THE EFFECT OF CEO DUALITY ON THE CORPORATE PERFORMANCE OF COMPANIES LISTED IN TEHRAN STOCK EXCHANGE

Hamid Bavieh Taeimi[1], Mohammad Hossein Ranjbar[2]
1. Department of Accounting, Bandar Abbas Branch, Islamic Azad University, Bandar Abbas, Iran.
2. Department of Accounting, Assistant Professor, Bandar Abbas Branch, Islamic Azad University, Bandar Abbas, Iran.

ABSTRACT
The present research intends to investigate the effect of CEO duality, as one of the important components of corporate governance, on the corporate performance of companies listed in Tehran Stock Exchange during 2008-2013. To this end, the financial performance of the companies was measured based on four indices namely 'Return on Assets', 'Return on Equity', 'Tobin's Q Ratio' and 'Profit Margin Ratio.' The current research is a descriptive-correlation research. In order to test the research hypotheses, Multivariate regression model was used. Panel data and random effects models were used to analyze the research data. The results of hypotheses testing showed that CEO duality has a statistically significant effect only on profit margin ratio while it does not have any significant effect on the other considered research variables.

KEY WORDS: Corporate Governance; CEO Duality; Stock Exchange; Corporate Performance.

1. INTRODUCTION
The issue of corporate governance has attracted much attention globally (Gaa, 2007). Establishing corporate governance at the company level can be accounted as a crucial factor to benefit from competitive advantages in order to attract capitals (Haniffa and Hudaib, 2006). Furthermore, the directing board is one of the main internal mechanisms of corporate governance in monitoring the behaviors and performances of the managers as well as consulting them in determining and implementing the strategies of corporate governance; nevertheless, the directing board plays a critical role in the fulfillment of two main tasks of Monitoring and consulting the management (Shariat Panahi, 2001). Having the ownership been separated from Management in Joint Stock corporations, the managers can govern the company as the representative of the shareholders (Gillan, 2006). Separating ownership from managements led to publicity of agency problems (Qalibaf Asl and Rezaei, 2007). With the formation of agency relations, the conflict of interests is created between the managers, shareholders and other stakeholders and potentially possibility arises that managers take actions for the interests of themselves and not necessarily for the interests of shareholders and other stakeholders (Babajani and Abdi, 2010)

The findings of scientists such as Black (2006) and Gompers, Ishii and Metrick (2003) indicate that corporate governance has a significant role in enhancement of corporate performance and there is a direct relationship between corporate governance and corporate performance in developed as well as developing financial markets.
Regarding the fact that managers and directors are in the spotlight in almost all the definitions presented for corporate governance, the current research is an attempt to investigate the effect of CEO duality on corporate performance. To this end, 'return on assets', return on equity', 'Tobin's Q ratio' and 'profit margin ratio', considered as the measures of corporate performance, while 'CEO duality', accounted as one of the most important indices of corporate governance, are studied in this research.
In the following chapters, the theoretical and empirical review of the related literature as well as research hypotheses are explained; afterwards, research model and empirical results are presented. Finally, the conclusion is briefly summarized.

2. Review of the related literature (Theoretical and Empirical Background)
2.1. CEO Duality
The companies' directing board is their governors in the achievement of companies' goals and objective (Hassas Yeganeh, 2009). Therefore, the state in which the CEO, simultaneously, holds the role of the chairman of the board (COB) refers to CEO duality which potentially gives more authority to the CEO (Aghaei et al, 2009). Esmaeilzadeh Moqarri et al (2010) found that the separation of the duties of CEO from COB (Chairman of the directing board) makes the directing board more autonomous and independent which, in turn, would decrease the agency problems and increase the quality of financial reporting. Decho et al (1996) studied commission corporate in USA Stock Exchange;

they found that the profit manipulation is more evident in companies in which the CEO and COB are the same. On the other hand, CEO duality can potentially increase the risk of CEO being the ultimate decision maker in the field of financial reporting that would subsequently increase the costs of monitoring the management's performance (Esmaeilzadeh Moqarri et al, 2010).

