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A GENERAL REVIEW OF SOME OF THE PREVIOUS STUDIES CONDUCTING ON CORPORATE GOVERNANCE

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INTRODUCTION

A literature review is a search and evaluation of the available literature in your own chosen topic area. The first step in the research is the Literature Survey; therefore, it is the most important part of any research.

In this paper, a literature review of corporate governance is undertaken to understand the area, and the chosen topic, to be aware of what has already been written to avoid duplication, to find out the research gaps, and to achieve the objectives of the present study; therefore, it is the most important part of the study.

The aim of this paper is to provide a review of the literature relevant to corporate governance. The review provides an understanding of the relationship between corporate governance and firms` performance.

The organization of the literature review was done based on the sequential arrangement of the studies related to corporate governance, therefore; this paper consists of three sections. The first one discusses the introduction of the literature review. The second one covers the previous research studies, while the third one discusses the summary.

A deeper look into the literature survey shows that there were plentiful studies available conducted aboard regarding corporate governance and only a little studies that conducted in Yemen regarding corporate governance but in other sectors such as banks.

Alenazi (2016)[1] discussed the influence of corporate governance on corporation performance and corporate hazard in the United Kingdom banking industry, and to achieve this objective, the researcher conducted a survey questionnaire of listed banking companies operating in the UK in order to obtain primary data for the study. The secondary data of this study was collected from banks' yearly reports for the period from the year 2006 to the year 2010.

In the end, the research detected that there is a significant relation does exist among corporate governance and bank performance.

The researcher recommended future research with expanding research in this field to cover a larger number of companies and a longer period of time.

Zabri, Ahmad ,and Wah (2016)[2] discussed corporate governance practices and the relation among the corporate governance in the top hundred listed firms in Malaysia, and to achieve this objective, the researchers conducted a statistical analysis of 86 public listed firms as samples, the study conducted for the period from the year 2008 to the year 2012. Due to achieving this objective, the researchers had chosen board volume and board independence as indicators of corporate governance and the firm's ROA and ROE as indicators of the corporation performance.

In the end, the results detected that board volume had a significantly weak negative relation with ROA, whereas it was detected that there was insignificant ROE. Also, the study detected that there was no relation between board independence and corporation performance.

The study recommended future researches that expands the size samples, does an analysis of a longer time period and conducts more variables (indicators) of corporation performance and corporate governance.

Alobaidi, Aloqab, and Raweh (2017)[3] conducted this study due to highlight the truth of the corporate governance in the banking sector of Yemen, and to achieve this objective, the researchers conducted a theoretical framework method through analyzing the legislation, codes, and proceedings which were prepared by financial authorities and the Yemeni central bank. Also, the researchers analyzed the matters and obstacles of endorsing the corporate governance in the banking sector of 19 banks. In the end, the study detected that the Yemeni fiscal authorities had attained a marked evolution in the launched legislation, codes, and regulations; however, the exercise of these legislations in the Yemeni banks is still at the minimum degree.

The study had recommended more research (empirical and theoretical) in terms of the influence of endorsing the corporate governance in the banking sector in developing states in order to capture whole factors that are influencing corporate governance.

Hussain and Hadi (2017)[4] investigated the relation between the mechanism of corporate governance (board volume, board Composition, gender diversity, hazard management committee, and remuneration committee) and corporation performance which were measured via return on assets (ROA).

The target population of the present research was the firms that registered in the construction industry (Construction Industry Development Board – CIDB) in Malaysia and the samples of this study were 124 firms.

A quantitative survey way was utilized and information was gathered from one-hundred twenty-four firms.

The information was collected through primary as well as secondary sources. The questionnaires were distrusted by the target respondents.

The study found that corporate governance mechanism hazard management committee, board composition, and board volume had a significant influence on corporation performance in CIDB registered companies in Malaysia.

Al-Baidhani (2018)[5] examined the influence of corporate governance on bank fiscal performance. This paper concentrated on Islamic and conventional banks that are working in Yemen and the Gulf States are United Arab Emirates, Oman, Kuwait, Qatar, Saudi Arabia, and Bahrain.

The population of the study was 95 banks and samples have been selected for the study was 50 conventional and Islamic banks. The data were extracted from many sources like the bank scope databases, audited fiscal statements, and published reports of the banks.

The quantitative method was utilized in order to investigate the impacts of corporate governance mechanisms on bank performance.

The findings of the current study showed that there was a significant link among corporate governance and bank fiscal performance.

Areneke (2018)[6] conducted this study in order to examine and compare the influence of compliance of institutionalized state-level corporate governance clauses as well as alternative domestic mechanisms of CG on the corporation fiscal performance in the listed corporations in Africa, and to achieve this objective, the researcher had selected hundred listed corporations for the period from the year 2010 to the year 2014, from South Africa. Also, the researcher had selected eighty listed corporations for the time period from the year 2011to the year 2015 from Nigeria. The data of this study were obtained from the data stream and yearly reports.

In the end, the study found there was a significant relation positive that flounce of the compliance of Nigerian and South African corporate governance act on corporation accounting performance (ROCE). This indicates that the corporations which comply with the corporate governance act and rules in both states benefit from the increasing accounting return more than corporations that do not.

The most important recommendations by the researcher for future research were that investigating what encourages the reforms of corporate governance in states and the causes for shifting from one CG act to another CG act. This can be achieved via conducting interviews with big stakeholders in various states that are engaging with the reforms of CG.

Gupta and Wei (2018)[7] aimed to explore the effect of corporate governance variables on the non-performing loan of commercial banks in Nepal. The independent variables are board volume, audit committee member, independent directors, local possession, foreign possession, CEO duplicity, bank age, female director, board meetings, and bank volume.

The current research has relied on the secondary data which were gathered from Nepali banks.

The population of the current research was 28 commercial banks and the samples which had chosen were 18 commercial banks and that was utilized as the samples of the study.

The duration of this study had been used from the year 2010 to the year 2015. And the total observation acquired from the bank's data was 108.

The findings of the current research found board volume, audit committee members, independent directors, local possession, CEO duplicity, bank age, female director, board meetings and bank volume are have a positive link with the ratio of nonperforming loans. Meanwhile, dual CEO duplicity and foreign possession are having a negative link with the ratio of nonperforming loans.

The study had recommended increasing the sample size, time period, and the variables of corporate governance for future research.