Doctoral (PhD) Dissertation

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GÖDÖLLŐ

2021

HUNGARIAN UNIVERSITY OF AGRICULTURE AND LIFE SCIENCES

"The Impact of Hofstede's cultural dimensions theory on corporate performance through applying Corporate Governance in Financial Institutions in Jordan"

Doctoral (PhD) dissertation

DOI: 10.54598/001780

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Gödöllő

2021

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Table of Contents

ABBREVIATIONS

ASE	Amman Stock Exchange
BOD	Board of Directors
CBJ	Central Bank of Jordan
CEO	Chief Executive Officer
CM	Chairman
CG	Corporate Governance
CP	Corporate Performance
HCL	Hofstede's cultural dimensions
GDP	Gross domestic product
NEMs	Non-Executive Members
OECD	Organisation for Economic Co-operation and Development
ROA	Return on Assets
ROE	Return on Equity
SDC	Security Depository Centre
SEC	Securities Exchange Commission
TA	Total Assets
BON	Number of board members
INDB	Independence of Board of Directors
NCEOD	Non CEOD duality (the CEO is not the same Chairman)
ACM	Number of audit committee meetings
GCM	Number of governance committee meetings
ITM	Number of IT committee meetings
ACN	Number of audit committee members
GCN	Number of governance committee members
ITN	Number of IT committee members
LO	Largest ownership
GO	Government ownership
FO	Foreign ownership
PDI	Power distance index
IDV	Individualism vs. collectivism
UAI	Uncertainty avoidance Index
MAS	Masculinity versus Femininity
LTO	Long-term orientation vs. short-term orientation
IND	Indulgence vs. restraint

Dedication

I dedicate this work to loved ones who have had the most impact on my life

To my Mother

For her unconditional love, support, patience, and inspiration

To my Father's soul who taught me hardworking and perseverance

To the soul of my older brother Basheer

And to all my brothers and sisters for their support

Mohammad, Omar, Ahmed, Salwa, Lubna, Tagreed, Ameera, Ala'a

1. INTRODUCTION

Corporate governance and culture are important topics in the literature, particularly corporate governance after the international financial breakdowns, where effective CG structures are becoming an important factor in protecting the rights of shareholders and increasing confidence in the state's economy. Many studies have indicated that corporate governance mitigates agency problems. Further, Cultural factors are also related to agency problems (LICHT 2014; RAFIEE - SARABDEEN 2012; BAE ET AL. 2012). Culture is defined as a collection of values and activities of people within a country or business (AL-HARSH 2008). Corporate governance is defined by (OECD, 2004) as a connection between the stakeholders of the company (management of the company, board, shareholders). Governance is also known as a mechanism used in the company to mitigate agency problems and to overcome the conflicts of interest between the owners and managers (JENSEN - MECKLING 1976). Empirical studies provided three generations of corporate governance, (DENIS - MCCONNELL 2003) indicated the first and second generations. The first one concerned specific corporate governance mechanisms and company performance. The second one concerned the impact of legal systems on corporate governance and company value. The third generation uses governance ratings to measure the quality of corporate governance in the company (OLIVEIRA 2016).

Most studies showed that corporate governance is a critical factor in impacting company performance, where most the findings of empirical literature indicated that there is a positive relationship between corporate governance and corporate performance (ABDALLAH - ISMAIL 2017; SALIM ET AL. 2016; AL-RAMAHI ET AL. 2014). While other studies showed contradictory results (MARASHDEH 2014) pointed out that there is no significant impact of some corporate governance variables such as (board size) on firm performance. The study also finds that the presence of non-executive directors has a negative impact on firm performance. (SALIM ET AL. 2016) find that the number of independent board members and board meetings had no significant impact on bank technical performance.

Culture dimensions have been conducted in the literature in various forms. Some of the studies for example (STULZ - WILLIAMSON 2003) used religion and language as proxies for culture, (CHUI ET AL. 2002) used six cultural dimensions of SCHWARTZ'S 1994, (BAE ET AL. 2010) and (OLIVEIRA 2016) used the Hofstede cultural dimensions. In Jordan context, Hofstede's cultural dimensions have been conducted in general, for example (ALKAILANI - KUMAR 2016; SABRI 2012; ALKAILANI ET AL. 2012; AL-SARAYRAH ET AL. 2016; AL – JAAFREH AND ET AL. 2012; RABABAH 2015; OBEIDAT ET AL. 2012; AFANEH ET AL. 2014). According to the impact of Hofstede's cultural dimensions on performance, almost there are negligible empirical and theoretical studies have been addressed in Jordan. On the other hand, there are some studies that examined the effect of culture in different aspects, (IRFAN 2016) examined the impact of cultural dimensions of Hofstede on organizational performance in Sri Lanka, (GLEASON ET AL. 2000) examined the Interrelationship between Culture, Capital Structure, and Performance. (BREUER ET AL. 2018) explored the relationship between takeover performance and national culture, (BOUBAKRI ET AL. 2017) examined the effect of national culture on bank performance, (OLIVEIR 2016) analyzed the impact of corporate governance and cultural dimensions in dividend policy, (BAE ET AL. 2012) analyzed the relationship between dividend policy, corporate governance at the country level and cultural elements, (ZHENG - ASHRAF 2016) examined the direct effects of national culture on bank risk-taking behavior. The results of some studies confirmed that culture influences performance, (MARTINS - LOPES 2016) found power distance, uncertainty avoidance, Long-term Orientation, and Indulgence cultures impact on CP. Furthermore, (BOUBAKRI ET AL. 2017) found that uncertainty avoidance, collectivism, and power distance have an impact on bank performance during the financial crisis.

Culture reflects corporate policies, and it differs across countries, as a result, culture has an important role in adopting good corporate governance practices in companies (GRIFFIN ET AL. 2014). This is confirmed by many studies that showed the importance of cultural factors in corporate governance. For example (LICHT ET AL. 2005; LICHT 2014; RAFIEE - SARABDEEN 2012; GANTENBEIN - VOLONTÉ 2012). Hence the importance of cultural factors in corporate governance and the importance of their critical roles on performance. This study will enrich literature in this field in Jordan context by filling the gap in this regard by considering the culture dimensions as a critical factor that affects corporate performance with the presence of corporate governance. Therefore, Following (OLIVEIRA 2016, BAE ET AL. 2012) who investigated the impact of corporate governance and cultural dimensions in dividend policy. Further, following (GRIFFIN ET AL. 2014) who investigated Hofstede’s National Culture, Corporate Governance Practices, and Firm Performance, by using cultural theory.

This study examines the (individual and interaction) impact of culture and corporate governance on corporate performance in the Jordan context by using the six Hofstede dimensions. To measure corporate governance this study employs different measures, the most important factors of corporate governance used in the literature of governance and capital structure, namely Board Committees (Audit, Governance, IT), Independence of Board of Directors INDB, Non-CEO duality NCEOD, Largest ownership LO, Government ownership GO, Foreign ownership FO. To measure culture the researcher use Hofstede model of national culture developed by Hofstede (six dimensions), namely, Power distance index PDI, Individualism vs. collectivism IDV, Uncertainty avoidance UAI, Masculinity vs. femininity MAS, Long-term orientation vs. short-term orientation LTO, Indulgence vs. restraint IND. Using these six of Hofstede’s cultural dimensions contribute to the literature locally and globally, since these six factors have not been used together in many studies particularly with corporate governance.

BAE ET AL. (2012) used Hofstede's cultural dimensions-uncertainty avoidance, masculinity, and a long-term orientation, (OLIVEIRA 2016) used three cultural dimensions (Masculinity versus Femininity, Uncertainty Avoidance index, and Indulgence versus Restraint). And (ZHENG - ASHRAF 2016) used four dimensions: uncertainty avoidance, individualism vs. collectivism, masculinity vs. femininity, and power distance. Locally, there are no studies that have used the six of Hofstede’s cultural dimensions to investigate the impact of culture on performance. However, some international studies conducted these six dimensions in general, for example (ANDRIJAUSKIENE - DUMCIUVIENE 2017) entitled “Hofstede’s cultural dimensions and national innovation level”; (HOFSTEDE 2011) entitled “Dimensionalizing Cultures: The Hofstede Model in Context”; (CHANDAN 2014) entitled “Creating a culturally sensitive marketing strategy for the diffusion of innovations using Hofstede’s six dimensions of national culture”; (GAMLATH 2017) entitled "Human Development and National Culture: A Multivariate Exploration”. Furthermore, the current study used the agency theory, and the Hofstede cultural dimensions theory for testing the hypotheses as well as to answer the research question: In a Jordanian context, how do Hofstede’s cultural dimensions theory and corporate governance affect the performance of companies? Where the study covered the financial Jordanian companies listed in the ASE 105 companies for the period (2013 - 2017).

The study presents important contributions: (1) use the corporate performance to measure the productivity and ability to employ the resources by the managers, (2) link corporate governance with performance based on archival data by using data from Amman stock exchange, (3) use of the most important indicators of corporate governance which set by OECD, (4) use the six of Hofstede’s cultural dimensions, and (5) use the interaction of six of Hofstede’s cultural dimensions and corporate governance on corporate performance CP. (6) use the financial sector companies. Finally, the current study demonstrated through in-depth and detailed literature research and statistical analysis in Jordanian conditions that the performance of financial firms is closely related to good corporate governance and Hofstede cultural variables. Therefore, the results of this study will be useful for many parties in Jordan such as (financiers, financial analysts, capitalists, policymakers, and academics).

1.1. The aim of research (Motivations of the research)

The main purpose of the research is to investigate if Hofstede's cultural dimensions theory and corporate governance have an impact on the corporate performance of listed companies in Jordan (Financial sector). As well as test how the relationship between culture and corporate performance differs with the corporate governance structure. Further, contribute to increasing awareness to recognize the importance of Hofstede's cultural dimensions and corporate governance and recognize their impact on corporate performance and provided new useful results for the concerned parties and policymakers. Particularly, there is a lack of literature about this issue in Jordan. Furthermore, provide suggestions and managerial implications regarding the culture and good corporate governance mechanisms in order to improve corporate performance. In addition, determining the barriers that impede the application of good corporate governance in Jordan.

1.2. Research Problem (Questions)

Many studies show that there is a significant impact of corporate governance and corporate performance e.g. (SALIM ET AL. 2016; ABDALLAH - ISMAIL 2017; MARASHDEH 2014; BUALLAY ET AL. 2017; AHMED - HAMDAN 2015; MASOUD - ALDAAS 2014). Further, the literature in Jordan proved that there are rare empirical studies that addressed Hofstede's cultural dimensions, corporate governance, and their relationship with corporate performance. And in the light of the findings of many studies that confirmed that corporate governance has a positive impact on corporate performance and the importance of the understanding of the cultural dimensions that enhance organizational commitment and achieve the objectives. Therefore, the problem of this research stems from here. This research is concerned with investigating the (individual and interaction) impact of Hofstede's cultural dimensions and corporate governance on corporate performance. The research will answer the main questions:

1. How does corporate governance impact on corporate performance?
2. How do Hofstede's cultural dimensions impact on corporate performance?
3. How do Hofstede's cultural dimensions and corporate governance impact on corporate performance?
4. How does the interaction of Hofstede's cultural dimensions and corporate governance (CG*HCL) impact on corporate performance?

In addition, the study will answer the following extra questions:

1. How do listed companies recognise the role of corporate governance in reaching organisational objectives?
2. How does corporate governance contribute in reaching high levels of economic efficiency to listed companies?
3. How do the set Code of Corporate Governance principles impact on the corporate performance optimization of listed companies?
4. What is the reality of corporate governance Jordanian companies and what are the challenges facing the implementation of corporate governance?
5. What are the characteristics of culture in the Jordanian companies?

1.3. Research Organization

The structure of the dissertation consists of eight chapters as follows: chapter one introduction presents the aim of the research and the research problem, Chapter two presents the objectives and the significance of the study, also the contribution to the literature, In addition to the research hypotheses. Chapter three presents an overview of corporate governance and Hofstede's cultural dimensions in Jordan; it covers the background and general information about Jordan also provides a discussion on the Jordan economy and the financial sector and the legislative environment. Further, the chapter covers the Barriers and Challenges of Corporate Governance in Jordan. Furthermore, chapter three presents the literature overview and developed hypotheses, it covers the literature review of corporate governance; Hofstede's cultural dimensions; corporate performance, then covers the Principles of Corporate Governance, the chapter also covers the theoretical framework of study that included the agency theory, and Hofstede's cultural dimensions theory to investigate the impact of Hofstede's cultural dimensions and corporate governance on corporate performance. And finally, the researcher formulates the developed hypotheses. Chapter four the material and methods presents the methodology of research, sample selection and data collection, measurement of dependent and independent variables, besides the proposed model. Chapter five results and discussion presents the data analysis and discusses the empirical results and the main findings. Chapter six presents the conclusion and the recommendations and Future studies. Chapter seven presents the new scientific results. Finally, Chapter eight Summary covers the literature review, results, conclusions and recommendations.

2. OBJECTIVES TO ACHIEVE

2.1. Research Objectives

The study objective is to examine the impact of culture and corporate governance on the performance of Jordanian companies, as it can be tested experimentally by using research analysis tools. The study pursued the following particular objectives:

- To investigate the impact of corporate governance CG on corporate performance CP.
- To investigate the impact of Hofstede's cultural dimensions HCL on corporate performance CP.
- To investigate the impact of Hofstede's cultural dimensions HCL and corporate governance CG on corporate performance CP.
- To investigate the impact of the interaction of Hofstede's cultural dimensions and corporate governance (CG*HCL) on corporate performance CP.

In addition, the study answered the following extra objectives:

- To explore the role of corporate governance in reaching organisational goals.
- To explore the corporate governance contribution in reaching high levels of economic efficiency to listed companies.
- To understand the principles of corporate governance and its connection with corporate performance.
- To identify the reality of corporate governance and define the challenges facing the implementation of corporate governance in Jordanian companies.
- To identify general and theoretical aspects and the characteristics of culture in the Jordanian companies. In order to provide new results for the influence of the application of Hofstede culture dimensions in Jordan.