2.2. Corporate Performance

There is a term in management which says that if you cannot measure something, you can manage it (Khaleqi Moghaddam and Barzideh, 2003). Performance measurement is an essential component of any organization which can give feedback on the viability of the programs and their implementation (Chow et al, 1998). Investors, managers and creditors each consider various criteria for measuring the performance of their own business organization. From the perspective of managers, analysis operations such as 'gross profit margin', 'net profit margin', 'the ratio of assets' turnover' and 'profitability ratios' including return on assets (net profit to total assets) are the measurement criteria for the performance of business organizations. On the contrary, for investors 'profitability ratios' such as return on equity and earnings per share as well as market indices such as the ratio of price to earnings per share, the ratio of market value to book value and dividend per share are the criteria for measuring the performance of the organizations. Finally, for creditors, the measurement criteria for the performance of the business organizations are financial leverage and the ratio of profit coverage (Shahrezaei, 2004).

2.3 Research Background

Yung and Zhao (2014) studied the effect of CEO duality on corporate performance in a competitive environment. They found that there is a statistically significant positive relationship between the CEO duality and corporate performance in a competitive environment.

Titma and Pulseri (2012) investigated the effect of some of the characteristics of CEO and directing board on financing the companies listed in Thailand Stock Exchange. The results indicated that the characteristics of CEO and Directing Board are generally effective on financing through borrowing.

Schmid et al (2011) studied the relationship between corporate governance and firm's value. According to the results, there is a statistically significant positive relationship between all the components of corporate governance as well as companies' social behavior and firm's value.

Cheng (2008) studied the relationship between the structure of directing board and corporate performance. He found that there is a statistically significant positive relationship between the size of directing board as well as the percentage of the non-bound members and corporate governance.

Ranjbar et al (2015) studied the relationship between CEO characteristics and profit management in companies. They investigated 109 companies listed in Stock Exchange within 5 years. They found that there is a statistically significant positive relationship between the characteristics of CEO and profit management in companies.

Imani et al (2010) studied corporate governance mechanisms on return on investment. Using multivariate regression model, the results showed that there is not any statistically significant relationship between institutional investors, the quality of financial information and return on investment.

Qalibaf Asl and Rezaei (2007) studied the effect of the structure of directing board on corporate performance in companies listed in Tehran Stock Exchange. They found that there is not any statistically significant relationship between the ratios of non-bound members and none of the performance criteria. Additional findings indicated that there is a significant negative relationship/correlation between financial leverage and return on equity. However, there is a statistically significant positive relationship between the size of the company and net profit margin. Furthermore, there is a statistically significant positive relationship between the size of the company and gross profit margin.

Nikhbakht et al (2010) studied the effect of characteristics of directing board on corporate performance. They found that, in the capital market of Iran, the directing board does not efficiently perform their tasks and duties to decrease the agency problems and it does not have any significant effect on corporate performance.

3. METHODOLOGY

In terms of research method, the present study is a descriptive – correlation research; in terms of research objectives, it is an applied and developmental research in which the real information obtained from companies' financial statements was used. Furthermore, the required information about the research theoretical assumptions was collected based on library studies on the preceding scientific research.

3.1. Research Hypotheses

H_1: There is a statistically significant relationship between 'CEO duality' and 'return on assets' in companies listed in Tehran Stock Exchange.

H_2: There is a statistically significant relationship between 'CEO duality' and 'return on equity' in companies listed in Tehran Stock Exchange.

H_3: There is a statistically significant relationship between 'CEO duality' and 'Tobin's Q Ratio' in companies listed in Tehran Stock Exchange.

H_4: There is a statistically significant relationship between 'CEO duality' and 'Profit Margin Ratio' in companies listed in Tehran Stock Exchange.

3.2. Statistical Population

The statistical population of the present research includes all the companies active in Tehran Stock Exchange during 2008-2013 among which 132 companies of various industries were selected using systematic elimination (targeted) method. This method was used in order to select companies which can provide the research required information during 2008-2013.

