

Investigating the Effect of Ownership Structure, Board Structure And Company Control on the Performance of Companies Accepted in Tehran Stock Exchange

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Abstract

the present study investigates the effect of board structure; ownership structure and control of companies on the performance of companies listed in Tehran Stock Exchange. We examine the impact of board of director's traits on firm performance for a large sample of Iran's listed firms. Traits that we examine included number of board of director's, number of sessions, sexuality and so on. We find that most of the board's features do not affect the performance of companies whose shares are in the stock market in Tehran. Study on hypothesis in this research was done by to software; spss and evIEWS that show the results of this research

Key words: board of directors, performance, board size, Tehran stock market

Introduction

In general, poor corporate governance does not necessarily lead to financial collapse of the company. But usually leads to a reduction in the value of the stock and the imposition of damages on the shareholders. Companies with growth strategies are the following. In order to carry out its business activities, the Board of Directors is in a position to pay more and dispose of shareholders' rights. The shareholders were of the opinion that the financial institutions' executors properly qualified the accounting system of the companies. And they always referred to companies that adhere to the rules of the market. Shareholders needs are: complying with laws and regulations, providing transparent financial statements, having a balanced structure from the board of directors, and determining performance-based pay and remuneration for senior executives. The necessity and importance of corporate governance has led to the development of various laws throughout the world, which has undergone many changes due to the needs of the day. (Voshoukia, 2011).

According to the Corporate Governance Code, one of the factors influencing the performance of companies, the characteristics of the board of directors, including the number of members, the membership of the CEO on the board, as well as the number of non-members (Ghonizadeh, 2011).

The Financial Reporting Committee introduces the audit committee as the key to the success of corporate governance. And it is prone to overseeing the impact of internal auditing. The Audit Committee is responsible for overseeing and evaluating the internal auditor's work plan. And in order to receive periodic reports from the on the output of the audit team's performance and at the same time responsible for monitoring and evaluating the responses and responses of the directors to the recommendations made by the internal auditor (Carloslo et al., 2005).

Hence, economic growth and development, the growth of corporations and the separation of management from ownership today have made representation issues one of the most important concerns of investors.

In the relationship of representing the purpose of the owners of the maximization of wealth, so in order to achieve this goal, the agent monitors the work of the agent and evaluates his performance.

In this case, the question to be asked is whether the difference in corporate ownership structure affects their performance? (Zhiyang, 2004)

That is, if the owners of the company form different groups, such as government, financial institutions, banks and other companies, how will their operations be? And which of the different ownership combinations is more effective in improving company performance?

By addressing these questions, in order to improve the company's performance, investors will also pay attention to the combination of owners of companies in order to achieve optimal response to economic units.

Therefore, the study of the relationship between ownership structure and firm performance seems necessary for a better and more accurate evaluation of users of managers' performance (Namazi, 2009).

Therefore, the present study aims to investigate the effect of the structure of the board of directors and the structure of the ownership and control of the company on the performance of the companies listed on the Tehran Stock Exchange, in order to fill this research vacuum and with regard to the individual interest of the researcher in this field. so our Research hypotheses are:

- 1) The size of the board has a significant effect on the performance of accepted companies in Tehran Stock Exchange.
- 2) The independence of the board has a significant effect on the performance of the listed companies in Tehran Stock Exchange.
- 3) The board's gender has a significant effect on the performance of the listed companies in Tehran Stock Exchange.
- 4) The concentration of ownership has a significant effect on the performance of accepted companies in Tehran Stock Exchange.
- 5) Government ownership has a significant impact on the performance of companies admitted to the Tehran Stock Exchange.
- 6) The number of meetings of the Audit Committee has a significant effect on the performance of companies admitted to Tehran Stock Exchange.
- 7) The members of the audit committee have a significant influence on the performance of the companies admitted to the Tehran Stock Exchange.