2.2. Significance of the research

This study will survey the literature on Hofstede's cultural dimensions, corporate governance, and corporate performance in order to prove the importance of the impact of Hofstede's cultural dimensions and corporate governance on the corporate performance of listed companies in Jordan. As the study will be a significant endeavor in establishing the correlation between both (corporate governance and Hofstede's cultural dimensions) and corporate performance of listed companies. This study is considered one of the rare studies in Jordan. Most empirical and theoretical studies have been addressed Hofstede's cultural dimensions in general. Thus, this study could be the first local study is concerned with investigating the (individual and interaction) impact of Hofstede's cultural dimensions and corporate governance on corporate performance of the financial sector companies listed on ASE in the Jordan context.

Therefore, this study will be useful to many parties in the community through its results such as (financiers, financial analysts, investors, and policy-makers). Where the researcher will present significant findings and new empirical evidence not provided in the previous literature in Jordan on the impact of Hofstede's cultural dimensions and corporate governance on performance. Moreover, this study will support and contributes to the local and global research in understanding the impact of Hofstede's cultural dimensions and corporate governance on the performance of companies.

This study differs from prior work especially in Jordan context by providing many contributions to current literature as follows:

(1) use the corporate performance to measure the productivity and ability to employ the resources by the managers (SUBRAMANYAM 2009), (2) use corporate governance indicators, which are the most important indicators set by OECD, in order to seek for the best corporate governance mechanisms helping in eliminate agency problem. (3) Use the six of Hofstede cultural dimensions, and (4) collect the related data of corporate governance and corporate performance from ASE, most studies in Jordan's context examined corporate governance by using questionnaires. (5) Investigate the relationship between Hofstede's cultural dimensions and corporate performance. (6) Investigate the impact of the interaction of corporate governance and cultural dimensions on corporate performance.

More importantly, the current research tried to overcome some of the gaps of the previous studies such as covering the financial sector. And the shortage regarding the board committees due to not available data in the annual reports. Where the researcher endeavored to collect data related to corporate governance, especially board committee data, from various sources (annual reports, visits to companies, and including some inquiries about CG information through the distributed questionnaire). Furthermore, this study examined the extent to which financial sector companies apply the Jordanian corporate governance code, particularly banking and the insurance sectors as there is a specific CG code regard these sectors

Moreover, the reason for using Hofstede's cultural framework, that it is considered global dimensions that can identify any community. The basic study of Hofstede did not include a sample of Jordan, which highlights the importance of conducting this study in the Jordanian environment by using this framework. The implementation of Hofstede's theory in the Jordanian environment would determine the national cultural identity of Jordanian management and its characteristics.

2.3. What distinguishes the current study?

Compatibility between previous studies and the current study

1. Using Hofstede's six cultural dimensions, as well as and the agency theory to examine the impact of these cultural dimensions and corporate governance on corporate performance.

2. Covering the recommendations of some local studies in Jordan that recommended conducting researches on the industrial, insurance, and services companies regarding the Hofstede cultural dimensions in Arab institutions.

The differences between previous studies and the current study

The current study will be applied in a Jordanian context, where the culture has some privacy and is associated with Arab customs and close social relations, and love to help others.

What distinguishes the current study?

There is a lack of research in Jordan, especially studies that examine the impact of Hofstede's cultural dimensions HCL and corporate governance CG on corporate performance CP. Therefore, the results of the current study will provide useful findings for the concerned parties. Locally, the existing studies conducted in HCL in general without linking these dimensions with performance, for example (AFANEH ET AL. 2014) entitled "Impact of cultural dimensions according to Hofstede model on organizational commitment of the middle management at Jordanian private universities"; (AL-HARSH 2008) entitled "Measurement and Characterization of Management and regulation in the Jordanian Environment Based on

Hofstede's Cultural Dimensions: “case study" in Jordanian commercial banks; (SABRI 2012) entitled "Re-examination of Hofstede's work value orientations on perceived leadership styles in Jordan"; (ALKAILANI ET AL. 2012) entitled “Replicating Hofstede in Jordan: Ungeneralized, Reevaluating the Jordanian Culture”; (AL-SARAYRAH ET AL. 2016) entitled “The Effect of Culture on Strategic Human Resource Management Practices: A Theoretical Perspective”; (AL JAAFREH ET AL. 2012) entitled “The effect of national culture on the information quality in Jordan: conceptual framework”. However, there are no studies that have examined the effect of Hofstede’s cultural dimensions on performance in Jordan. The current study will be conducted on the Hofstede cultural dimensions theory for six dimensions.

Globally, to the best of the researcher's knowledge, there is a lack of studies in this field. Reviewing the literature revealed that there are some global studies related to this field but in different aspects. (GRIFFIN ET AL. 2014) investigate the relationship between the interaction of cultural dimensions (individualism IDV, uncertainty avoidance UAI, and corporate governance in terms of (transparent disclosure, explicit corporate policy, and minority shareholder protection) by adopting the Anglo-American governance paradigm. (OLIVEIRA 2016) examines the impact of CG in terms of ASSET4 CG Performance Index, and cultural dimensions (uncertainty avoidance UAI, masculinity MAS, and indulgence IND on dividend policy. (BAE ET AL. 2012) analyse the influence of separately or through the interaction of three cultural dimensions (uncertainty avoidance UAI, masculinity MAS, and long-term orientation LTO, with CG in terms of investor protection measure on dividend policy. (ZHENG - ASHRAF 2016) investigate the relation between UAI, LTO, MAS, and dividends in banks.

2.4. Research Contribution to the literature (Novelty)

The current study tried to add a novel contribution to the literature by filling up the gaps in the previous studies that namely:

1. The current study is the first local study that uses the six cultural dimensions and CG to demonstrate their impact on CP.
2. Fill the gap in the local literature, regarding the impact of the Governance Committee GC, and the information technology committee ITC, on the performance in Jordan.
3. Fill the gap of the lack of the cultural dimensions long-term orientation LTO, Indulgence vs. restraint IND, and PDI, and their relationship with CP, particularly with regard to interaction.
4. Contributing to literature by using a new proxy of corporate governance in terms of the Information Technology Governance Committee ITC and testing its impact on CP.

2.5. Research Hypotheses

The main hypotheses were developed as shown in the following Figure 1:

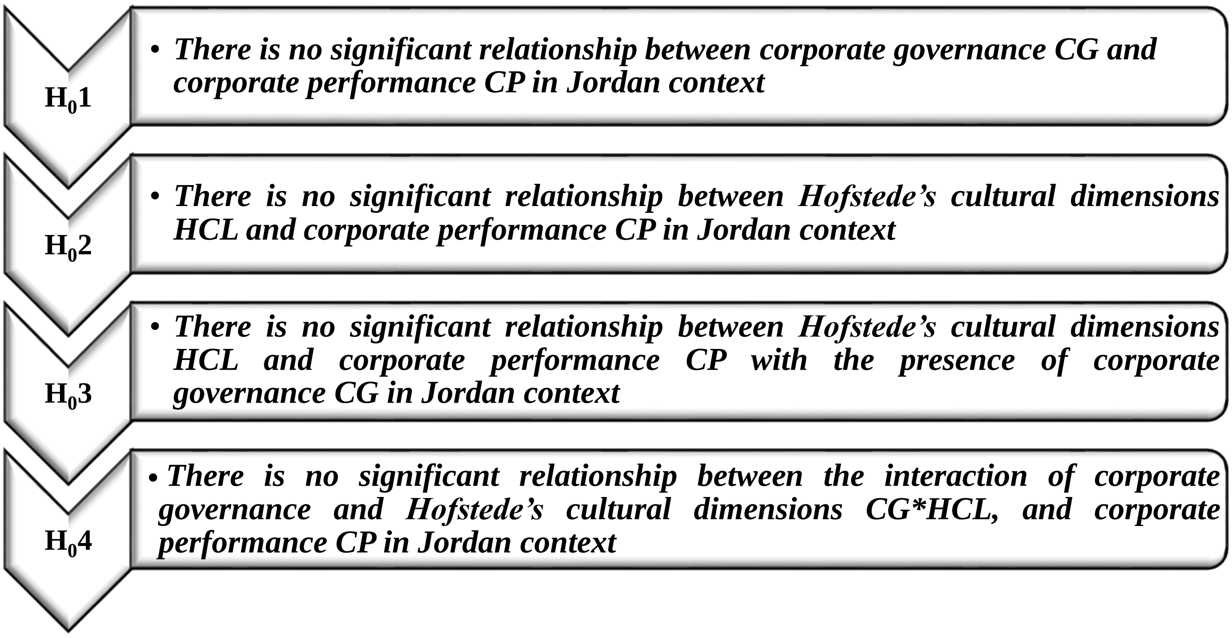


Figure 1. Research Hypotheses

Source: Author's own, 2021

3. LITERATURE OVERVIEW

Chapter Three covered the Background and general information about Jordan. In addition to the Corporate Governance and Hofstede's cultural dimensions in Jordan. Furthermore, this chapter covered the literature overview and developed hypotheses.

3.1. Background and general information about Jordan

Jordan is an Arab country located in southwest Asia and mediates the Arab East and it's located in the southern part of the Levant. Jordan is bordered from the north by Syria, from the east by Iraq, to the southeast and south by Saudi Arabia, and Palestine from the west. The word "Jordan" consists of "Jor" and "Dan", which are the two northern tributaries of the Jordan River. With time, it has become "Jordan". And the word "Jordan" means severity and dominance. When King Abdullah bin Al Hussein established the Jordanian Emirate, the country was called the "Emirate of the Arab East", then the Emirate became independent under the name "the Emirate of the east of Jordan", later its became known as the Hashemite Kingdom of Jordan because its system of government is monarchical; And Hashemite, relative to Bani Hashem. The Hashemite Kingdom of Jordan became independent on May 25, 1946. It was one of the founding countries of the League of Arab States in the year 1945, and it joined the United Nations in the year 1955 (MINISTRY OF JORDANIAN CULTURE 2020).

The population of Jordan is approximately 10.554 million. The Hashemite Kingdom of Jordan has an area of 89,287 square kilometers (DEPARTMENT OF STATISTICS 2020). The country's currency is the Jordanian Dinar (every 00.71 dinar = 1dollar). Religion is Islam with 92%, Christianity 8%.and the official language is Arabic and foreign language is English. The capital of Jordan is Amman the largest city of Jordan with 1,680 km², where Jordan is divided into 12 governorates. (THE OFFICIAL SITE OF THE JORDANIAN E-GOVERNMENT). Jordan's terrain is mostly desert in the east, and the highest elevation in Jordan is Umm al-Dami (mountain) 1,854 m. The most important environmental issues that Jordan suffers from are limited natural fresh water resources; Elimination of Forests; Overgrazing, soil erosion, and desertification. The most important natural resources are (phosphate, potash, and shale oil). Jordan is characterized by tourist places, and nature reserves. One of the most famous tourist places in Jordan is Petra "Rose City", in the south dating back to 300 BC and known as the Nabatean capital (TAYLOR 2001). As well as Jordan is characterized by medical tourism through Resorts Curative. The system of government in Jordan is a constitutional monarchy. His Majesty King Abdullah II presides over the three authorities. Parliament and Senate represent the legislative authority. Regarding Culture and customs, Jordan is dominated by the Bedouin tribal character, Arab customs prevail such as generosity and good treatment for the guest. One of the most popular foods in Jordan is Al Mansaf. Figure 2 shows Map of Jordan.

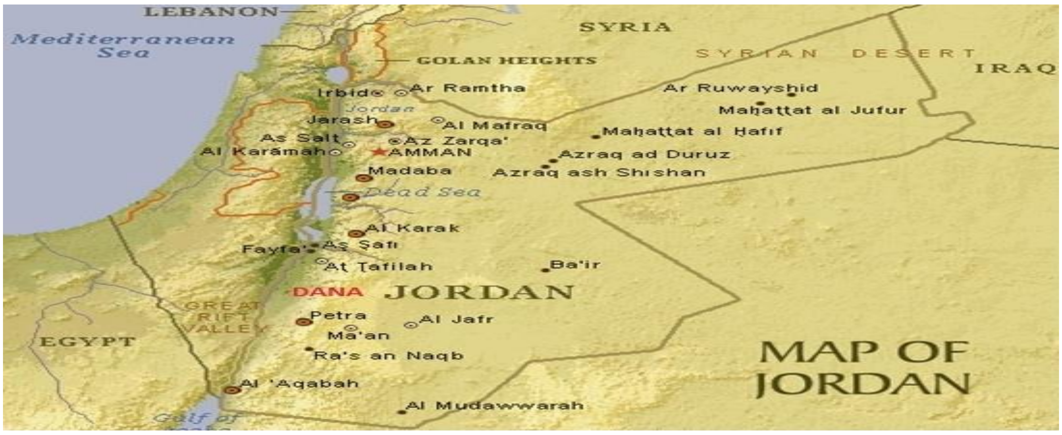


Figure 2. Map of Jordan

Source: Ministry of Tourism and Antiquities

Jordan Economy

The Jordanian economy is a small, open, and resource-limited economy, therefore not far from economic events. In this context, the Jordanian economy has been affected by the challenges posed by the instability in the region. In 2019, the Jordanian economy encountered many barriers and risks caused by the disturbance political conditions in nearby countries, where global economic growth witnessed a slight decline in 2019 compared to 2018, where the global GDP growth rate reached 2.9% in 2019 compared to 3.6 % In 2018, This mainly due to trade tensions between the Us and China besides the geopolitical tensions in the world.

