should be controlled and monitored by the non-executive directors of the company. Such managers can influence the quality of management decisions and provide the appropriate solutions that must be made by the management to improve the company's performance (Hassase Yeganeh and Alexander, 2008). By the 1980s, the conflict of representation between shareholders and directors was a major issue in the corporate governance literature. In general, it was universally accepted that the focus of ownership reduced the representation issues, which would improve the company's performance. . The researchers justify this factor that increased ownership concentration will lead large investors to enter the corporate ownership structure. These investors have sufficient incentive and power to oversee executives, and their oversight will lead managers to take on long-term goals. Theoretical literature (Denise and McConnell, 2003; Bozec, 2005; Gillan, 2006; Adams et al., 2010) the independence of the board of directors and the concentration of ownership are two of the most important corporate governance mechanisms that affect corporate performance. An independent board can protect shareholder profits and value the company by supervising top management and with recommendations. The manager will increase the design and implementation of corporate strategy. A major shareholder can not only be used as an effective corporate governance mechanism to oversee managers, but also to gain private control benefits that potentially reduce the company's value, especially in countries with weaker equity rights. While many studies have examined the individual effects of board independence and ownership structure on company performance, how the impact of these two corporate governance mechanisms on corporate performance is still unrecognized. Theories (Denis and McConnell, 2003) suggest that the effectiveness of the board varies not only with the level of ownership control, but also with the types of ownership and protection of minority shareholders in one country. However, measuring their joint empirical effects is challenging, since each company will probably choose an optimal structure structure relative to the ownership structure, company profile, and institutional environment of the country (Hermalin and Weisbach, 2003). Hence, an ideal test is needed to measure the interactive effects of board independence and ownership structure. We maintain the structure of the company's board and other specifications at the same time as changing the focus of the company's ownership unchanged, or vice versa. Li et al. (2015), examine the effectiveness of board independence using a large Chinese sample from 1999 to 2012. And concludes that the independence of the board has a significant statistical impact and a positive economic impact on the performance of Chinese companies, but this effect is more powerful for state-controlled controlled companies than privately controlled companies. Citaak and Dura (2014), conducted a study titled "Is there a relationship between corporate governance and financial performance criteria based on the value of the relationship?" The results showed that the dichotomy of the manager's task has a significant effect on the benchmark of market value added and economic value added. . The concentration of ownership on market value does not affect. Management ownership does not affect financial criteria, and ultimately foreign investors will increase the economic value added and reduce market value added. Wang and Jiang (2013) in their study examined the impact of corporate governance characteristics on the performance of Chinese companies. The results of their research showed that companies with better corporate governance regimes have better performance and higher value. There is also a positive and significant relationship between ownership concentration, institutional investors, government ownership, and market performance and market value. Hassase Yeganeh (2014), in a research entitled Effectiveness Review Corporate Governance has been focused on the financial performance of listed companies in Tehran Stock Exchange. The empirical findings indicate that there is a significant relationship between the existence of institutional shareholders and financial performance indicators such as return on investment, return on assets, profit index Operations to assets and return on equity. Setayesh et al. (2011), studied the relationship between corporate governance mechanisms including institutional ownership, ownership concentration and composition of the board of directors with corporate financial performance. The results of their research indicated that there is no meaningful relationship between any aspect of corporate governance with corporate financial performance. Namazi and Kermani (2008) examined the impact of ownership structure on the performance of companies admitted to the Tehran Stock Exchange. Their sample consisted of 66 firms during the years 2003 to 2007. The results of their research showed that there is a significant relationship between the ownership structure of the companies and their performance.

Therefore, according to the literature of the subject and the results of the research, the research hypotheses are as follows:

Hypothesis 1: The independence of the board has a positive impact on corporate performance.

Hypothesis 2: The positive effect of board independence on corporate performance will increase with a reduction in ownership concentration.

Hypothesis 3: The effect of board independence on corporate performance is more powerful than private equity firms.

2. Materials and methods

2.1 Methodology of research

The present research is a descriptive-survey-correlational study in terms of the purpose of the research and the method of data collection. In order to compile the required data for the calculation of the research variables, financial statements of companies and software containing the information of the companies listed on the stock exchange will be used. In this research, for information processing and assertion assertions, The Eviews software has been used.