Methodology of the research

Because of the use of models, methods and theories to investigate the relationship between the characteristics of corporate governance and corporate governance on the performance of selected companies in Tehran Stock Exchange, it is applied in terms of the purpose of the research. Also, since this study examines the status quo, it is within the scope of descriptive research. And since it has been evaluating regression models, it is a descriptive study of causal type. The method of collecting theoretical information of the research; according to the nature of this research, the library method is used and the way of access to information is the library method: Use of library resources that includes books, journals, dissertations, articles and the Internet. This method is used to conduct preliminary studies, compilation of the chapter on research literature and the theoretical framework of research. The method of collecting research data; data on the variables of the research by referring to the sites related to the financial report, including the site of the Tehran Stock Exchange and, if necessary; from other reliable statistical centers during the selected period (1347-1394) In this research, using data regression method in the framework of multivariate econometric model, information analysis has been done. The statistical population of this study is all companies accepted in Tehran Stock Exchange. Sampling in this research was done using systematic knockout method. Therefore, the selected sample includes a selection of companies admitted to Tehran Stock Exchange which have the following conditions:

1. The fiscal year is all the companies ending in March.
2. During the period under review, there is no change in the fiscal year.
3. Be active during the research period of the stock exchange.
4. It is not part of financial companies, brokers and financial institutions and holdings because of the nature and classification of items of financial statements different.
5. The information they need is available.
6. The shares of the companies during the period in question are traded on the stock exchange and do not have any trading interruptions.

Research findings and Suggestions

Based on the results of the research, it can be said that the size of the board has no significant effect on the firm's performance with the equity index in Tehran Stock Exchange, and this hypothesis is rejected.

Since the value of the t statistic for the gender variable on the board is equal to (-1.481) within the range (the level of significance is greater than (0.05), it can therefore be said that the gender of the board of directors on the firm's performance with the equity standard in the stock exchange The Tehran Stock Exchange does not have a significant effect, and this hypothesis has been rejected

The independence of the board of directors has no significant effect on the performance of accepted companies in Tehran Stock Exchange.

Since the value of t for the variable of ownership concentration is equal to (0.401) within the range (the level of significance is greater than (0.05), it can be said that the concentration of ownership on the firm's performance with the equity return criterion in the stock exchange The Tehran Stock Exchange does not have a significant effect, and this hypothesis has been rejected

Government ownership has a significant effect on the performance of accepted companies in Tehran Stock Exchange.

Since the amount of t for the continuity variable of the audit committee meetings is equal to (1.188) within the critical interval (the level of significance is greater than (0/05), it can be said that the continuation of the audit committee meetings on the performance of the company with the criterion of payback The equity holders in Tehran Stock Exchange have no significant effect and this hypothesis has been rejected

Since the value of the t statistic for the variable, the number of members of the audit committee is equal to (-0.326) within the range (the level of significance is greater than (0.05). Therefore, it can be said that the number of members of the audit committee on the performance of the company by the legal standard The equity holders in Tehran Stock Exchange have no significant effect and this hypothesis has been rejected.

According to the results of the first hypothesis, it seems that the size of the board does not have any effect on the performance of the company and therefore stakeholders can take decisions based on the findings of the size of the board.

Regarding the results of the second hypothesis, it seems that the gender of the members of the board does not affect the company's performance; hence, the idea that the absence of women can have positive outcomes on the performance of the set-up can be ruled out.

According to the results of the fourth hypothesis it seems that the concentration of ownership does not affect the firm's performance. Therefore, if the target criterion of the stakeholders is the company's performance and assesses the risk that they must possess centralized ownership, so that their performance cannot be changed, they can, in their decision Review.

Regarding the results of the sixth hypothesis, it seems that the continuation of the audit committee meeting does not affect the performance of the company, and therefore, stakeholders can base their findings on the decisions of the audit committee. So that if their criteria are the company's performance and they assess the risk that they should continue the audit committee meeting so that their performance does not change, they can review their decision.

According to the results of the seventh hypothesis, it appears that stakeholders can take decisions based on this finding on decisions regarding the size of the audit committee. So that if their criteria are the performance of the company and they assess the risk that the number of members of the audit committee should reach or not reach a certain level, so that their performance does not change, they can review their decision.

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