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Board Characteristics, Ownership Structure and Firm Performance: Evidence from Taiwan

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ABSTRACT

This study examines the impact of corporate governance, in particular the board characteristics and ownership structure, on firm performance. Using a dataset of Taiwanese listed companies from 1997 to 2008, we find that the higher the proportion of independent directors and the smaller the board size, the higher the firm performance. As regards ownership structure, institutional ownership, foreign ownership and family ownership are positively related to firm value. In contrast, block-holders' ownership is negatively associated with firm performance.

Keywords: corporate governance, board characteristics, ownership structure, firm performance