2.1.1 Statistical population and sample size

The statistical population of this study consists of the companies accepted in the Tehran Stock Exchange which has the following characteristics:

1. They have been admitted to Tehran Stock Exchange since 2010 and will continue to operate in the Tehran Stock Exchange by the end of 2014.
2. The accounting information required from the financial statements of the companies admitted to
3. During the financial period, do not stop or remove the symbol. In other words, their shares have been traded at least once every three months.
4. Unlike intermediary and financial companies.
5. The end of their fiscal year is March 29th.

Considering the above, 108 companies from Tehran Stock Exchange were selected as the sample for review from 2010 to 1393

2.1.2 Variables and research model

To test the research hypotheses, regression models with some control factors are estimated as follows:the Exchange for the above period is available.

$$ROA_{i,t} = \beta_0 + \beta_1 INDDIR\%_{i,t} + \beta_2 CR_{i,t} + \beta_3 INDDIR\% * CR_{i,t} + \beta_4 \log(Boardsize)_{i,t} + \beta_5 \log(Assets)_{i,t} + \beta_6 Leverage_{i,t} + \beta_7 \log(Age)_{i,t} + \varepsilon_{i,t} \quad (1)$$

$$TOBIN'SQ_{i,t} = \beta_0 + \beta_1 INDDIR\%_{i,t} + \beta_2 CR_{i,t} + \beta_3 INDDIR\% * CR_{i,t} + \beta_4 \log(Boardsize)_{i,t} + \beta_5 \log(Assets)_{i,t} + \beta_6 Leverage_{i,t} + \beta_7 \log(Age)_{i,t} + \varepsilon_{i,t} \quad (2)$$

$$ROA_{i,t} = \beta_0 + \beta_1 INDDIR\%_{i,t} + \beta_2 DU_{i,t} + \beta_3 INDDIR\% * DU_{i,t} + \beta_4 \log(Boardsize)_{i,t} + \beta_5 \log(Assets)_{i,t} + \beta_6 Leverage_{i,t} + \beta_7 \log(Age)_{i,t} + \varepsilon_{i,t} \quad (3)$$

$$TOBIN'SQ_{i,t} = \beta_0 + \beta_1 INDDIR\%_{i,t} + \beta_2 DU_{i,t} + \beta_3 INDDIR\% * DU_{i,t} + \beta_4 \log(Boardsize)_{i,t} + \beta_5 \log(Assets)_{i,t} + \beta_6 Leverage_{i,t} + \beta_7 \log(Age)_{i,t} + \varepsilon_{i,t} \quad (4)$$

In these models:

Table 1. The method of measuring variables of research

index	Symbol	
ROA = (Preferred tax and interest) / (Total assets)	$Performance_{i,t}$	Performance
Tobins Q = (asset value market) / (value book assets) Debt - Total stock price traded at the end of the year = Market value of assets *		
The ratio of the number of non-executive directors to the entire board	$INDDIR\%_{i,t}$	Independence of the Board
Equity Ratio belonging to the 5th largest shareholder of the company to the total stock	$CR_{i,t}$	Company type
If you own more than 50% of the shares of the company by the government number one and otherwise zero	$DU_{i,t}$	Board size

Logarithm of the total number of board members	$\log(Boardsize)_{i,t}$	size of the company
Natural logarithms of company assets	$\log(Assets)_{i,t}$	$\log(Assets)_{i,t}$
The ratio of total debt to total assets	$Leverage_{i,t}$	Lever
The natural logarithm of the company's age	$\log(Age)_{i,t}$	Age of the company

3. Discussion and results

3.1 Descriptive statistic

In order to study the general characteristics of the variables, as well as to estimate the model and to analyze them accurately, descriptive statistics about the variables are required. Descriptive statistics are used to calculate community parameters and include central indicators and community dispersion. In table 1, the descriptive statistics of variables including mean, mean, maximum, minimum and standard deviation are presented. For example, the mean, median, maximum, minimum, and standard deviation of ROA are 0.136, 0.115, 0.660.0.340, and 0.161 respectively.