Since the beginning of 2020, the doubts and uncertainties that caused the global economy to contract sharply increased, exceeding the 2008 global financial crisis, especially in light of the emergence of the emerging Corona virus, Covid-19 in the world, which led to a decline in global economic activity, as the International Monetary Fund expected that it will reach Global economic growth at the end of 2020 will reach - 4.9%, and it is also expected to recover and reach a growth rate of 5.4% in 2021. As a result of facing the challenges and risks of the turbulent political conditions in neighboring countries, it led to achieving modest growth rates of real GDP in 2018 and 2019, reaching 1.9% and 2%, respectively, and as a result of the Corona pandemic, economic growth returned to decline in the second quarter of 2020 to -3.6%. Therefore, the government and the Central Bank have taken monetary and financial measures at the beginning of the year 2020, which helped reduce this decline compared to many countries, where the International Monetary Fund expected that the economic growth rate in Jordan would decline to -3.4% until the end of 2020, to return to improve in in 2021 to reach 3.7%. Regarding Unemployment and poverty, the unemployment rate in 2018 increased to 18.6% compared to 2107 18.3%. This rise was accompanied by slow growth in economic activity, while the poverty rate increased to 15.7% in 2018 compared to 14.4% in 2010. However, the government seeks to contain poverty despite these economic conditions. As for the Inflation rate that is measured by the relative change in consumer prices, it was 4.5% in 2018 versus 3.3% in 2017, this increase due to the tax procedures represented in rising several commodities Prices.

- **Comparative of socio-economic characteristics of Jordan with the developing countries**

This section presents comparative of socio-economic characteristics of Jordan with other developing countries Saudi Arabia, Tunisia and Egypt. The data was collected from World Bank.

- **Inflation (consumer price index)**

Inflation (consumer price index) reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services.

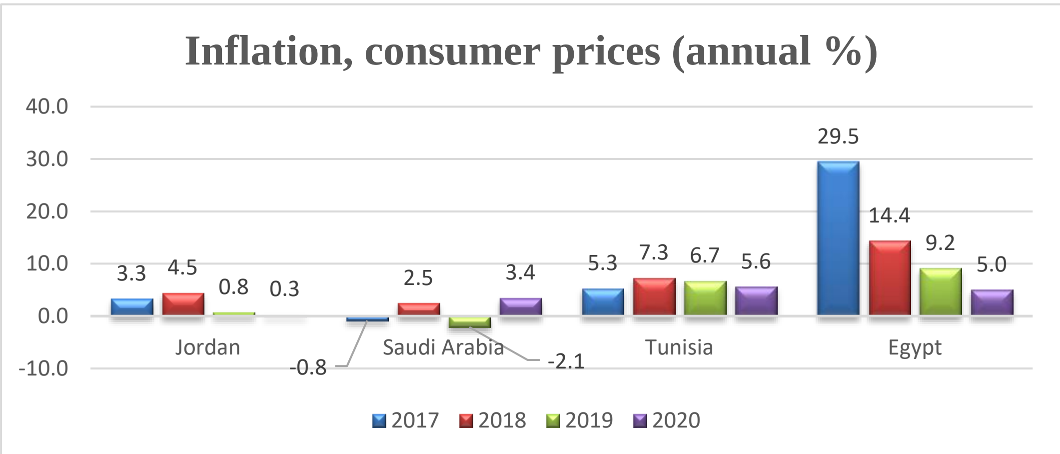


Figure 3. Inflation, consumer prices (annual %)
Source: World Bank, 2020

As shown above, in figure 3 the Inflation, consumer prices (annual %) in Tunisia register the highest inflation rate 5.6 in 2020. Followed by Egypt register an inflation rate of 5.0 in 2020, while it was at a high level in 2017 with 29.5. Saudi Arabia register a negative inflation rate in 2017 and 2019 with -0.8 and -2.1 respectively however, the rate increase in 2020 by 3.4. The Inflation in Jordan register 3.3, 4.5 in 2017, 2018 respectively, while it is decline to 0.8, and 0.3 in 2019 and 2020 respectively. The decline in inflation in Jordan indicates that it will be limited for the next year 2021 in light of the outbreak of the Corona virus crisis, this led to a significant drop in demand and Significant declines in the prices of primary commodities in the world.

- **GDP growth**

Gross domestic product GDP is the change in the GDP of the nation from year to year. It measures the power of the economy performing.

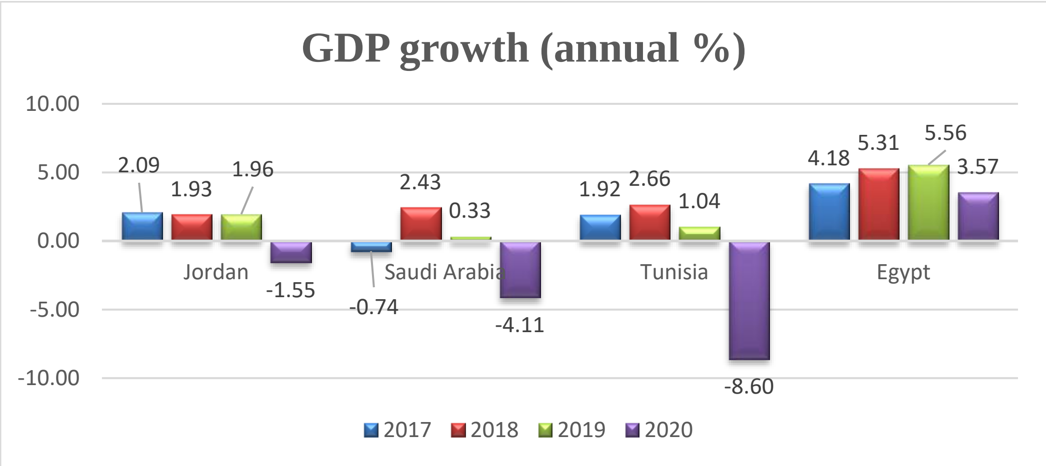


Figure 4. GDP growth (annual %)

Source: World Bank, 2020

As shown above, in figure 4 GDP growth in Jordan register at 2.09, 1.93, 1.96 in 2017, 2018, 2019 respectively which indicates a slight improvement in the GDP growth. While it is fallen sharply to the lowest percentage with -1.55 in 2020. Furthermore, it is notable that Tunisia Saudi Arabia is registered negative GDP growth in 2020 with rates of -8.60 and -4.11 respectively. This bad situation is due to the repercussions of the Corona pandemic crisis that swept the world and affected all expectations, as the International Monetary Fund indicated that in 2020 the economies of the Middle East region It suffers from two major shocks, the Corona virus crisis and its repercussions on the economy, and the deteriorating oil price crisis, which raised the level of risks. In addition to the burdens of the ongoing conflicts in the region and their repercussions. (FINANCIAL STABILITY REPORT CBJ 2019). On the other hand, Egypt registers a slight improvement in the GDP growth rate from 2017 to 2020. This may be due to the adoption of economic reform policies, which led to high growth rates in its various sectors, which led to a decrease in unemployment rates and the public budget deficit. In addition to the strong infrastructure that helped Egypt to attract direct investments.

- **Population, Unemployment, Labor force**

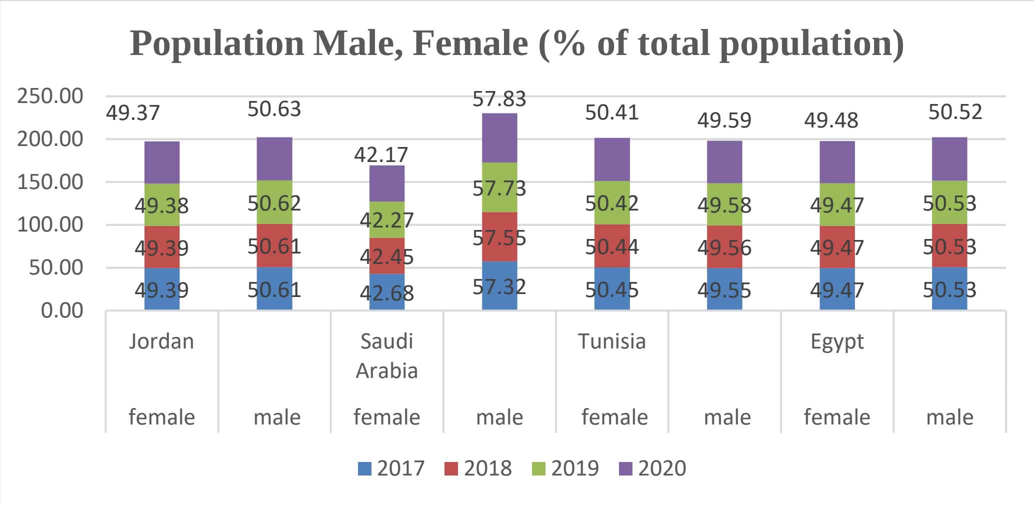


Figure 5. ***Population Male, Female (% of total population)***

Source: World Bank, 2020

As shown above, in figure 5 males in Jordan, Tunisia, and Egypt formed 50% of society compared to 49% of females in 2017 - 2020. Which means that they are close proportions. While the males formed in Saudi Arabia 57.8% compared to 42.2 which means that males formed a larger percentage than the female.

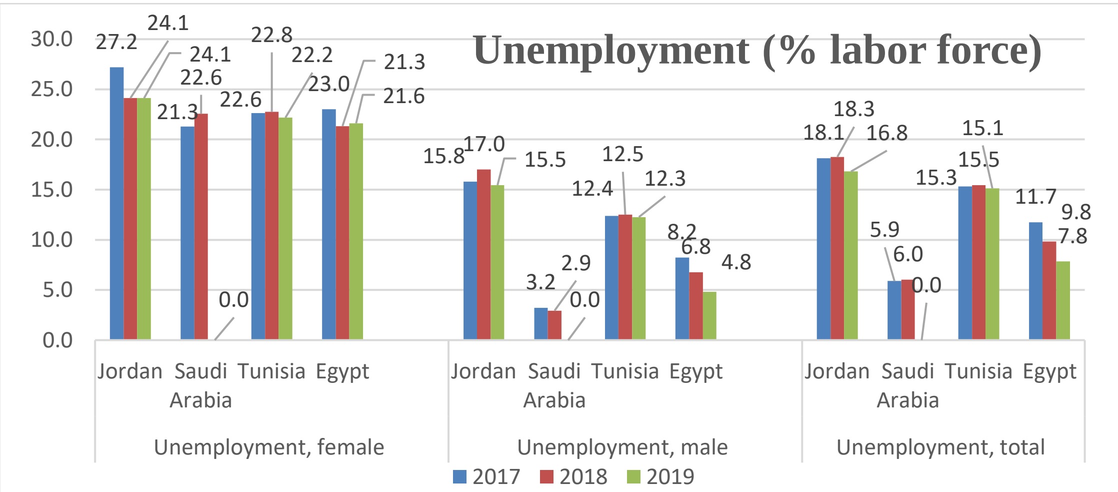


Figure 6. ***Unemployment (% labour force)***

Source: World Bank, 2020

As shown above, in figure 6 it is noted that the unemployment rate for women is higher than the unemployment rates for males in Jordan, Tunisia, Saudi Arabia, and Egypt, where it register in 2019 24.1, 22.2, 21.6 for Jordan, Tunisia, and Egypt respectively. This reflects discrimination against females and the lack of chances to involve them in the work environment. In general, the unemployment rate in Jordan is higher compared to Tunisia, Saudi Arabia, and Egypt, where it registered 18.1, 18.3, 16.8 in 2017, 2018, 2019 respectively. Despite the existence of government procedures and programs to mitigate the impact of the conflicts in the region on unemployment rates in Jordan. In addition to the repercussions of the Corona crisis, which contributed to the increase in unemployment in Jordan.

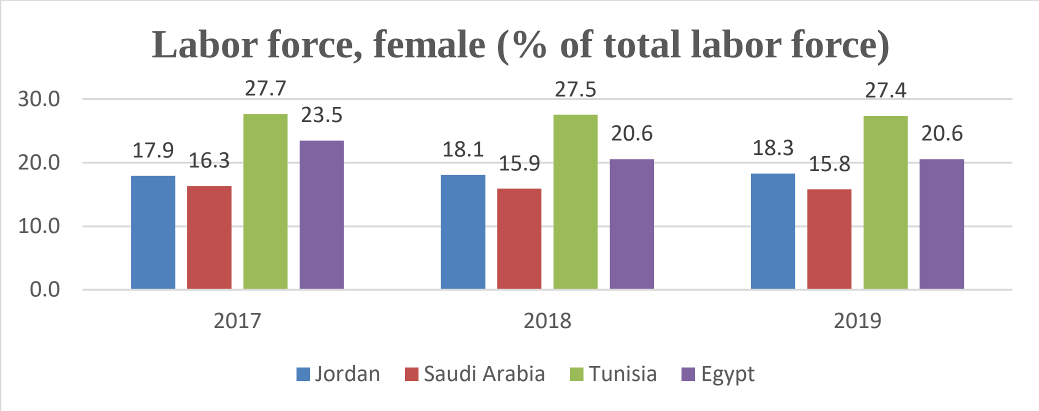


Figure 7. Labor force, female (% of total labor force)

Source: World Bank, 2020

As shown above, in figure 7 the percentage of women in the labor force in Tunisia is formed the largest with rates 27.7, 27.5, 27.4 in 2017, 2018, 2019 respectively. While Saudi Arabia register the lowest percentage of women in the labor force 16.3, 15.9, 15, 8 in 2017,2018, 2019 respectively compared to Egypt and Jordan. This means that Tunisia give more chances to women compared to other countries