4. Research Model

According to the hypotheses developed in the present research, the model associated with each hypothesis is presented hereunder:

Model 1: This model was used to investigate the effect of 'CEO duality' on 'return on assets':

$$ROA_{i,t} = \alpha 0 + \beta 1 CEO_{i,t} + \beta 2\, LEV_{i,t} + \beta 3\, LOSS_{i,t} + \beta 4\, MB_{i,t} + \beta 5\, SIZE_{i,t} + e_{i,t}$$

Model 2: This model was used to investigate the effect of 'CEO duality' on 'return on equity':

$$ROE_{i,t} = \alpha 0 + \beta 1 CEO_{i,t} + \beta 2\, LEV_{i,t} + \beta 3\, LOSS_{i,t} + \beta 4\, MB_{i,t} + \beta 5\, SIZE_{i,t} + e_{i,t}$$

Model 3: The third model was used to investigate the effect of 'CEO duality' on companies' performance using 'Tobin's Q Ratio':

$$Tobins - Q_{i,t} = \alpha 0 + \beta 1 CEO_{i,t} + \beta 2\, LEV_{i,t} + \beta 3\, LOSS_{i,t} + \beta 4\, MB_{i,t} + \beta 5\, SIZE_{i,t} + e_{i,t}$$

Model 4: This model was used to investigate the effect of 'CEO duality' on 'Profit Margin Ratio':

$$NPM_{i,t} = \alpha 0 + \beta 1 CEO_{i,t} + \beta 2\, LEV_{i,t} + \beta 3\, LOSS_{i,t} + \beta 4\, MB_{i,t} + \beta 5\, SIZE_{i,t} + e_{i,t}$$

4.1. Dependent Variable

Corporate Governance: in the present research, the corporate governance is considered as the dependent variable which is explained by four components namely 'Return on Assets', Return on Equity', 'Tobin's Q Ratio' and 'Profit Margin Ratio.' In order to calculate the return on assets, the following formula was used as the ratio if the sum of net profit to total assets:

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Return on equity was calculated as the ratio of the sum of net profit to the equity of shareholders as below:

$$ROE = \frac{\text{Net Profit}}{\text{share holders}}$$

In order to calculate Tobin's Q ratio, the following formula is used as the ratio of the book value of debt and equity market to the total assets:

$$Q - Tobin = \frac{\text{value of } debt + \text{Equity Market}}{\text{Total Assets}}$$

Finally, profit margin ratio was calculated as the ratio of the sum of net profit to net sales as below:

$$Net\ Profit\ Margin = \frac{\text{Net Profit}}{\text{Net Sales}}$$

4.2. Independent Variable

CEO Duality: CEO duality refers to the state in which the CEO holds the position of Chairman as well as the vice chairman (vice president) of the directing board at the same time. If the CEO is either the chairman or the vice president of the directing board in a company, it will be used as the Dummy Variable (1). Otherwise, if the CEO is not the chairman or the vice president of the directing board, it will be used as the Dummy Variable (0). Mat Nor and Sulong (2010) as well as Khodadadi et al (2012) used this variable with the same definition in their research.

4.3. Control Variable

The Market Value to Book Value (MB): this variable is calculated as the ratio of the market value of the company's stocks at the end of the fiscal year to the book value of the equity of shareholders.

The Size of the Company: in the present research, the size of the company is measured by the natural logarithm of the company's assets.

Financial Leverage: this variable is calculated by the ratio of the sum of debts to the total assets at the end of the fiscal year.

Loss: this variable is a binary variable; if the company incurs loss within the fiscal year, (1) otherwise (0) is given.

5. RESEARCH RESULTS

5.1. Descriptive Statistics

After collecting the data and calculating the variables used in this research, the descriptive parameters of each variable was separately calculated. These parameters include information associated with the central tendency indices namely Mean, Median, Maximum and Minimum as well as the information related to Dispersion Measures namely Standard Deviation, Skewedness and Kurtosis. With respect to what is discussed earlier in Chapter 3, the data used in this research is a kind of combined data. Table 1 presents the descriptive statistics of the variables for 123 sample companies participated in stock exchange for 6 years.