Table 2. Descriptive statistics of research variables

observations	Standard deviation	The least	the most	median	Average	Variable
540	0.1605	-0.3400	0.6600	0.1150	0.1362	**ROA**
540	1.0467	0.0000	7.2400	0.7900	1.1330	**QTOBIN**
540	0.2009	0.0000	1.0000	0.6000	0.6553	**INDDIR**
540	18.0467	2.7600	98.5400	78.8000	75.2258	**CR**
540	0.0279	0.6000	0.9500	0.7000	0.7046	**LOG(BOARD SIZE)**
540	0.6291	4.4400	8.0500	6.0000	6.1079	**LOG(ASSETS)**
540	0.3071	0.1000	3.0600	0.6400	0.6601	**LEVERAGE**
540	0.2279	0.4800	1.6700	1.1800	1.1656	**LOG(AGE)**
540	0.4233	0.0000	1.0000	0.0000	0.2333	**DU**

3.2 Correlation matrix of research variables

The following table shows the correlation between research variables at the level (sig≤0.01) and (sig≤0.05). For example, the correlation coefficient between the performance variable (ROA) and the independence of the board (INDDIR) is 0.105, which is significant at the error level of 0.05

Chart 1: Relationship between Board of Directors and Company Performances (ROA) with respect to the moderating role of ownership concentration.

Table 3. Correlation matrix of research variables

		ROA	QTOBIN	INDDIR	CR	DU	LOG(BOARDSIZE)	LOG (ASSETS)	LEVERAGE	LOG (AGE)
ROA	Pearson Correlation	1								
	Sig. (2-tailed)									
	N	540								
QTOBIN	Pearson Correlation	.632**	1							
	Sig. (2-tailed)	.000								
	N	540	540							
INDDIR	Pearson Correlation	.105*	.157**	1						
	Sig. (2-tailed)	.014	.000							
	N	540	540	540						
CR	Pearson Correlation	.206**	.156**	-091.*	1					
	Sig. (2-tailed)	.000	.000	.034						
	N	540	540	540	540					
DU	Pearson Correlation	.247**	.241**	.102*	.175**	1				
	Sig. (2-tailed)	.000	.000	.018	.000					
	N	540	540	540	540	540				
LOG(BOARD SIZE)	Pearson Correlation	.002	-.036	-.004	-080.	-.043	1			
	Sig. (2-tailed)	.964	.398	.920	.063	.318				
	N	540	540	540	540	540	540			
LOG(ASSETS)	Pearson Correlation	-026	-.095*	.037	.073	.031	-042	1		
	Sig. (2-tailed)	.552	.027	.385	.089	.476	.331			
	N	540	540	540	540	540	540	540		
LEVERAGE	Pearson Correlation	-.677**	-.423**	-.118**	-.069	-.092*	-.024	-016.	1	
	Sig. (2-tailed)	.000	.000	.006	.111	.033	.584	.706		
	N	540	540	540	540	540	540	540	540	
LOG(AGE)	Pearson Correlation	-.113**	-.095*	-.043	-094.*	-.010	.129**	.011	.049	1
	Sig. (2-tailed)	.008	.027	-317	.029	.822	.003	.793	.260	
	N	540	540	540	540	540	540	540	540	540

3.3 Test results

Results of the test of research hypotheses

3.3.1 Test results of the first model

The results of estimating the first model of research with the dependent variable of ROA are described in Table 3.

Table 4. Summary of statistical results of the first model research

Significance level (sig)	Statistics t	Standard deviation	Coefficients	Variable
0.1113	1.5956	0.1790	0.2856	**B_0**
0.1881	-1.3182	0.0486	-0.0640	**INDDIR**
0.0183	-2.3677	0.0004	-0.0010	**CR**
0.1373	1.4888	0.0006	0.0009	**INDDIR*CR**
0.6481	-0.4567	0.0855	-0.0391	**LOG(BOARD SIZE)**
0.0302	2.1743	0.0276	0.0601	**LOG(ASSETS)**
0.0000	-16.1282	0.0177	-0.2848	**LEVERAGE**
0.0000	-14.0193	0.0142	-0.1989	**LOG(AGE)**
0.0000	Significance level of F Fisher's statistics		46.902	F Fisher Statistics
1.9743	Watson Camera Statistics		0.9264	The coefficient of determination

According to Table 4, the coefficient of estimation of the independent variable INDDIR indicates that there is no significant relationship between the board's independence and firm performance (ROA) at the error level of 0.05. Because the calculated p-value for the coefficient of this independent variable of research is more than 0.05, the coefficient of estimation of independent CR indicates that there is a negative and significant relationship between the concentration of ownership and firm performance (ROA) at the error level of 0.05.Because the calculated p-value for the coefficient of this independent variable is more than 0.05. Therefore, ownership concentration does not modify the relationship between board autonomy and corporate performance (ROA).