- **Foreign direct investment, net inflows (% of GDP)**

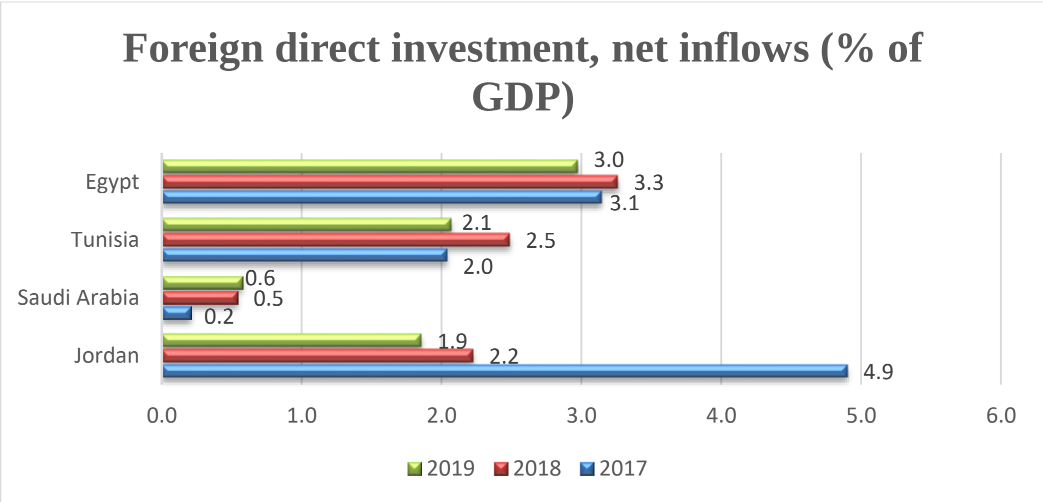


Figure 8. Foreign direct investment, net inflows (% of GDP)

Source: World Bank, 2020

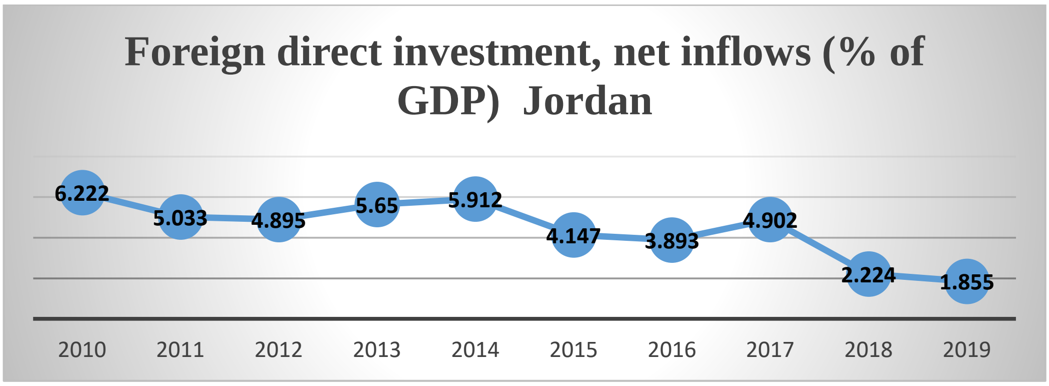


Figure 9. Foreign direct investment, net inflows (% of GDP) Jordan

Source: World Bank, 2020

As shown above, in figure 8 FDI, net inflows in Jordan register 4.9, 2.2, 1.9 in 2017, 2018, 2019 respectively it is noted that the FDI declining sharply, where the maximum value was 6.222 in 2010 as shown in Figure 9 (World Bank, 2019). This may be due to the decline of global FDI inflows that fallen to $846 billion in 2020, by 38% compared to 2019. The main reason for this is the COVID-19 pandemic as global FDI inflows fell to their lowest levels since 2005. However, it is notable that the FDI for Jordan was the largest rate in 2017. While Egypt register the largest FDI with 3.0, followed by Tunisia with 2.1 in 2019. On the other hand, Saudi Arabia register the lowest FDI with 0.6 in 2019. FDI has a positive impact on the real GDP, this is noted in the decline of GDP; several studies have confirmed that the flexibility of FDI in Jordan in the long term is +0.34, which means an increase in FDI by 1%; The GDP increases by 0.34%. It is worth noting here that Jordan succeeded in attracting FDI compared to neighboring countries, where FDI during 2010-2016 was successful, as the average of FDI to GDP was (5.2) %.as shown in figure (9) . However, the Jordanian Strategies Forum indicated in a study in 2018 that there are legislation restricts FDI in the real estate, contracting, and engineering sectors. Therefore, the Investment Authority must be reviewing the legislation and reviewing the restrictions on FOW in Jordan.

Financial Sector in Jordan

The financial sector is considered one of the strongest sectors in Jordan, and an engine for economic growth, especially the banking sector, alongside the Central Bank of Jordan CBJ, which is also pro-growth. The financial sector in Jordan consists of banks, insurance companies, and other non- bank financial institutions (diversified financial services). Jordan's financial sector assets reached 58.5 billion dinars, at the end of 2019. Where the Financial sector achieved stability in 2019 at the level of Jordan although the risks caused by political and economic events, and the reason is that the banking sector is able to bear the high risks as it is a hard banking sector, this is represented in the sound financial indicators of these banks where Banks have great ranks of capital, good asset quality, safe liquidity and profitability (FINANCIAL STABILITY REPORT CBJ 2019). In 2017, the Central Bank adopted an index to measure financial stability according to international best practices. The value of the indicator ranges (0-1), the degree of stability in the financial system increases as the value is closer to one, as the index reached 0.46, 0.55 in 2018 and 2019 respectively, due to the improvement in liquidity ratios, capital adequacy and financial leverage at banks operating, in addition to the improvement of the CBJ balance of foreign currency and gold reserves. So the degree of stability of the financial system In Jordan is considered good comparing with other countries, Jordan ranked six of 20 countries, which confirms that Jordan enjoys a sound, solid, and highly stable banking sector.

Legislations governing the financial system

Several studies, including (QUINTYN AND TAYLOR 2003) proved that the existence of suitable legislation for the financial system increases financial stability, and if the legislation of the financial system is poor, this leads to expanding regularity of financial crises when it happens. Therefore, the Central Bank established the legislative framework for the financial system in Jordan, including the following legislation: Jordan Central Bank Law, Draft Law on Regulating Insurance Business, Law Amending the Banking Law.

Legislations regulating the capital market

As a result of Jordan’s move towards structuring the capital market and also separating the controlling role from the executive role in the capital market, the Securities Law No. 23 of 1997 was issued, according to this law three independent institutions were established, namely Jordan Securities Commission JSC, the Amman Stock Exchange ASE, and the Securities Depository Center SDC.

Securities Depository Center SDC

One of the most important institutions of the Jordanian capital market, it is controlling by the Securities Commission. The Center maintains the records of stock owners for all public shareholding companies. And undertakes the task of developing the capital market. The Center also records, audits, transfers ownership of securities, and carries out clearing and settlement thereof.

Amman Stock Exchange ASE

An independent and non-profit organization founded in 1999 and considered a regulated market for securities trading in Jordan. In 2017, the ASE became a public joint-stock company wholly owned by the government. ASE provides the appropriate atmosphere to guarantee the interface between supply and demand for traded securities.

The Jordanian Securities Commission JSC

The Amman Financial Market was established by Law No. 31 of 1976, as a result of the increase in the number of public shareholding companies, the important goal was to develop national savings by investing in securities, and direct savings to serve the national economy, and the market was playing two roles, the regulatory body on Capital, besides the traditional stock exchange. As a result of globalization and the commitment to international standards, Jordan issued Securities Law No. 23 of 1997, where JSC was established to separate the oversight role from the executive as an official institution with financial and administrative independence, directly linked to the Prime Minister. The most important tasks are legislation, and supervision of the stock market, developing the national capital market, and providing investors with the necessary information besides corporate governance.

Banks Sector

Banks are the main component of the financial sector in Jordan, where the assets of licensed banks reached 54.7 billion Jordanian dinars at the end of 2019. With a percentage of 161.9% of the GDP, and the bank's assets constituted 93.5% of the total assets of the financial sector. The banking sector is considered one of the most important and most developed economic sectors in Jordan, and success of this sector contribute to achieving sustainable economic development and enhancing financial stability in Jordan. Further, the important role in the face of financial crises and helps in preparing effective policies to deal with weak financial stability, where the central bank undertakes the task of supervising and controlling the banking sector. Therefore, the banking sector was chosen to be the study sample in Jordan as an emerging market to present recommendations that benefit Regulators and policymakers in setting structural policies for the banking sector. Figure 10 shows the distribution of financial sector assets in 2019.

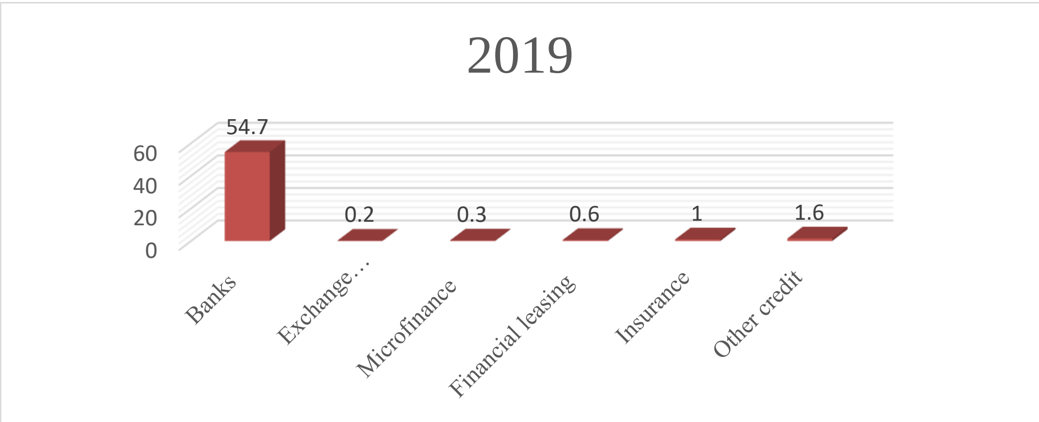


Figure 10. Distribution of Total Assets of the Financial Sector in Jordan

Source: Central Bank of Jordan, 2019

Laws and legislations that regulate the business of banks

Banking is organized and developed, protecting their interests, developing and modernizing the process of providing banking services, and enhancing banking concepts and standards through the Association of Banks ABJ, which was established in 1978. Then the Banking Law No. 28 of 2000 was issued. in 2018, the Central Bank revised the legislation governing the banking, where an amendment to the Law of the Banking No. 7 of 2019 regarding strengthening corporate governance in banks, where new articles were developed to separate between the executive departments and BOD, and the number of members of BOD has been determined by no less than seven members, and the number of independent members should not exceed half of the members of BOD. Further, the mechanism to hire the members of BOD was modified by focusing on the f proficiencies instead of pecuniary (Financial) capacity.

Insurance Sector (non-bank financial institutions)

The insurance sector has a role in enhancing financial stability by protecting individuals and property from exposure to risks. Besides contributing to economic development and in the growth of financial services besides the banking sector. According to the Jordanian Insurance Federation JOIF, the insurance sector is consists of 24 companies, which constituted 2% of the GDP. Insurance companies achieved a net profit after tax in 2019 was about 19.9 million dinars compared to 15 million dinars in 2018, with a growth rate of 31.4%.

Laws and legislations that regulate the business of insurance sector

The insurance Association was established, which was organized through Insurance Regulation Law No. 5 of 1965. Later, the Association was licensed under the Societies and Social Bodies Law No. 33 of 1966. Later, in 1987, the Ministry of Industry and Trade established the Unified Insurance Office UIO for compulsory car insurance, intending to organize compulsory car insurance activities. To keep up with market developments, the controlling of insurance business has been updated, and clear standards have been established to monitor the solvency of the companies and to enhance the requirements of corporate governance for insurance companies, the supervision and control were transferred from the Ministry of Industry to the CBJ, where a draft law is preparing currently to regulate insurance business, aimed to ensure the effectiveness and efficiency of CBJ on the monitor the insurance business.

Other non-bank financial companies

Non-bank financial companies contributing to the economy by providing credit to groups that can’t reach the banks. These companies controlling by the Ministry of Industry and Trade, But the CBJ seeks to subject these companies under his control. Regarding the real estate sector is more affected by the decline in economic activity. The volume of real estate trading during 2020 decreased by 44%, and this is attributed to the repercussions of the Corona pandemic.

3.2. Corporate Governance in Jordan

In the 1980s and 1990s, corporate governance played an important role and it became an important topic for many researchers, due to issues of fraud, corporate failure, collapse, and abuse of power. These issues followed the financial crisis. Where many researchers endorsed that these crises are a result of the failure of corporate governance. In Developing countries, the companies have a shortage in the appropriate system and control, where they couldn't protect the rights of shareholders, which leads to an inefficient governance system (RAFIEE - SARABDEEN 2012). It is worth noting here that most studies indicated that emerging markets are characterized by weak governance (BHAUMIK - SELARKAD 2012; RAFIEE - SARABDEEN 2012). There is a growing interest in the rules of corporate governance recently in Jordan as a result of the financial crises and increasing the number of companies listed in ASE. However, despite the troubles in the Middle East, the economy in Jordan overcoming this problem. Further, Jordan had in line with global developments in the field of corporate governance, as many regulations were issued governing the relationship between the various departments of the company (ALEDWAN ET AL. 2017). Also, some of the efforts were made, capital markets have been liberalized and corporate governance has been reformed as a step to attract investors. Such reforms might strengthen the financial environment and affect firm performance (MARASHDEH 2014).

The Jordanian financial sector regulations have been strengthened and the bodies in Jordan (Jordan Securities Commission, The central bank, and companies control department) issued different laws and instructions related to the corporate government. The level of application of the principles of CG indicates good management and the level of obligation to management and transparency that limits exploitation and fraud (Corporate Governance Code for Public Shareholding Companies Listed). The government issued the Corporate Governance Code for Shareholding Companies Listed on ASE in 2007. The objective of this guide is to establish a clear framework that regulates relationships and management in companies and defines rights, duties, and responsibilities to achieve the goals of the company. And preserves the rights of associated parties. The main reference to this guide is the international principles developed by the Organization for Economic Cooperation and Development Principles of Corporate Governance OECD. Further, the principles of CG in Jordan are based on the following legislation: Banking Law No. 28 of 2000 and its amendments; companies Law No. 22 of 1997 and its amendments; Securities Law No. 76 of 2002 and its amendments; Law regulating the profession of legal accounting No. 73 of 2003; and the regulations and instructions issued under the laws mentioned above.