Table1. The Descriptive Statistics of the Research Model Variables

Variable	CEO	ROA	ROE	NET	MB	SIZE	LEV	LOSS	Q
Mean	0.029	0.121	0.299	0.185	2.525	13.597	0.642	0.128	1.399
Median	0.000	0.100	0.300	0.140	1.815	13.485	0.640	0.000	1.240
Max.	1.000	1.800	8.860	2.230	124.200	18.120	3.060	1.000	6.840
Min	0.000	-0.300	-8.940	-0.930	-22.800	10.030	0.020	0.000	0.560

Source: Research Results

Amongst the central tendency indices presented above, the 'Mean' is the most important factor indicating the balance point and the centre of distribution. Mean is an appropriate index to indicate the centrality of data. For instance, the mean of CEO duality equals 0.029 which shows that the most data related to this variable are centralized around this point. Median is another index of central tendency which shows the status of the population. As illustrated above in Table 1, the median of corporate value and performance variable (Tobin's Q) is 1.2 indicating that half of the data related to this variable is smaller than this value whereas the other half is larger than this value. During the research time interval, the greatest value belongs to return on equity i.e. 8.86 while the smallest (least) value related to this variable is -8.94.

6. Model Estimation Methods

6.1. F-Limer Test

In order to test the research hypotheses based on Regression Models it is, first, needed to use essential statistical tests to describe the type of data. The results of F-Limer Test for each of the research models as presented in Table 2 showed that panel data or data fusion methods should be used to estimate the model. The probability value related to this test for the research model is smaller than 0.05; therefore, the null hypothesis of the research indicating data fusion of the research model is rejected.

Table2. The Results of F-Limer Test.

Model	Type of Test	Value	Probability Value	Results
1	F-Limer	4.026	0.000	Panel Data
2	F-Limer	0.9419	0.000	Panel Data
3	F-Limer	6.495	0.000	Panel Data
4	F-Limer	6.080	0.000	Panel Data

Source: Research Results

6.2. Hausman Test

According to F-limer test, it's necessary to use Hausman Test as well to determine the type of panel data. As it is presented by Table 3, the results of the Hausman Test shows that the data are panel data with random effects. The probability value related with its test is larger than %5; therefore, the research model of the variables is estimated based on the approach of panel data with random effects.

Table3. The Results of Hausman Test

Model	Type of Test	Value	Probability Value	Results
1	Hausman	9.3432	0.0961	Panel Data with Random Effects
2	Hausman	5.9683	0.3093	Panel Data with Random Effects
3	Hausman	26.131	0.0001	Panel Data with Random Effects
4	Hausman	27.037	0.0001	Panel Data with Random Effects

Source: Research Results

7. The Results of Model Estimation

After using the necessary statistical tests, the final results of the research model estimation will subsequently presented in order to determine the use of data and ensure the accuracy of the fit model.

7.1. The Estimation Results of the First Research Model

The results of F-Limer and Hausman Tests displayed that the research model was estimated based on the approach of panel data with random effects. According to the estimation results presented in Table4, which test the effect of CEO duality and return on assets in companies listed in Tehran Stock Exchange, the F value of regression, which shows the explanatory capability of the model, is smaller than 0.01 indicating that this model is valid and significant at % 99 confidence levels. Additionally, the value of Durbin Watson Test (1.57) confirms that there is not any correlation between the disturbing components since this value is placed between 1.5 and 2.5.

Table4. The Estimation Results of the First Research Model

$$ROA_{i,t} = \alpha0 + \beta1 CEO_{i,t} + \beta2\ LEV_{i,t} + \beta3\ LOSS_{i,t} + \beta4\ MB_{i,t} + \beta5\ SIZE_{i,t} + e_{i,t}$$

Variable	The Symbol of Variable	Estimated Coefficient	Standard Error	T-test	P-Value
Intercept	C	0.196	0.045	4.298	0.0000
CEO Duality	CEO	0.003	0.025	0.147	0.8831
Financial Leverage	LEV	-0.253	0.017	-14.903	0.0000
Loss	LOSS	-0.151	0.014	-10.644	0.0000
Market Value to Book Value	MB	0.002	0.0008	3.645	0.0003
The Size of Company	SIZE	0.007	0.003	2.237	0.025

F-Test	11.23	F Significance	0.0000	Coefficient of Determination	0.70
Durbin Watson Test	1.57	No. of Observations	738		

Source: Research Results

Based on the results of Table 4, the first research hypothesis which index P-value (0.883) larger than the significance level (0.05) is rejected at %95 confidence level. As a consequence, CEO duality does not have any statistically significant effect on return on assets in companies listed in Tehran Stock Exchange.