3.3.1.1 Analysis Chart 1

According to Chart 1, the company's performance (ROA) does not change in LOW CR and also in HIGH CR (HIGH CR) companies, with the increasing independence of the board of directors. As a result of changing ownership concentration, there is no effect on the relationship between the independence of the board of directors and the firm's performance (ROA).

3.3.2 Test results of the second research model

The results of estimating the first model of research with the dependent variable QTOBIN are described in Table 4.

Table 5. Summary of statistical results of the first-sample test

(sig)level	Statics t	Standard deviation	coefficient	Variable
0.0000	4.3098	1.5073	6.4960	**B0ordinate of origin**
0.0495	-1.9700	0.1548	-0.3050	**INDDIR**
0.0916	-1.6908	0.0023	-0.0039	**CR**
0.0299	2.1792	0.0021	0.0047	**INDDIR*CR**
0.0248	-2.2528	0.4186	-0.9431	**LOG(BOARD SIZE)**
0.0000	-5.2677	0.2035	-1.0722	**LOG(ASSETS)**
0.1685	-1.3794	0.0881	-0.1215	**LEVERAGE**
0.0000	5.2084	0.3616	1.8834	**LOG(AGE)**
0.0000	(sig)Fisher statics level		16.3491	Fstatics fisher
2.1556	Statics of D&w		0.8143	Coefficient of det

According to Table 5, the coefficient of estimation of the independent variable INDDIR indicates that there is a negative and significant relationship between the independence of the board of directors and the firm's performance (QTOBIN) at the error level of 0.05. Because the calculated p-value for the coefficient of this independent variable of research is less than 0.05, the coefficient of estimation of independent CR indicates that there is a negative and significant relationship between the concentration of ownership and the firm's performance (QTOBIN) at the error level of 0.05. Because the calculated p-value for the coefficient of this independent variable is more than 0.05. Also, the coefficient of estimating the independent variable INDDIR * CR indicates a positive and significant relationship between the interactive effect of board independence and the concentration of ownership with firm performance (QTOBIN) at the error level of 0.05. Therefore, it can be said that at the 95% error level, ownership concentration moderates the relationship between board independence and firm performance (QTOBIN).

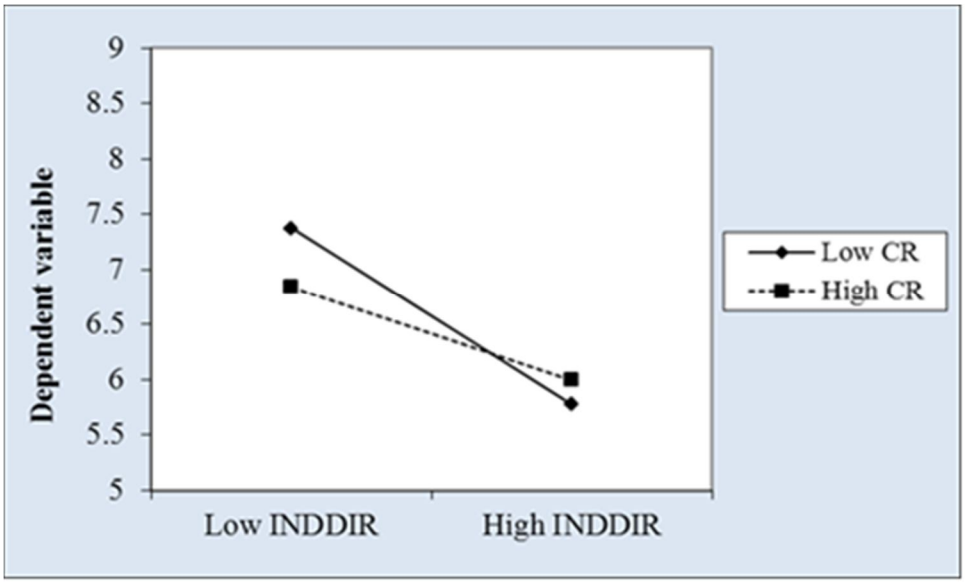

Chart 2. Relationship between the Board of Directors and the Company's Performance (QTOBIN) with regard to the moderating role of ownership concentration