Regarding the previous legislation, the SDC of Jordan has issued a CG Code for Shareholding Companies Listed on the ASE; Banks; Insurance Company; Private Shareholding Companies, Limited Liability Companies, and Non-Listed Public Shareholding Companies. It is worth noting here that in 2018, as a result of the developments in the proposed global frameworks, particularly the framework COBIT 2019 issued by the Information Systems Audit and Control Association ISACA, the CBJ has issued governing instructions for managing information and associated technology. In the following, the CG Codes were issued from JSC and CBJ.

3.2.1. Corporate Governance Code for Shareholding Companies Listed on the ASE

Corporate governance structures are becoming a critical issue in world economies. CG supports the success of economic and organizational reforms. The openness of economies; and the requirements of international organizations for dealing with institutions and markets of world countries. Further, applying CG principles has become important in public and private sectors, and a key for strength confidence in any national economy and reflects the transparent policies for protecting investors and traders. It also reflects a quality of transparency and accountability and controlling the corruption, as a result, attracts local and foreign investments.

According to (RAFIEE - SARABDEEN 2012) Emerging markets facing a problem in attracting foreign direct investment FDI. Therefore, they should be developed their economies. Thus, must improve their CG systems by implementing a comprehensive reform of CG practices to reduce the cost of capital. Jordan responded to this call and issued the CG Guidelines for Public Shareholding listed on the ASE in 2007. The main reference to this guide is the international principles of OECD. Further, the guidelines were developed depending on the evolution of the national economy and as a response to the goals of JSC to improve the national capital market and regulatory framework. This guideline was launched on 1/1/2009, to be implemented initially through a "commitment or interpretation of non-compliance" approach, which means that companies abide by the rules of Guide. And if any of the rules are not complied with, the reasons for non-compliance should be clearly stated in the Company's annual report. The aim of this approach is to give companies flexibility in implementation and sufficient time to adapt to governance rules. Thereby, enhancing awareness about the rules achieving full commitment in a gradual manner. The objective of these guidelines is to achieve the goals of the company and to preserves, the rights of associated parties by sitting the rights, duties, and responsibilities in companies and regulate the internal and external relationship with the company.

The code of CG guidelines was revised recently in 2017 from the JSC by issued new instructions related to the governance of public listed companies to stimulate them to comply with codes of CG. The new instructions assert the formation of BOD by clarifying the duties and their meetings and form the required committees (Audit, the Governance, the Nomination, and Remuneration, the Risk Management). The most important of rules of CG of listed companies are in the following:

First: The Board of Directors

Article 4: Forming the Board of Directors

1. **Board size:** The Company is managed by a BOD. The number of members shall not be less than 5 persons and not more than 13 according to the company's regulations.
2. **Independence:** The majority of the members of BOD must be non-executive members NEMs and at least one third of the board members must be independent members.
3. **Non- duality**: It is not permissible to combine between the position of Chairman and any other executive position in the Company.
4. The member of the BOD must be qualified, possess sufficient knowledge of administrative matters and experience, and be familiar with the relevant legislation and the rights and duties of the BOD.

Article 5: Tasks and responsibilities of the Board of Directors

1. Develop strategies, policies, plans, and procedures that will achieve the company's interests and objectives, maximize their shareholders' rights and serve the local community.
2. Develop a risk management policy that the company may face.
3. Organization of financial, accounting and administrative matters of the company under special internal regulations.
4. Prepare annual reports, including financial statements, in accordance with the provisions of the applicable legislation.
5. Establish a clear delegation policy.
6. Establishment a special unit of control and internal audit to ensure compliance with the provisions of the legislation and regulatory requirements.
7. Adoption of the foundations of granting incentives, rewards, and benefits for BOD and Executive Management, which achieve to the interests and objectives of company.
8. Develop written procedures for applying the company's governance rules, and evaluating them on annual basis.

Second: Committees formed by the Board of Directors

Article 6: The committees formed by the Board of Directors

The BOD should form the following permanent committees:

The Audit Committee; Nomination and Remuneration Committee; Governance Committee. The Audit Committee and the Governance Committee shall consist of NEMs of no less than three, at least two of them are independent members and that committee is chaired by one of them.

Third: Audit Committee

Article 7: Audit Committee

1. All members of the Committee should have knowledge of financial and accounting matters.
2. The audit committee must meet periodically not less than four meetings per year.

Functions of the Audit Committee

1. Follow up the company's compliance to apply the legislation in force, and the requirements of the regulatory bodies.
2. Evaluating internal control and auditing procedures. And review the internal audit reports.
3. Study the periodic reports before submitting them to BOD and make recommendations.

Fourth: Governance Committee

Governance committee must meet periodically, not less than two meetings per year.

Functions of the Governance Committee

Article 9: The tasks of the Governance Committee consist of the following:

Preparing the corporate governance report and submitting it to BOD; ensuring the company adheres to the Governance Instructions, and set written work procedures to implement and evaluate the extent to which the Governance Instructions are applied annually.

3.2.2. Corporate Governance Code for Banking Sector

Corporate governance in the bank improves the future of performance bank, which increases confidence by depositors and shareholders, and increases the efficiency of the national economy. In 2000, the CBJ responded to the recommendations of the Basel Committee on Banking Control BCBS Thai published it in the paper on "Strengthening CG for Banking Institutions." (BAWANEH 2015). The banks were required to adhere to the requirements of BCBS, to enhance CG and improve internal control. Besides separate the Chairman and CEO.

In 2004, The CBJ issued a guide booklet to BOD of banks, to direct bank managers to review their responsibilities and behavior on an ongoing basis and Governance Manual. Later the CBJ prepared a guide to CG for banks in accordance with international best practices and based on the principles of OECD and the Basel Committee. According to this guide, every bank must prepare a guide consistent with its needs and policies (CG Code for Banks, SDC). In 2016 the CG instructions were issued to banks, where Article 6: stipulated that the BOD in the bank must have at least 11 members, and should not be an executive member, and the number of independent members must not be less than 4 members.

Article 10: The BOD must form the Governance Committee consisting of 3 members, at least, the majority of them are independent and included the chairman. This committee supervises the preparation, updating, and monitoring of the implementation of the code of CG. Also, the Audit Committee consists of the majority of independent, and the chairman of the committee may not be the chairman. The members must have a scientific qualification and experience in accounting, finance, or specializations related to the bank business. According to Article 32 of the Banking Law No. 28 of 2000, the audit committee consists of 3 non-executive members, and the number of independent should not be less than two members.

Corporate governance instructions of information management and associated technology ITMC

These instructions are considered a modern issues in the Jordanian legislative environment, where IT is an important pillar to achieve the goals and increase competitiveness and affect decision-making mechanisms in the institution. Therefore, the CBJ issued instructions for the governance of the information and associated technology management according to global frameworks, the most important is the COBIT framework objectives of controls Information and accompanying technology issued by Information system and control association ISACA in the U.S.

The ITMC is defined as the distribution of roles and responsibilities and the characterization of relationships between different parties and stakeholders with the aim of maximizing the value by balancing the risks and expected returns. The general framework for ITMC consists of principles and procedures which are achieving the strategic goals of the organization and increasing the value at the lowest costs. The responsibility of the executive management includes planning to achieve strategic goals, and construction, development, operating, and monitoring activities. The main goal of ITMC is providing quality information to support decision-making and to provide supportive technology infrastructure to improve the internal control system. The CBJ requested the banks to prepare a guide for ITMC in the CG guide in the annual report. Article 7 of the ITMC Instructions stipulates to form an Information Technology Committee from 3 members. They have experience in information technology, this committee must meet on a quarterly basis.

3.2.3. Corporate Governance Instructions for Insurance Sector

The CG Instructions for Insurance Companies 2006, requested the companies to adhere to the principles of CG, Article 4: The BOD must be formed of qualified members, no less than seven, and the number of independent members shouldn't be less than one-third of the BOD who are not from the executive management. The chairman is must be not of the executive management. Article 7: The BOD must form audit committee of 3 members from the chairman and two non-executive, at least one of them has experience in audit, accounting, or finance, and this committee meets once every least three months. This committee nominates the external auditor, as company external audit systems, and reviews the notes of the annual internal audit plan.

3.2.4. Index of the Global Governance

The preparation of global governance indicators has been initiated by the World Bank since 1996, which shows the level of governance applied in industrial and developing countries, by taking the opinions of experts and conducting a survey to collect data necessary for the indicators from research centers, and global bodies. There are six dimensions of governance that measured the overall index includes accountability and freedom of expression, political stability and the absence of violence and terrorism, government effectiveness, the organizational quality. Jordan occupied the fourth among 17 Arab countries in the Global Governance Index which reflects a somewhat good level of CG (WORLD BANK 2018) as shown in Figure 11. Furthermore, Jordan ranked 90 globally in 2018 out of 214 countries.

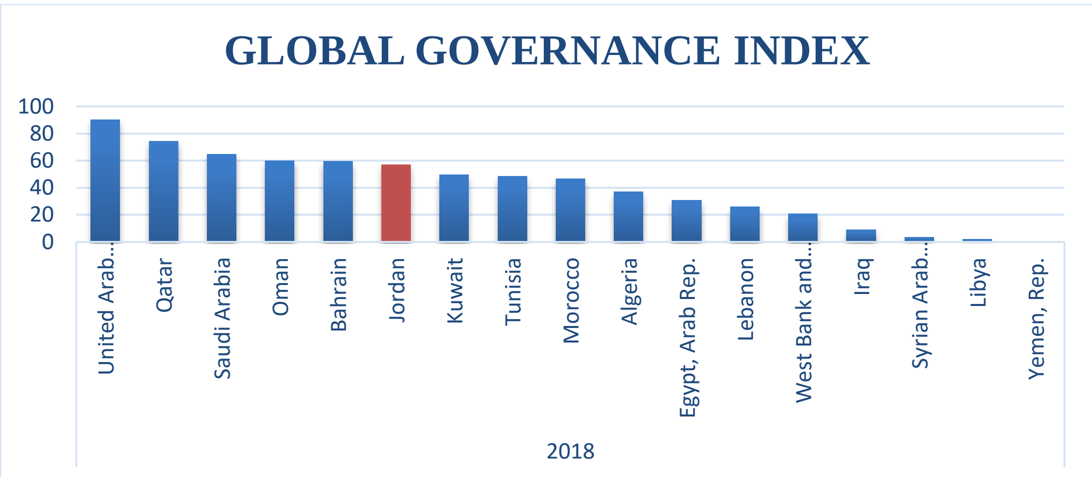


Figure 11. Global Governance Index
Source: World Bank, 2018

3.2.5. The Barriers and Challenges of Corporate Governance in Jordan

There are many local studies that have examined the extent to which the principles of CG are applied in Jordan, in addition, examined the challenges and barriers that impede the good practices of CG in Jordanian companies. Some studies have confirmed that there is a good basis for the application of CG principles in the Jordanian environment (KHOURY 2003). Indeed, there are several studies conducted on the assessment of CG in Jordan in different sectors (BASHITI - RABADI 2006; KHOURY 2003, MATAR - NOOR 2007; YAMIN - AL-RAMAHI 2016; SHANIKAT - ABBADI 2011).

AL-OQDAH ET AL. (2009) investigate the role of internal audits to achieve good CG. The study confirmed that the level of applying of CG in Jordanian companies is poor, mainly in the banking sector, the weakness represent in the combination between ownership and management and the deficiency of internal audit committees in many companies. Further, (MATAR - NOOR 2007) assert that there is a poor application of CG in the Banking and industrial sectors in Jordan. However, it is notable there is an enhancement of applying CG in Banks, (BAWANEH 2011) confirmed that banks in Jordan are influenced by the CG requirements issued by Basle Committee and OECD. Further, a later study (BAWANEH 2015) emphasized that the Jordanian banks adhere to 59% of the six principles of CG and he asserts that there is a duality of CEO. While (YAMIN AND AL-RAMAHI 2016) found that the Jordanian insurance companies applied the codes of CG to a Moderate degree. Furthermore, the study asserted there is no commitment to skilled behavior. Regarding the degree of the application of the codes of CG in the other non-bank financial companies in Jordan, it is notable there is a lack in the literature in this regard.

BASHITI - RABADI (2006) indicated that Jordan pursued to regulate the financial market, and formed several government agencies and bodies to organize the work of the market, and he pointed out that in light of the continuous development of this market, companies must improve the quality of the issued reports. (AL-RAMAHI ET AL. 2014) explained that there is hiding of some information financial or non-financial from the shareholders, with no disclosing of strengths and weaknesses in the company's financial system and managing annual reports. This indicates the importance of focusing on the principles of CG in Jordanian companies. This is proved from the Banking Supervision of the Basel Committee that believes CG is necessary to ensure a complete financial system and thus improves the economy. Therefore, it called for conducting studies to enhance fiscal organizations. Further, it called for the formation of a governance construction from the Board and management. Also, (AL-MANASEER ET AL. 2012) recommended that Jordanian banks should be regulated in the field of CG to achieve a balance between managers, board members, and owners. (AL-QASHI - AL-KHATIB 2006) argued that the causes of the collapse of the Enron company due to the breakdown of professional ethics. Moreover, (REZAEE 2007) argued that the commitment must be activated, and monitoring the ethical principles, professional conduct, and accountability.

Regarding the studies related to the obstacles that hinder the application of the principles in Jordan effectively, the literature in Jordan has a deficiency in this area. In a recent study conducted locally in assessing the reality of governance in Jordan and identifying the most important problems in the effective application of CG principles, (ALEQEDAT 2020) tried to determine the gap between what must be applied and what is applied on the ground. The study found that failure to fully comply with all the principles of governance, and there is no general implementation of the concept of governance fully until now, this due to that these principles are still directive guidelines and are not mandatory. The study recommended eliminating these obstacles to raise the effectiveness of the application of governance, in order to raise performance and attract investors to the Jordanian environment. Furthermore, increased awareness of the importance of fully implementing these principles according to international standards, which encourages companies to have the structure and achieve justice and clarity to enhance confidence in the institution and achieve its goals. In addition, the researcher indicated there is a failure to adhere to the rules of professional, besides the existence of a conflict of interests in Jordanian companies. Therefore, the researcher asserted the commitment to professional conduct guidelines and promote the ethical behavior of employees, which is reflected in the values and attitudes of employees.