7.2. The Estimation Results of the Second Research Model

The results of F-Limer and Hausman Tests displayed that the research model was estimated based on the approach of panel data with random effects. According to the estimation results presented in Table 5, which test the effect of CEO duality and return on equity in companies listed in Tehran Stock Exchange, the F value of regression, which shows the explanatory capability of the model, is smaller than 0.01 indicating that this model is valid and significant at % 99 confidence levels. Additionally, the value of Durbin Watson Test (2.09) confirms that there is not any correlation between the disturbing components since this value is placed between 1.5 and 2.5.

Table5. The Estimation Results of the Second Research Model

$$ROE_{i,t} = \alpha 0 + \beta 1 CEO_{i,t} + \beta 2\, LEV_{i,t} + \beta 3\, LOSS_{i,t} + \beta 4\, MB_{i,t} + \beta 5\, SIZE_{i,t} + e_{i,t}$$

Variable	The Symbol of Variable	Estimated Coefficient	Standard Error	T-test	P-Value
Intercept	C	0.211	0.297	0.712	0.476
CEO Duality	CEO	-0.101	0.162	-0.625	0.531
Financial Leverage	LEV	0.063	0.110	0.577	0.563
Loss	LOSS	-0.533	0.092	-5.767	0.000
Market Value to Book Value	MB	0.014	0.005	2.655	0.008
The Size of Company	SIZE	0.006	0.021	0.285	0.7750

F-Test	1.28	F Significance	0.000	Coefficient of Determination	0.21
Durbin Watson Test	2.09	No. of Observations	738		

Source: Research Results

Based on the results of Table 5, the second research hypothesis which index P-value (0.531) larger than the significance level (0.05) is rejected at %95 confidence level. As a consequence, CEO duality does not have any statistically significant effect on return on equity in companies listed in Tehran Stock Exchange.

7.3. The Estimation Results of the Third Research Model

The results of F-Limer and Hausman Tests displayed that the research model was estimated based on the approach of panel data with random effects. According to the estimation results presented in Table 6, which test the effect of CEO duality and Tobin's Q ratio in companies listed in Tehran Stock Exchange, the F value of regression, which shows the explanatory capability of the model, is smaller than 0.01 indicating that this model is valid and significant at % 99 confidence levels. Additionally, the value of Durbin Watson Test (1.63) confirms that there is not any correlation between the disturbing components since this value is placed between 1.5 and 2.5.

Table6. The Estimation Results of the Third Research Model

$$Tobins - Q_{i,t} = \alpha 0 + \beta 1 CEO_{i,t} + \beta 2\, LEV_{i,t} + \beta 3\, LOSS_{i,t} + \beta 4\, MB_{i,t} + \beta 5\, SIZE_{i,t} + e_{i,t}$$

Variable	The Symbol of Variable	Estimated Coefficient	Standard Error	T-test	P-Value
Intercept	C	2.001	0.221	9.024	0.0000
CEO Duality	CEO	0.101	0.121	0.837	0.402
Financial Leverage	LEV	-0.088	0.082	-1.075	0.282
Loss	LOSS	0.042	0.069	0.608	0.543
Market Value to Book Value	MB	0.019	0.003	4.943	0.000
The Size of Company	SIZE	-0.044	0.015	-2.774	0.005

F-Test	6.75	F Significance	0.0000	Coefficient of Determination	0.58
Durbin Watson Test	1.63	No. of Observations	738		

Source: Research Results

Based on the results of Table 6, the third research hypothesis which index P-value (0.402) larger than the significance level (0.05) is rejected at %95 confidence level. As a consequence, CEO duality does not have any statistically significant effect on Tobin's Q ratio in companies listed in Tehran Stock Exchange.

7.4. The Estimation Results of the Fourth Research Model

The results of F-Limer and Hausman Tests displayed that the research model was estimated based on the approach of panel data with random effects. According to the estimation results presented in Table 7, which test the effect of CEO duality and Profit Margin Ratio in companies listed in Tehran Stock Exchange, the F value of regression, which shows the explanatory capability of the model, is smaller than 0.01 indicating that this model is valid and significant at % 99 confidence levels. Additionally, the value of Durbin Watson Test (1.65) confirms that there is not any correlation between the disturbing components since this value is placed between 1.5 and 2.5.