3.3.2.1 Analysis Chart 2

According to Chart 2, it can be concluded that in low-concentration companies (LOW CR) and also in high-concentration companies (HIGH CRs), with the increasing independence of the board of directors, the company's performance (QTOBIN) with intensity greatly reduced. As a result, the decline in ownership concentration increases the effectiveness of the Board's independence on company performance (QTOBIN).

3.3.3 Test results of the third model of research

The results of estimating the second model of research with the dependent variable of ROA are described in Table 5.

Table 6. Summary of the statistical results of the second model research study

(sig)level	Statics t	Standard deviation	coefficient	Variable
0.6947	0.3927	0.1856	0.0729	B_0
0.4914	0.6886	0.0051	0.0035	INDDIR
0.4933	0.6857	0.0142	0.0097	DU
0.7927	0.2630	0.0167	0.0044	INDDIR*DU
0.4433	-0.7673	0.0762	-0.0585	(LOG(BOARD SIZE)
0.0025	3.0413	0.0266	0.0810	(LOG(ASSETS)
0.0000	-15.2483	0.0180	-0.2738	LEVERAGE
0.0000	-19.6940	0.0094	-0.1844	LOG(AGE)
0.0000	(sig)Fisher statics level		46.9546	Fstatics fisher
1.9497	Statics of D&w		0.9264	Coefficient of det

According to Table 6, the coefficient of estimation of the independent variable INDDIR indicates that there is no significant relationship between the board's independence and firm performance (ROA) at the error level of 0.05. Because the calculated p-value for the coefficient of this independent variable of research is more than 0.05, the coefficient of estimation of the independent variable of DU indicates that there is no significant relationship between the type of company's livelihood and the firm's performance (ROA) at the error level of 0.05. Because the calculated p-value for the coefficient of this independent variable is more than 0.05. Also, the coefficient of estimation of the independent variable INDDIR * DU indicates that there is no significant relationship between the interactive effect of the board's independence and the type of company with the company's performance (ROA) at the error level of 0.05. Because the calculated p-value for the coefficient of this independent variable is more than 0.05. Therefore, it can be said that the type of company variable does not modify the relationship between board autonomy and firm performance (ROA).

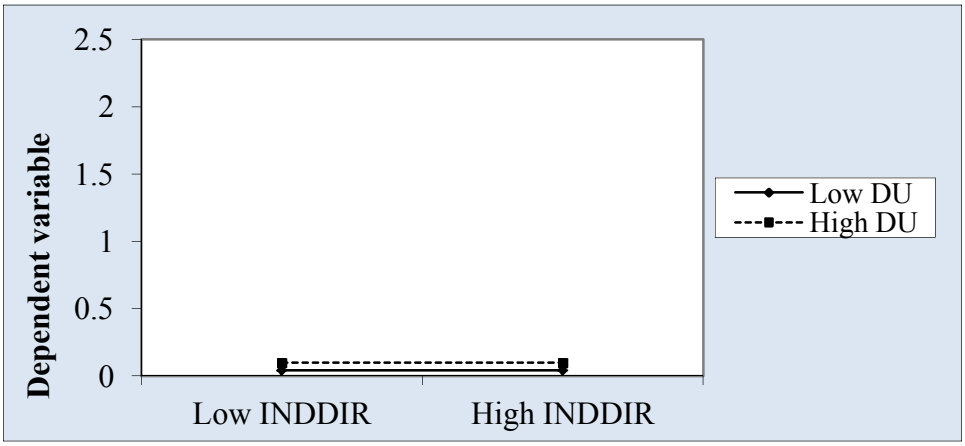

Chart 3. Relationship between the Board of Directors and the Company's Performance (ROA) with respect to the moderating role of the type of company

3.3.3.1 Chart 3 Analysis

As Figure 3 shows, the performance of the company (ROA) does not change as private companies (LOW DU) and also at HIGH DU (HIGH DU) increase their board of directors' autonomy. As a result, the type of company has no effect on the relationship between the Board of Directors' independence and the firm's performance (ROA).