Based on the above discussion, it is concluded that the application of CG in Jordan needs to support and increasing the commitment in the companies. Therefore, the current study contributes to the literature the extent of development of the commitment in these companies, as well as examines to what extent of other non-bank financial commitment to CG, and the impact of this commitment on their performance. In the following Table 1 the most shortages in the applying of the CG principles found in Jordan as shown in the literature:

Table 1. The most shortages in the applying of the CG principles found in Jordan

Shortages	Authors
Failure to fully implement governance	MATAR - NOOR 2007; KHOURY 2003; BASHITI - RABADI 2006; AL-QASHI - AL-KHATIB 2006; AL-OQDAH ET AL. 2009; YAMIN - AL-RAMAHI 2016
Low commitment to rules of professional conduct.	AL-QASHI - AL-KHATIB 2006; MATAR - NOOR 2007; YAMIN - AL-RAMAHI 2016
No existence of audit committee	BASHITI - RABADI 2006; AL-OQDAH ET AL. 2009
The duality of CEO	AL-OQDAH ET AL. 2009; BAWANEH 2015

Source: Author's own, 2021

In summary, it is noticeable that despite the laws and the many legislations that governing CG in Jordan, many companies still suffering from the obstacles such as the deficient in applying some principles. Besides, these principles are not mandatory for companies. Further, the failure to adhere to professional conduct and the existence of a conflict of interests in Jordanian companies. Therefore, legislation in Jordan must empower these regulations to attract foreign investors (ALEQEDAT 2020). As insufficient instruction and regulations may discourage external investors (AL- RAWASHDEH 2007).

3.3. Hofstede's cultural dimensions in Jordan

Several works of literature described the culture in the Arab world, where asserts that there is a special social and culture in Arab countries (SABRI 2012). (RONEN - SHENKER 1985) classified Jordan as part of the Arab countries culture Group according to his classification for the culture of countries. Furthermore, (HOFSTEDE 2005) described all Arab countries under one section and classified them under the same scores. (SABRI 2012) indicated that Arabic managers are affected by the family and ethnic systems. (AL-HARSH 2008) indicated that across countries, the variation in management practices due to differences in cultural beliefs and values that guide the behavior. Therefore, the cultural system contains values that affect mainly the management practices of individuals. Following Figure 12 shows the Hofstede cultural scores for Jordan based on the website of Hofstede.

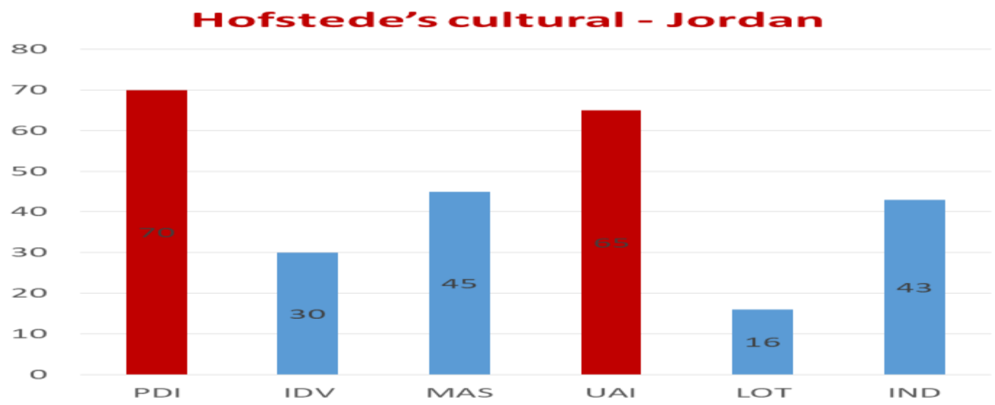


Figure 12 . Jordan values for the 6 dimensions

Source: own based on Hofstede insights website

- **Power Distance PDI**

In a high power distance PDI societies, everyone has a right to live, and aging is respected, and people care about strength. On the other hand, people in low power distance PDI cultures, people feel younger and strong people do not care about power (ALKAILANI ET AL. 2012). Hofstede's ranked, the Power Distance between (0-100), when it is 0 a small (Low) PDI, and 100 a large (High) PDI (HOFSTEDE 2010). Jordan scores 70%, which means people in Jordan accept a hierarchical arrangement thus it is considered a hierarchical society that reflects the inequalities in organizations, where highly centralized and there is no decentralization, and the staff is doing what is required of them.

In a study conducted by Hofstede in 1991 for individuals working in IBM representing 53 countries from the world, Hofstede ranked the Arab countries in seventh out of 53 countries regarding PDI between the managers and the employees. Which means a spacing in PDI between different administrative levels. Therefore, Jordan may be characterized by high PDI. This result is confirmed by (AL-HARSH 2008) who showed that the employees in Jordanian commercial banks feel a high degree of high-PD, where these banks are characterized by centralization, power, and pyramid. Further, consistent with (AL-HELSI 2004) who showed there is a power distance in the administration in Palestinian. This PD reflects the features and general applications of the Arab administration of centralization, and the lack of delegation of powers. According to (ALKAILANI ET AL. 2012) Arab countries were classified according to HOFSTEDE (1980, 1997) high PD with 80. This score explains the unequal distribution of power. This leads them to have a high level of mistrust within society. This makes Jordanians do not trust the unknown.

On the contrary, (AFANEH ET AL. 2014) indicate that there is a weak impact of PD on organizational commitment in Jordanian universities. This result is confirmed by (SABRI 2012) Jordanian managers hold less orientation of PD. This result is inconsistent with HOFSTEDE'S findings (1984, 2001, 2010) that Arab countries (Egypt, Iraq, Kuwait, Libya, UAE, and Lebanon) scored a high PD with 80. This result is consistent with (ALKAILANI ET AL. 2012) who indicate that the PD score 7.75 in Jordan with a significantly low degree. This score of 7.75 is considered a new result. In a low PD society, people feel younger and strong. This is evident in the Jordanians where most of them are young age and they share in decision-making. Further, (HOFSTEDE 2005) indicates that education's impact on PD and education in Jordan is a high degree thus, this justification for a low PD in Jordan.

- **Uncertainty-Avoidance Index UAI**

In high UAI society, where people shape their life and care about the rules, they faith in efficiency and people-oriented to prepare, because there is no more chance to face the problems (ALKAILANI ET AL. 2012). While, in low UAI cultures, people like to be innovative and faiths in generalist. Hofstede ranked the UAI between (0-100) If the score is 0 low scores that mean the UAI culture is strong, and if it is high scores 100 that means the UAI culture is weak (HOFSTEDE 2010). Jordan scores 65, this means the society characterized a high avoiding uncertainty. These countries preserve rigid codes of belief and behavior and are intolerant of unorthodox behavior. And the people work hard and tend to be busy, precision in time is the norm, the people may resist the innovation. (HOFSTEDE 1991) indicated that the Arab countries ranked 27 out of 53 countries in UAI, which means that the uncertainty is largely avoided by the Arabs countries. Therefore, Arab countries were classified according to HOFSTEDE (1980, 1984, 1997, 2001, 2010) with a high UAI with 68 (ALKAILANI ET AL. 2012). This result is confirmed by (AL-HARSH 2008) who shows that the employees in Jordanian commercial banks feel a high degree of UAI. This result is consistent with (AFANEH ET AL. 2014) who indicated there is an effect of high UAI on the organizational commitment in private universities in Jordan. Also, this result is confirmed by (SABRI 2012) Jordanian managers hold a very high UAI. This means that the main goal of managers in times of instability is to keep business. It is notable that according to (ALKAILANI ET AL. 2012) who indicated the UAI score 110 in Jordan with a significantly high degree. Which is inconsistent with Hofstede's classification for Arab cultures (Egypt, Iraq, Kuwait, Libya, UAE, and Lebanon) that score (68).

- **Individualism/Collectivism IDV**

People in individual society care about their family and themselves and the identity is the person and communication is verbal. In collective cultures, individuals care about their belong group. Identity is a social network and the communication is less explicit (ALKAILANI ET AL. 2012). Hofstede, ranked IDV between (0-100) if the score is 0 low scores that mean a collective culture, and if it is high scores 100 that means an individualist culture (HOFSTEDE 2010). Jordan scores a low percentage of 30% therefore, it is considered a collectivistic society. This society is characterized by, long-term commitment to the member 'group', and Loyalty and they are interested in their goals, association, and cooperation with this group. Everyone takes care of others. In collective societies: Crime leads to shyness and facial loss; employer/employee relationships are viewed ethically (e.g. family bonding), and recruitment and promotion decisions take into account the employee within the group and management is the group management. The employer and employee dealing as family. The third world is characterized by Leadership as a collective society (HOFSTEDE 1983). Moreover, People are characterized by great loyalty to their jobs, due to employers restoring their loyalty by protecting them. Further (HOFSTEDE 1991) indicated that the Arab countries ranked 26 out of 53 countries in terms of Individualism, which means tend to be collectivist in performance.

HICKSON - PUGH (1996) confirmed that the Arab tend to the collective and the formation of committees and public meetings and the desire to communicate with others. Furthermore, Arab countries (Egypt, Iraq, Kuwait, Libya, UAE, and Lebanon) were classified according to HOFSTEDE (1980, 1997, 1984, 2001, 2010) as a collectivist culture with score 38. (ALKAILANI ET AL. 2012) indicated that Jordan is collectivist society with score of Individualism 27.7, similar to in Hofstede classification for Arab cultures. This result confirmed by (AL-HARSH 2008) shows that the employees in Jordanian commercial banks tend to be collectivist in performance, where the selected people preferred collective work, which requires more social relations and works in the spirit of one team, and works that do not require isolation and exclusivity. These results are consistent with (AFANEH ET AL. 2014) who indicated the managers in private universities in Jordan are totally committed to the organization which is affected strongly by collectivist organizational commitment. Also, this result is confirmed by (SABRI 2012) Jordanian managers hold very high collectivism.

- **Masculinity versus Femininity MAS**

In masculine societies, there is huge discrimination between males and females. People focus on attainment and success. Men tend to be insistent. On the other hand, in feminine societies, individuals care about the quality of life. They do not care about status and there is no distinction between the roles (ALKAILANI ET AL. 2012). Hofstede, ranked MAS between (0-100) If the score is 0 low scores that mean feminine society and if it is 100 that means the society is masculine (HOFSTEDE 2010). Jordan scores 45% as a moderate low degree, this means it is considered a Feminine society. These societies focusing on "working for life", where managers seek consensus, and people appreciate equality in their working lives. Focusing on welfare and the situation does not appear or is emphasized. Disputes are resolved by negotiation and they prefer Motivation such as leisure time and flexibility. This result is inconsistent with (HOFSTEDE 1991, 1997, 1980) the Arab countries ranked 23 out of 53 countries in masculinity, which means tend to be masculine in leadership and control. (ALKAILANI ET AL. 2012) indicated that Jordan scored 51 in MAS similar to the score of Hofstede's classification for Arab cultures. That means that society distinguishes between the roles of genders. These results are consistent with (AFANEH ET AL. 2014) who indicated there is an effect of masculinity on organizational commitment in private universities in Jordan. Also, consistent with (SABRI 2012) that indicated Jordanian managers hold a very high masculinity orientation. Further, it's consistent with (AL-HARSH 2008) that indicated the Jordanian banks are characterized by masculinity in performance. It means Arab organization gives greater visibility to males at the expense of females, also, it gives males greater roles in leadership and control in the upper and middle administrations, while women are not given these roles. There is a limited role of women in the Arab Organization. These roles are limited to the lower and middle management levels, these results are confirmed by (ALRASHEED 1994).

These facts are consistent with the results of statistics issued by the Department of General Statistics, whereas although the results showed that the number of males formed 50.6% from society compared to a percentage 49.4% of females in 2020 as shown in Figure 13, which means that they are close proportions, However, the percentage of males employed reached 85% versus 15% of females as shown in Figure 14, which means that there is discrimination against females and the lack of opportunities to fill jobs in companies.

