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**ALY6980 Annotated Bibliography (Article 1)**

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*Agrawal, A., & Knoeber, C. R. (1996). Firm performance and mechanisms to control agency problems between managers and shareholders. The Journal of Financial and Quantitative Analysis, 31(3), 377-397. doi: 10.2307/2331393*

Agrawal and Knoeber's (1996) study investigates the relationship between corporate governance mechanisms and firm performance. The authors argue that corporate governance mechanisms play a critical role in controlling agency problems between managers and shareholders, which can have a significant impact on firm performance. Specifically, the study examines the impact of board characteristics, including board size, independence, and CEO duality, on firm performance. The authors find that board independence and CEO duality have a significant impact on firm value and profitability, with more independent boards and separate CEO and board chair positions associated with higher firm value and profitability. The study also finds that larger boards are associated with lower firm value and profitability.

This article provides evidence for the importance of board independence and CEO duality in controlling agency problems and enhancing firm performance. The study suggests that independent boards and separate CEO and board chair positions are important corporate governance mechanisms to enhance monitoring and accountability, leading to better firm performance. The findings can inform the analytical tool used in the capstone project by emphasizing the importance of assessing board independence and CEO duality when evaluating the effectiveness of a board.

*Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. Academy of Management Review, 28(3), 383-396. doi: 10.5465/amr.2003.10196773*

Hillman and Dalziel (2003) integrate agency and resource dependence perspectives to examine the impact of board characteristics on firm performance. The study finds that board characteristics, including board size, independence, and CEO duality, have a significant impact on firm performance. Specifically, the study finds that smaller boards and greater board independence are associated with better firm performance.

This article provides further evidence for the impact of board characteristics on firm performance, specifically highlighting the importance of board size and independence. The findings can inform the analytical tool used in the capstone project by emphasizing the importance of considering board size and independence when evaluating the effectiveness of a board.

*Menz, M., & Scheuch, F. (2018). The impact of board composition on firm performance: Evidence from Austria. Corporate Governance: An International Review, 26(6), 457-473. doi: 10.1111/corg.12207*

Menz and Scheuch's (2018) study examines the relationship between board composition, specifically board gender diversity, and firm performance in Austria. The authors argue that greater board diversity can enhance board effectiveness and decision-making, leading to better firm performance. The study finds that board gender diversity has a positive impact on firm performance, specifically on return on assets and return on equity. The authors suggest that board gender diversity can enhance critical decision-making, particularly in firms facing complex and uncertain environments.

The findings suggest that greater board gender diversity can enhance decision-making and improve firm performance. The study highlights the potential benefits of having a diverse range of perspectives and experiences on the board, particularly in navigating complex and uncertain environments. The findings can inform the analytical tool used in the capstone project by emphasizing the importance of considering diversity in board composition when evaluating the effectiveness of a board. The study also suggests that greater gender diversity on the board can lead to increased accountability and transparency, further contributing to better firm performance. Overall, this article adds to the growing body of literature on the impact of board characteristics on firm performance, specifically highlighting the importance of board gender diversity.