Table7. The Estimation Results of the Fourth Research Model

$$NPM_{i,t} = \alpha 0 + \beta 1 CEO_{i,t} + \beta 2\ LEV_{i,t} + \beta 3\ LOSS_{i,t} + \beta 4\ MB_{i,t} + \beta 5\ SIZE_{i,t} + e_{i,t}$$

Variable	The Symbol of Variable	Estimated Coefficient	Standard Error	T-test	P-Value
Intercept	C	0.077	0.087812	0.887	0.375
CEO Duality	CEO	0.100	0.048152	2.079	0.037
Financial Leverage	LEV	-0.535	0.032664	-16.408	0.000
Loss	LOSS	-0.238	0.027334	-8.711	0.000
Market Value to Book Value	MB	0.003	0.001567	2.504	0.012
The Size of Company	SIZE	0.034	0.006329	5.455	0.000

F-Test	14.98	F Significance	0.0000	Coefficient of Determination	0.75
Durbin Watson Test	1.65	No. of Observations	738		

Source: Research Results

Based on the results of Table 7, the fourth research hypothesis which index P-value (0.037) smaller than the significance level (0.05) is confirmed at %95 confidence level. As a consequence, CEO duality has a statistically significant effect on profit margin ratio in companies listed in Tehran Stock Exchange.

8. CONCLUSION AND SUGGESTIONS

The first hypothesis of the research tested the relationship between the 'CEO duality' and 'return on assets' in companies listed in Tehran Stock Exchange. According to the results presented in Table 4, CEO duality does not have any statistically significant effects on return on assets in companies listed in Tehran Stock Exchange. As a consequence, the first hypothesis was rejected. The result of the first hypothesis was not consistent with the findings of Cheng (2008) whereas it was consistent with the findings of Nikbakht et al (2010). The second hypothesis studied the relationship between 'CEO duality' and 'return on equity' in companies listed in Tehran Stock Exchange. According to the results presented in Table 5, CEO duality does not have any statistically significant effects on return on equity in companies listed in Tehran Stock Exchange. Therefore, the second hypothesis was rejected. The result of the second hypothesis was consistent with the findings of Imani et al (2010), Qalibaf Asl and Rezaei (2007) and Nikbakht et al (2010). The third hypothesis of the present research investigated the relationship between 'CEO duality' and 'Tobin's Q Ratio' in companies listed in Tehran Stock Exchange. According to the results presented in Table 6, CEO duality does not have any statistically significant effects on Tobin's Q Ratio in companies listed in Tehran Stock Exchange. Consequently, the third hypothesis was rejected. The result of the third hypothesis was not consistent with the findings of Mat Nor and Sulong (2010) and Schmid et al (2011).

The fourth hypothesis studied the relationship between 'CEO duality' and 'Profit margin ratio' in companies listed in Tehran Stock Exchange. According to the results presented in Table 7, CEO duality has statistically significant effects on profit margin ratio in companies listed in Tehran Stock Exchange. Therefore, the fourth hypothesis was confirmed. The coefficient of CEO duality indicated that there is a positive and direct relationship between CEO duality and profit margin ratio in companies listed in Tehran stock exchange. That is, when the CEO is either the Chairman or vice president of the directing board at the same time, the profit margin ratio of the companies listed in Tehran stock exchange increases and has an uptrend. Furthermore, the result of the fourth hypothesis was consistent with the findings of Qalibaf Asl and Rezaei (2007) while it was not consistent with the findings of Nikbakht *et al* (2010). Considering the

findings of the present study, with the development of companies' fields of activity as well as the need for specialized managers in order to enhance the accountability of managers and transparency of information in economic firms and companies, whose capital is, in whole or parts, supplied by a majority of shareholders, it is recommended that the CEO be separated from the directing board members to avoid any ambiguity in the role of these two important entities in corporate governance.