3.3.4 Results of the fourth model research

The results of estimating the second model of research with the dependent variable QTOBIN are described in Table 6.

Table 7. Summary of statistical results of the second research model test

level)sig(	Statics t	Standard deviation	coefficient	Variable
0.0003	7.4746	1.0386	7.7638	B_0
0.2527	1.1453	0.0466	0.0534	**INDDIR**
0.0095	2.6052	0.0604	0.1574	**DU**
0.0823	-1.7417	0.0764	-0.1331	**INDDIR*DU**
0.0001	-4.0165	0.4002	-1.6077	**LOG(BOARD SIZE)**
0.0000	-4.4530	0.1808	-0.8051	**LOG(ASSETS)**
0.0000	-6.4192	0.0943	-0.6053	**LEVERAGE**
0.1169	1.5712	0.3493	0.5488	**LOG(AGE)**
0.0000	Fisher statics level)sig(		50.1864	Fstatics fisher
1.6200	Statics of D&w		0.9123	Coefficient of det

According to Table 7, the coefficient of estimation of the independent variable INDDIR indicates that there is a positive and significant relationship between the independence of the board of directors and the firm's performance (QTOBIN) at the error level of 0.10.because the calculated p-value for the coefficient of this independent variable of research is less than 0.10, and the coefficient of estimation of the independent variable DU indicates that there is no significant relationship between the type of company's livelihood and the firm's performance (QTOBIN) at the error level of 0.05.

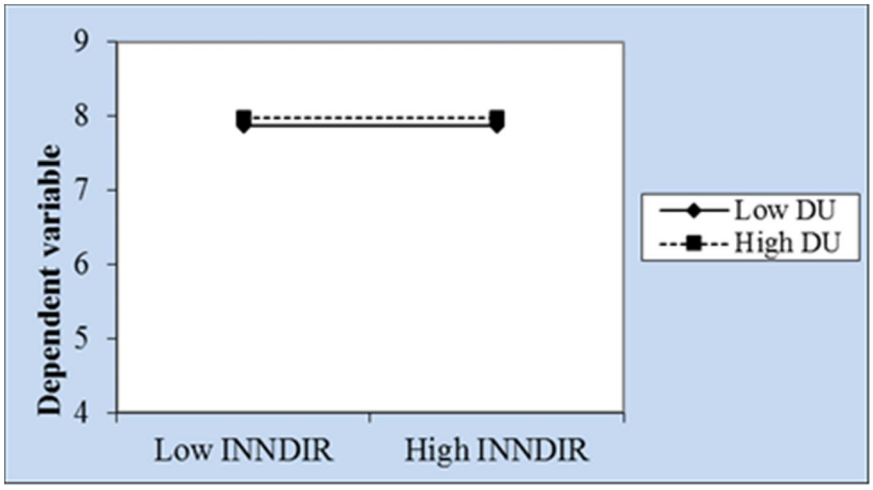

Chart 4. Relationship between the Board of Directors and the Company's Performance (QTOBIN) with regard to the moderating role of the company type

3.3.4.1 Chart 4 Analysis

As shown in Figure 4, in the private companies (LOW DU) and also in HIGH DU, the company's performance (QTOBIN) does not change as the Board of Directors increases. As a result, the type of company has no effect on the relationship between the independence of the board of directors and the firm's performance (QTOBIN).