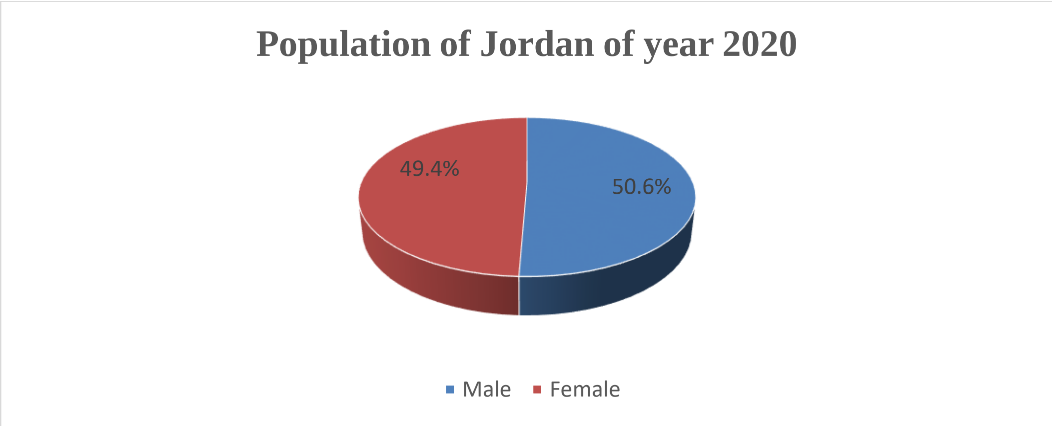


Figure 13. Population of Jordan of year 2020

Source: Department of Statistics, 2020

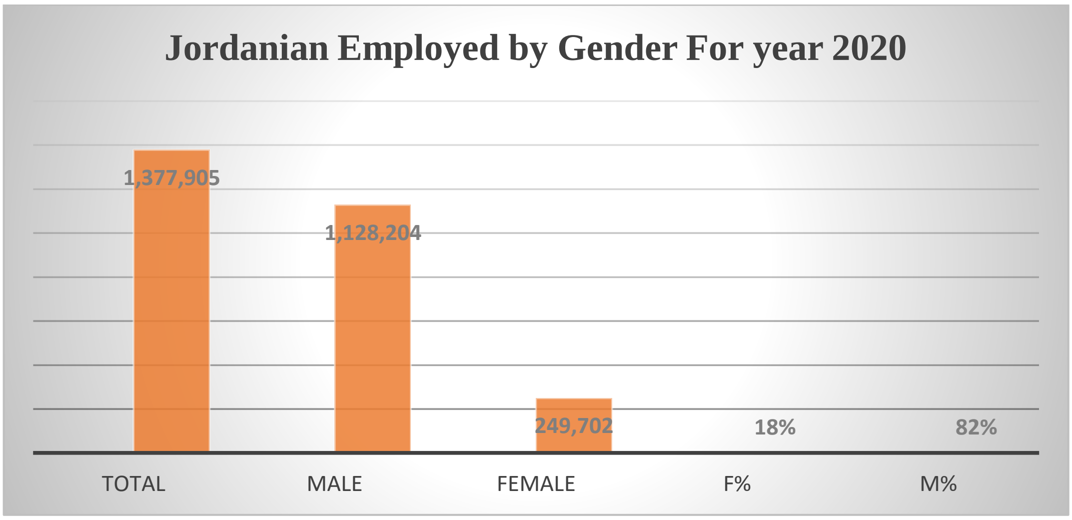


Figure 14. Jordanian Employed by Gender For year 2020

Source: Department of Statistics, 2020

- **Long Term Orientation and Short Term Orientation LTO**

Long-term orientation is stability and ranking relationships depend on status, people prefer saving and planning, and feeling embarrassed. Further, it is differentiated thinking between the East and the West. In short-term orientation the person there is stable and care about the habit and role (ALKAILANI ET AL. 2012). According to (HOFSTEDE 2011) Long-term orientation society is caring about the future. Tending for saving and interested in investment. While, short-term orientation society is caring about past and sacred traditions, not like to save and tend to consume. According to Hofstede's cultural scores, Jordan scores 16, which means that Jordan is considered a strong normative culture. This culture has normative thinking and interesting in absolute truth. They respect strongly the tradition, they interesting to reach targets quickly and they don't tend to keep for the future and savings. This is confirmed by (AL-HARSH 2008) that indicated that people in Jordanian banks do not have a long-term orientation towards the future. This result is consistent with (MUNA 1980) who shows that Arab administration is oriented to short-term orientation in the future.

- **Indulgence vs. restraint IND**

Indulgence reflects a society that allows the gratification of human desires related to the enjoyment of life and feels relaxing and like fun (Indulgent society). On the other hand, the restraint symbolizes control and rescinds the satisfaction of needs by restricted it through social norms in society (Restraint society) (HOFSTEDE 2010, OLIVEIRA 2016). According to Hofstede cultural scores for Jordan scores 43 which means that Jordan has a restraint culture. They do not care about leisure time and control their satisfaction. People feel their actions are constrained by norms. And this culture is characterized by ridicule and pessimism. It is worth saying that the World Happiness Report Index showed that Jordan retreated to the 90th position globally, and 10th in the Arab world, compared to the previous period. Likewise, Jordan ranked 86th according to the global prosperity index issued by the Legatum Institute out of 167 countries (THE LEGATUM PROSPERITY INDEX 2020). This decline in the prosperity index is due to declining in some points related to economic quality, business environment, governance, personal freedom. Following Table 2 shows the most important empirical studies have been conducted of Hofstede's cultural dimensions in Jordan.

Table 2. Literature Review of Hofstede's cultural dimensions in Jordan

Cultural Variables	Authors	Empirical studies	Relationship
- Power distance index - Individualism - Uncertainty avoidance - Masculinity MAS - Long-term orientation	AL-HARSH 2008	Measurement and Characterization of Management and regulation in the Jordanian Environment Based on Hofstede's Cultural Dimensions	- Jordan has High PDI and UAI - Collective and MAS in performance. - Short-term orientation
- Power distance - Uncertainty - Collectivism - Masculinity	SABRI 2012	Re-examination of Hofstede's work value orientations on perceived leadership styles in Jordan	- Jordanian managers hold very high (collectivism, UAI, MAS) and less of PDI orientation.
- Individualism - Power distance - Uncertainty avoidance - Masculinity	AL-KAILANI ET AL. 2012	Replicating Hofstede in Jordan: Ungeneralized, Reevaluating the Jordanian Culture”	-Jordanian society is a collectivism and MAS. -Very high UAI - Very low PDI
- Power Distance - Uncertainty Avoidance - Individualism -Masculinity	AFANEH ET AL. 2014	Impact of cultural dimensions according to Hofstede model on organizational commitment of the middle management at Jordanian private universities	- High UAI, collectivism, and MAS effect on organizational commitment. - Weak impact of high PDI on organizational commitment.

Source: Author’s own, 2021

In the following Table 3, a comparison between the results of local studies that have re-examined Hofstede's framework in Jordan and the scores of Hofstede:

Table 3. Comparison of results of re-examined studies in Jordan

Dimension	HOFSTEDE / Arab countries (1984, 2001, 2010) * (1980, 1997)**	HOFSTEDE scores of Jordan	ALKAILANI 2012 Jordan	SABRI 2012 Jordan
Power distance index PDI	80 HPD	70 HPD	7.75 LPD	LPD
Uncertainty avoidance UAI	68 HUAI	65 HUAI	110 HUAI	HUAI
Individualism vs. collectivism IDV	38 Collectivism	30 Collectivism	27.7 Collectivism	Collectivism
Masculinity versus Femininity MAS	53 MAS	45 FEM	51 MAS	MAS

Source: *SABRI 2012; **ALKAILANI ET AL. 2012

According to (ALKAILANI ET AL. 2012) the results showed that Jordanians scores of MAS 51 and IDV 27.7 this consistent with Hofstede's scores of Arab countries, while the UAI 110 and PDI 7.75 are not similar to Hofstede's scores. (SABRI 2012) showed that Jordanian managers hold very high (collectivism, UAI, and MAS) orientation and less orientation of PDI. In conclusion, (SABRI 2012) and (ALKAILANI ET AL. 2012) results of PDI contradict Hofstede's framework. According to (ALKAILANI ET AL. 2012) indicated the UAI score 110 in Jordan with a significantly high degree and the PDI score 7.75 scored a significantly low degree comparing with Hofstede work.

Depending on the discussion above the researcher noticed that there are no local studies conducted on the Long-term orientation vs. short-term orientation LTO and Indulgence vs. restraint IND dimensions. Whether to re-examine or study the impact of these dimensions on corporate performance. Therefore, the current study will fill this gap.

- **Comparative between the characteristics of Hofstede’s cultural scores for Jordan and other countries**

Following figure 15 shows a comparison between the characteristics of Hofstede’s cultural scores for Jordan and other countries based on the website of Hofstede:

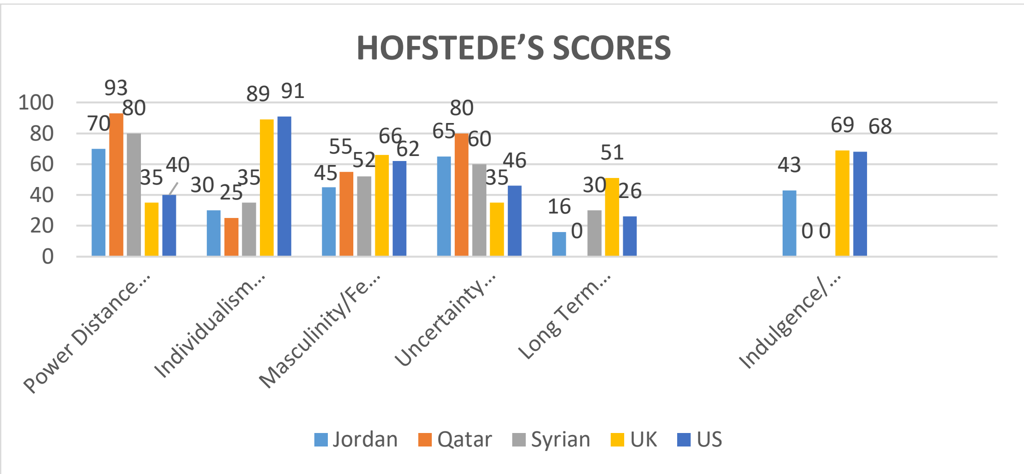


Figure 15. HOFSTEDE’S SCORES

Source: own based on Hofstede insights website

Figure 15 shows Hofstede’s scores for Jordan, Qatar, Syria, UK, and US. The table shows that Jordan scored collectivism, compared to UK and US and similar to Qatar and Syria. Jordan seems to have a moderately low score of 45, which means it is a Feminine society compared to other countries (Masculine). Jordan scores high power distance (70), and high uncertainty avoidance score (65) similar to Qatar and Syria. Further, the figure shows that Jordan seems to be a short-term orientation score (16) similar to Syria and us. Moreover, Jordan tends to be a restraint culture compared to UK and US.

3.4. Developed hypotheses based on the literature review

This section covered the literature review of corporate governance CG; Hofstede's cultural dimensions HCL; included the concept and the importance of each variable, followed by the Principles of Corporate Governance, the variables of CG, and Culture. Further, the chapter covered the agency theory, Hofstede's cultural dimensions theory which was adopted in this study as the theoretical framework to investigate the impact of HCL and CG on CP. Later the Empirical studies of culture and its relationship with CG and CP. And finally, the researcher formulates the developed hypotheses. The Theoretical Framework model of the study is shown in Figure 17.

3.4.1. Corporate Governance CG

This section presents the background, definition and important of corporate governance, the Principles of Corporate Governance.

Back ground of Corporate Governance

The growing interest in corporate governance recently has been a result of the global financial crisis and the financial and accounting breakdowns of international companies including the Enron scandal and the subsequent collapse of Arthur-Anderson, one of the world's five largest auditing firms. These crises and collapses have caused considerable material losses and caused the collapse of corporate governance, which encouraged international regulators to put in place governing controls (AL-MANASEER ET AL. 2012). Further, these prompting many investors to seek out companies that implement the concept of CG. Interest in CG has grown and become a cornerstone of economic units. Therefore, effective CG structures are becoming an important factor after the collapse of companies to controlling and protecting the rights of shareholders (SALIM ET AL. 2016). In the midst of globalization, CG in the OECD countries is becoming a critical prerequisite for the competition in the industry (MAHER - ANDERSSON 2000). And it has an important impact on support the confidence of the market and attract investors, and improve performance (AHMED - HAMDAN 2015). Therefore, CG Implementation increases confidence in the state's economy and is evidence of the presence of policies to protect investors and stakeholders (AL-RAMAHI AND ET AL. 2014). The term "corporate governance" has been introduced by the World Bank and the International Monetary Fund IMF, and CG, in short, can represent the involvement of all parties in the institution in the decision-making process, as well as providing information to all parties in a transparent and clear manner and defining responsibilities, rights and duties to ensure that institutions are monitored and accountability. One of the objectives of CG is to ensure that management efforts are focused on maintaining the highest interests of society, the state and employees, and achieving the highest levels of work efficiency (ABDEL HAFEZ - ABDEL RAZZAQ 2009).

The need for CG is becoming important as a result of separate management from ownership in shareholding companies. Most of the shareholders do not have the experience and the time to operate these companies and ensure their success. As a result, shareholders elect boards that in turn appoint experienced and efficient managers to manage these companies, often executives do not have a large number of shares in these companies and therefore they will not bear the burden of loss if it is realized, or if the company fails to perform, and as a result, managers or BOD may take action Detrimental to the interests of shareholders or maybe over-risk or vice versa, they may not be risky enough when they have a sense of reassurance about their positions (ANI - AZZAWI 2009).

According to (MAHER - ANDERSSON 2000) there are two models of corporate governance. The narrow model (shareholders model), CG is the formal system of accountability. And a broad model (stakeholder model) CG is the relationships with the company (formal and informal). The goal in the shareholders model is to increase the fortune of shareholders (increase incomes). This can be measured by the market value (shareholder value). The basic problem of this model stems from the separation of ownership and executive decision-making that leads to conflict the interests, shareholders need to increase their fortune, while the managers are interested in increasing their wages. According to the stakeholder model, the performance is measured by the market value and financial performance. The shareholder approach can be criticized for focusing narrowly on how to solve the CG problem. It is related to aligning the interests of managers and shareholders. While the criticism of the stakeholder model is that few academics and decision-makers support this model.

Finally, it should be noted that there is no single model of complete CG performs that may be considered a practical one in the world. However, both the OECD countries and other countries outside the organization, have identified a number of elements that define the right methods which are considered the basis for good CG (Centre of Projects International private, OECD Principles of CG 2004).

The Concept, Origin and Evolution of Corporate Governance - Definition of corporate governance

The concept of governance is not a modern as rumored, it is an old concept since the Industrial Revolution. But it is re-activation recently, especially after appearing the need for this concept in many developed and emerging economies over the past few decades, especially after economic collapses and financial crises that were faced by a number of East Asian countries, Latin America and Russia in the 1990s of the 20th century, As well as financial collapses that faced the US economy recently during 2002. Thus, corporate control is a system which through it make all individuals working in the company no matter what their location in line with the company's strategy to improve its value-added and achieving the principle of justice and balance between the interests of the executive management and the interests of the other parties, including owners (AL-KHATIB - QURAYT 2010).