REFERENCES

Aghaei M. A., Etemadi, H., Azar A. and Chalaki P. (2009). The Characteristics of Corporate Governance and Information Content of Profit in Tehran Stock Exchange with Emphasis on the Role of Profit Management. *J. Iran Management Sci.* 4(16).

Babajani J. and Abdi M. (2010). The Relationship between Corporate Governance and Companies' Taxable Profit.

Black, B., Love, I. and Rachinsky A. (2006). Corporate Governance Indices and Firms Market Valves: Time Series Evidence from Russia. *Emerging Markets Rev.* 7: 361-379.

Cheng Sh. (2008). Board Size and the Variability of Corporate Performance. *J. Financial Economics*. 87(1): 157-176.

Chow C. W., Ganulin D., Haddad, K. and Williamson, J. (1998). The Balanced Score Card: A Potent Tool for Energizing and Focusing Health-care Organization Management. *J. Health-Care Management.* 43(3): 63-80.

Dechow, P. and Dichev, I. (1996). The Quality of Accruals and Earnings: The Role of Accrual Estimation Errors. *The Accounting Rev.* 77: 35-59.

Esmaeizadeh Moqarri A., Jalili M. and Zand Abbas Abadi A. (2010). The Effect of Corporate Governance on Profit Quality in Tehran Stock Exchange. *J. Management Accounting.* 3(7).

Gaa J. (2007). Corporate Governance, Transparency and Secrecy: The Ethics of Earnings Management. *Working Paper:* University of Alberta.

Gillan S. G. (2006). A Survey of Shareholder Activism: Motivation and Empirical Evidence. *Contemporary Finance Digest,* 10-38.

Gompers, P., Ishii, J. and Metric, A. (2003). Corporate Governance and Equity Prices, *Quarterly Journal of Economics, 118(1),* 107-155.

Haniffa, R. and Hudaib, M. (2006). Exploring the Ethical Identity of Islamic Banks via Communication in Annual Reports. *J. Business Ethics.*

Hassas Yeagneh. (2009). Corporate Governance and Directing Board. *The Collection of Articles on Corporate Governance.*

Imani Barandaq A. (2010). The Relationship between Corporate Governance Mechanisms and Return on Investment in Companies Listed in Tehran Stock Exchange. *The National Conference of the Role of Accounting Information Transparency on Resolving Financial Crises.*

Khaki Q. (2010). *Research Methodology with Approaches to Dissertation*. Baztab Publications.

Khaleqi Moghaddam H. and Barzideh F. (2003). The Relationship between Different Approaches in Measuring the Companies' Financial Performance. *J. Accounting Studies.* 2: 83-106.

Mat Nor F. and Sulong Z. (2010). Corporate Governance Mechanisms and Firm Valuation in Malaysian Listed Firms. *Journal of Modern Accounting and Auditing, 6(1),* 18-36.

Nikhbakht, M. R. et al. (2010). The Effect of the Characteristics of Directing Board on Corporate Performance. *Accounting Developments.* Shiraz University.

Qalibaf Asl, H. and Rezaei F. (2007). The Effect of Directing Board Structure on the Performance of Companies Listed in Tehran Stock Exchange. *Financial Res.* 23.

Ranjbar M. H. (2015). The Relationship between the Characteristics of the CEO and Profit Management in Companies Listed in Tehran Stock Exchange. *Jamaican J. Sci. Tech.*

Shahrezaei M. (2004). Using Financial Ratios in Companies' Decision Makings. *The J. Accountant.* 19(165): 21-24.

Shariat Panahi S. M. (2001). *The Effect of the Type of Ownership on the Performance of Managers in Companies Listed in Tehran Stock Exchange.* A PhD Dissertation in Accounting. Allameh Tabatabaei University.

Schmid M. M., Oesch D. and Ammann M. (2011). Corporate Governance and Firm Value: International Evidence. *J. Empirical Finance.* 18: 36-55.

Titma and Pulseri (2012). The Characteristics of Managing Director of Finance Company. *J. Accounting Res.* 40(1): 21-40.

Tina Y. and Shan Z. (2014). CEO Duality and Firm Performance: Evidence from an Exogenous Shock to the Competitive Environment. *J. Banking Finance.* 49: 534–552.