4. Conclusion

The present study investigates the relationship between board independence and firm performance with the moderating role of ownership structure in companies admitted to Tehran Stock Exchange. According to the results of the first model test, ownership unbundling from management and, as a result, independence of the board has no effect on company performance improvement (ROA), which is somewhat consistent with the research by La Porta et al. (2002) and Citaak and Dura (2014). Also, the independence of the board has a negative and significant effect on the firm's performance (QTOBIN). Therefore, since the process of separation of ownership from management is inevitable in companies, it is necessary to provide a solution that the variable ownership concentration can contribute to, in exchange for an increase Independence of the board should increase the share of institutional owners. Until the negative impact of independence on the moderated performance and performance of the company, the result obtained with the critical research Hassase Yeganeh (2014), Namazi and Kermani (2008), Li et al. (2015), Wang and Jiang (2013)) is somewhat compliant. According to the results of the second-model test, the independence of the board has no effect on the company's performance improvement (ROA) and (QTOBIN), so the company's livelihood variable cannot modulate this relationship, which contradicts the research by Li et al. (2015). Therefore, according to the results of the research, it is possible to make suggestions in relation to applied fields: in companies with high independence of the board, attention should be paid to the role of supervisory role of major shareholders, and the results and rules can be found in public and private companies. The same thing exploited. It is also recommended that the Stock Exchange and Exxon Societies of Iran create disclosure requirements for accepted companies and provide this disclosure to investors quickly.

REFERENCES

Ansari, A., & Karimi, M. 2012. Investigating Financial Criteria for Assessing the Performance of Management in Value Creation for Shareholders, Emphasizing Economic Criteria, Bookkeeper, 200: 3-11.

Adams, R., Hermalin, B., & Weisbach, M. 2010. The Role of Boards of Directors in Corporate Governance: A Conceptual Framework and Survey. Journal of Economic Literature 48: 58-107.

Bozec, R. 2005. Boards of Directors, Market Discipline and Firm Performance. Journal of Business Finance & Accounting 32: 1921-1960.

Berle, A., & Means, G. 1932. The Modern Corporation and private property. Macmillan: New York.

Citaak, A., & Dura, A. 2014. "Is based on the value of the relationship between corporate governance and financial performance measures exist?", Accounting Horizons, 4: 311-332.

Drobetz, W., Schillhofer, A., & Zimmermann, H. 2004. Corporate governance and expected stock returns: evidence from Germany. European Financial Management, 10 (2): 267–293.

Denis, D., & McConnell, J. 2003. International Corporate Governance. Journal of Financial and Quantitative Analysis 28: 1-36.

Gillan, S. 2006. Recent Developments in Corporate Governance: An Overview. Journal of Corporate Finance, 12: 381-402.

Hassase Yeganeh, Y., & Alexander, H. 2008. Investigating the relationship between institutional investors and company value. Quarterly Journal of Accounting and Auditing, Volume 15, Issue 2.

Hassase Yeganeh, Y., AllahKhan, A., Hosseini, D., & Nikon Sabet, M. ۲۰۱۴. Investigating the Effect of Corporate Governance on the Financial Performance of Companies Accepted in the Tehran Stock Exchange, The 10th National Accounting Conference of Iran, Alzahra University. 1: 24-36.

Hermalin, B., & Weisbach, M. 2003. Boards of Directors as an Endogenously Determined Institution: A Survey of the Economic Literature. Economic Policy Review, 9: 7–26.

La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. 2002. Investor Protection and Corporate nValuation, Journal of Finance, 57: 1147–1170.

Li, K., Lu, L., Mittoo, U., & Zhang, Z. 2015. Board Independence, Ownership Concentration and Corporate Performance – Chinese Evidence, InternationalReview of Financial Analysis, 41: 162-175.

Namazi, M., & Kermani, E. 2008. Investigating the Effects of Ownership Structure on The Performance of the Companies Accepted in the Tehran Stock Exchange, Audit and accounting reviews, 15 (53): 83-100.

Setayesh, M., Kazem Nejad, M., & Zulfeghari, M. 2011, investigating the effect on liquidity of disclosure quality on liquidity and capital of companies listed on the Tehran Stock Exchange. Journal of Accounting Research, (Quality of disclosure), 3: 55-74.

Wang, J., & Jiang, Y. 2013. The impact of corporate governance on the performance characteristics of Chinese companies: A Chinese study. The Business Review, 11 (1): 159-166.

How to Cite this Article:

Tavalaei F., Ashrafi M., Investigating the relationship between boards independence and firm performance with moderating role of ownership structure, Uct Journal of Management and Accounting Studies 5(3) (2017) 24–33.