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An Empirical Examination of the Impact of Corporate Governance on  
Listed Companies' Performance in Vietnam

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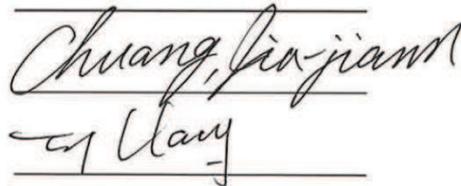
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# An Empirical Examination of the Impact of Corporate Governance on Listed Companies' Performance in Vietnam

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## ABSTRACT

The relationship between corporate governance and firm performance is the prominent topic that has attracted many attentions from academic researches, market participants, and regulators. However, existing researches on this topic have mainly focused on developed countries. Hence, the purpose of this study is to provide the empirical evidence to literature about the effect of corporate governance on firm performance in Vietnam, a developing country. In this study, corporate governance is considered to consist of four board characteristics: (i) the size of the Board, (ii) the dual role of the CEO, (iii) independent directors, (iv) the ownership of the Board. Firm performance is measured by three variables, including: Return on Asset (ROA), Return on Equity (ROE), Earning per Share (EPS). In addition, firm size and leverage are used in models as control variables. This study uses pooled ordinary least squares (OLS) technique to measure the impact of corporate governance on 246 non-financial listed companies on Ho Chi Minh City Stock Exchange (HOSE) from 2010 to 2014. The empirical results show different effects of corporate governance on firm performance. First, the board size has a significant and positive correlation with firm performance measured by EPS. Second, board's ownership is negatively related to all measures of firm performance used in this study. Third, CEO duality and independent directors do not significantly affect firm performance.

*Keywords:* corporate governance, firm performance, board of directors, Vietnam.

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