The concept of a Free economy in most of the world's nations and the globalization and liberalization of financial markets has led to creating new investment and job opportunities in countries in which these companies working in it. These companies to maintain their distinctiveness they were working on finding a good structure for CG which guarantees transparency, fairness, and financial accuracy (HADDAD 2008). (OECD) is the first organization concerned about governance and issued the principles of CG in 1999. (OECD) has emphasized the importance of CG and in 2004 it developed a set of principles on governance, which were adopted by most of the world, including developing countries. It is worth saying that 200 years ago, (SMITH 1776) put the first ideas about CG when he said: the managers in companies do not care about the company the same way that the owner of the company. There is no agreement on the definition of CG. (OECD 2004) defines CG as a connection between the stakeholders of the company (management of the company, board, shareholders)". According to the Basle Committee on Banking Control BCBS, CG is a set of interactions between management, BOD, owners, and other stakeholders. Through it, it is possible to define strategic goals and ways to obtain these goals and monitor them accordingly (BAWANEH 2015).

The literature defines CG by its narrow definition as meeting shareholders' interests. While it's broad definition is meeting stakeholder's interests (MARASHDEH 2014; MAHER - ANDERSSON 2000). (REZAEE 2007) Defines CG on two scopes, narrow scope, which is the commitment of companies to reforms, and the broad one as a group of people who share the company's management (stockholders, and other stakeholders). Governance is also known as a mechanism used in the company to solve the agency problems and to overcome the conflicts of interest between the owners and managers (JENSEN - MECKLING 1976). International Finance Corporation IFC defines CG as the structure that running and controlled the firms (ALAMGIR 2007). In other words, CG governing the power in the company (LICHT 2014). (MAHER - ANDERSSON 2000) defines CG as official activities that manage the relationships between stakeholders. Finally, (RAFIEE - SARABDEEN 2012) indicated CG is a guarantee for return on asset according to owners of funds.

The importance of corporate governance and its goals

A good corporate governance system is important to protect the interests of shareholders through a range of procedures, such as ensuring the full practices of their rights, including the right to elect directors, transparency, and providing timely information (AL-BASHIR 2003). Furthermore, a good CG system also helps to protect the interests of all parties dealing with the company and regulates the relationships between the management and its BOD and its audit committee, thereby reducing the company's risk and raising the value of shares. In addition, a good CG system improves the quality and efficiency of the company's leadership and improves the quality of its production (DAHMASH - HENINI 2008). (AL-RAMAHI ET AL. 2014) indicated that CG is a critical factor in achieving the goals and the vision of the company. Furthermore, the most important goal of CG is leading the company to increase the value of shareholders and keeping stakeholders interest in the long-term (RAFIEE - SARABDEEN 2012). Moreover, the Agency theory supporters claim that CG encourages the better supervision of managers and reduces agency costs. Which increases the stock prices and performance in the long term (AL-MANASEER ET. AL 2012).

Principles of Corporate Governance

The principles of CG represent a substantial role in attaining corporate prosperity because they reflect the critical essentials to attain the visions and the aims of the company (AL-RAMAHI ET AL. 2014). Several committees have embraced the task of improving the economies of countries by setting a framework, rules, and instructions, such as OECD and Cadbury and Vino Committee. The principles of CG were developed by the Organization for Economic Co-operation and Development OECD in response to an invitation from the Ministerial Council meeting in 1998 to work with national governments, other relevant international institutions, and the private sector to develop a set of standards of CG (CENTRE FOR INTERNATIONAL PRIVATE ENTERPRISE 2004). In 1999 the OECD identifies the policies that helping in enhancing the growth of performance in the long term. The OECD CG Principles are considered important for enhancing governance practices. Further, it's explaining the relationship between CG, CP, and economic growth (MAHER - ANDERSSON 2000). However, the emerging markets facing a shortage of human requirements that reducing the effectiveness of implementing the CG principles (RAFIEE - SARABDEEN 2012). Following are the principles adopted by the OECD as the main reference to many of the CG practices that were issued in 2004 (CENTRE FOR INTERNATIONAL PRIVATE ENTERPRISE 2004):

Principle 1: Ensure that there is a basis for an effective CG framework; Principle 2: Equity and principal functions of equity holders; Principle 3: Equal treatment of shareholders; Principle 4: The role of stakeholders in CG; Principle 5: Disclosure and transparency; Principle 6: Responsibilities of the BOD.

3.4.2 Culture

Definition of culture

Culture has been defined in many ways over the past years by many scholars. The oldest researchers who spoke about culture (CHODZKIENE 2014) indicated that Alfred L. Kroeber and Clyde Kluckhohn in 1952 published a book of different definitions of culture. (BERGER

2000) pointed out that culture term comes from the Latin community originally, and means 'care', and colere in the French that means 'to till' as in 'till the ground'. Geert Hofstede is one of the pioneer researchers who took culture into account, (HOFSTEDE 2001, p. 2) proposed a definition for culture as a mind program or intellectual programming at the collective level that is shared with some but not all other people. According to (HOFSTEDE 1984) Culture involves thinking types that carry from parents to their children, leaders to their followers. Indeed values are considered the stone corner of the Hofstede cultural dimensions (ALKAILANI ET AL. 2012).The British scientist Edward Taylor defined culture as "that composite whole that includes knowledge, beliefs, art, ethics, law, norms, abilities and other habits acquired by a person (RAHMATULLAH 2018). (AL-HARSH 2008) indicated that Culture is defined as a set of values or actions of individuals within a particular state or organization, and has several characteristics: It is a set of common meanings that belong to a group of individuals, as it is acquired. Therefore, values are considered a key factor in defining the culture due to it reflects the ideas (ALKAILANI ET AL. 2012). (HOFSTEDE 1983.p76) define Culture as "the principle of collective mental programming: it is an adaptation with others in our country, but not with members of other countries". (OLIVEIRA 2016) indicated that culture is a set of behaviors, values, and habits passed through our life that varies across the countries. In conclusion, the culture is a memory of individuals (ALKAILANI ET AL. 2012).

The importance of cultural dimensions

The growing interest in the role of cultural dimensions is attributed to the adoption of dimensional models of culture as an analytical framework in social psychology (LICHT 2014). (NAJIA 2013) indicated that the study of the cultural framework of the company helps to understand, interpret and predict the behavior of individuals in the future. Where the importance of work time and self-discipline and commitment to the functional factors are necessary for success, which varies in how they are used in different cultures. Based on these factors, the management of the company can formulate successful policies to guide and control the behavior of individuals. The organization may set (a code of conduct) to assist individuals to commit to this conduct. Thus this helps the organization to progress and differentiate them from others, and achieve their aims. (HOFSTEDE 1998) asserts that the behavior that stems from attitudes is affected by values. Further (ALKAILANI ET AL. 2012) indicate the individual cannot deal with others in isolation from culture and the behavior of people is motivated by culture. Where the behavior stems from values and attitudes. Therefore, the values and attitudes are shaping national cultures. (AFANEH ET AL. 2014) assert that a proper understanding of the cultural dimensions enhances organizational commitment as well as loyalty to the company and achieving its objectives, which minimizing errors, enhancing operations, optimum use of resources. Furthermore, the importance of culture is confirmed by (BALOGH 2015) that the culture greatly influences the way organizations operate; it is determined the success of the organization.

Justifications of using Hofstede cultural dimensions in current study

Hofstede's Theory has been adopted because it is the basis upon which most subsequent studies were based. It is a set of cultural dimensions through which the attitudes of individuals in a society can be judged and distinguished from other societies. The cultural dimensions set by (HOFSTEDE 1980) have been used in literature to estimate cultural indicators in countries (ALKAILANI ET AL. 2012). These cultural dimensions distinguish between national cultures across the world. Further, Hofstede's scales considered the basis for explaining the impact of national culture on behavior. The current study adopted the six Hofstede cultural dimensions HCL in the field study in an attempt to identify general and theoretical aspects of culture in Jordanian companies. The study depended on (IRFAN 2016; AL-HARSH 2008; AFANEH ET AL. 2014; GENT 2014; ALKAILANI ET AL. 2012; RAHMATULLAH 2018) Where they used HCL to measure their impact within the organizations. (AL-HARSH 2008) identified the general characteristics of the Jordanian Arab administration based on Hofstede's CL and the extent to which these dimensions affect the attitudes of individuals in banks. (IRFAN 2016) investigated the effect of four of HCL on the organizational performance in Sri Lanka. (AFANEH ET AL. 2014) identifying the effect of the HCL Model on the organizational commitment at Jordanian private universities. (ALKAILANI - KUMAR 2016) examined the professional's innovativeness in a cultural context versus the impacts of personal effects. (ALKAILANI ET AL. 2012) re-examined Hofstede's framework.

3.4.3. Theoretical Framework of the study

The study used the agency theory and the Hofstede cultural dimensions HCL theory as a theoretical framework and for testing the relationship between corporate governance, culture, and performance, as well as to answer the research questions. Empirical studies for each of the two theories were reviewed, which helped build a (conceptual model) to examine the hypotheses of the study. Furthermore, section 3.2 CG in Jordan contributed to defining the reality of CG in Jordan and clarified the methods of governance in Jordan, as well as section 3.3 clarified the characteristics of culture in Jordan, which helped in developing the research questions and then build the model of the study.

Agency theory and culture theory and the definition of both CG and culture provide a theoretical justification for the existence of a relationship between CG, culture, and performance. The agency theory was used in this study as a theoretical framework to test the relationship between CG and CP as this theory examines two important aspects in the organization owners (principals) and managers (agents). The agency theory is concerned with the interests of the owners by protecting them and working on the limit of the agency's problems and thus increasing the value of the enterprise. On the other hand, Hofstede's theory of culture was used as a theoretical framework, as it is considered a framework for intercultural communication. (HOFSTEDE 1984) indicated that culture is thought styles that are transmitted from (parents to children) and from (leaders to followers). Further, culture is a collection of values and activities of people within a country or business (AL-HARSH 2008), so values are the main element in describing culture as they result in ideas. Values represent the essence basement of Hofstede's cultural theory. These values resulting in the behavior of individuals. Therefore, they influence the governance mechanisms (AFANEH ET AL. 2014). The literature indicated that there is a relationship between CG and culture, (LICHT 2014) explained that culture has a role in shaping CG and it is important in analyzing CG systems. Further, (LICHT ET AL. 2007) emphasized that culture is highly associated with social norms of governance.

Regarding the culture and CP, it is concluded that the impact of culture on CG is similar to the impact of CG on CP (GRIFFIN ET AL. 2014). (IRFAN 2016) assert that cultural dimensions affect organizational performance. In emerging markets (RAFIEE - SARABDEEN 2012) indicated that Hofstede's cultural dimensions influence CG practices. Furthermore, the culture is concerned with financial performance at a high level of CG. Hofstede's theory was used to measure the six dimensions of culture in the study sample in the financial sector. Workers in these companies were targeted including employees, heads of the section, and managers. Therefore, through Agency theory, the target population was covered by high management and owners and through Hofstede's theory, the middle and low management were covered. In addition, the study used employed return on assets ROA, and return on equity ROE as performance measures, as it has a direct relationship with the owners that the agency theory aims to maximize the value by limiting conflict of interests. Therefore, agency theory, as well as a culture theory, were used in developing the study hypotheses, to reach results that contribute to proposing solutions that can be limited the agency problem and conflict of interest and thus maximize the value. As it is known that management has a role in making strategic decisions that ultimately have an impact on the company's performance.

According to the Agency theory, managers tend to attain their special benefits and doesn't focus on the interests of the owners (JENSEN - MECKLING 1976), and this has a great impact, especially in the absence of monitoring, from here stems the importance of CG mechanisms in reducing this dilemma according to the agency theory that assurances compatibility between the interests of owners and managers. These CG mechanisms regarding the agency theory are represented in the ownership structures in terms of (Largest ownership; Government ownership; Foreign ownership) that plays an important role in eliminated conflicts of interest between owners and managers and influencing the performance, In addition, the Board of Directors in terms of (Non - CEO duality, Number of board members, independence of BOD. Which are broadly discussed in chapter 4. Following Figure 16 shows the Theories of Study.

Figure 16. Theories of Study

Source: Author's own, 2021

3.4.3.1 Agency Theory

Agency theory has been conducted widely in the literature. Since the theory proposes assumptions, many of the articles (theoretical and empirical) followed Jensen's and Meckling's framework and the results were widely applicable e.g. (ALEDWAN ET AL. 2017; AMIN - HAMDAN 2018; MADIWE 2014; MARASHDEH 2014; LAIHO 2011; AL- RAWASHDEH 2007). Therefore, the current study adopted the agency theory to construct the theoretical framework of the study. The Agency's theory is based on the relationship that arises between two parties: the principal or the original and the agents or the management. This agency is defined under the terms of an explicit or implicit contract, that agents are authorized by the principal to carry out certain activities as delegated by the principal to make decisions on their behalf. Therefore, the principals compensate the efforts of the agents (JENSEN - MECKLING 1976). Depending on this concept, this theory describes the company as a set of contractual relationships between parties with common interests (AL FADL - RADI 2010). This means the separation between ownership and management that leads to agency cost represented in conflicts of interest (ALEDWAN ET AL. 2017). Especially, If the contractual relationships between managers and shareholders are incomplete. The basis of and the most important assumptions of agency theory is that there are conflicts of interest between managers and shareholders. Where Managers tend to increase their benefit rather than increase the value of the company. This conflict is the so-called agency problem (JENSEN - MECKLING 1976; AL-RAWASHDEH 2007; MARASHDEH 2014).

Managers are controllers of the company and the shareholders take the influence of the wealth (LAIHO 2011). Actually, Managers play an important role in the result, in such circumstances, and if the information is not distributed unevenly between managers and agents; therefore, shareholders cannot measure the hard work of managers who are more familiar with the details of the company's operations. A major component of the theory is that external shareholders cannot monitor managers 'actions without costs (LAIHO 2011). These costs are represented in systems that principals should create to observe the managers perform. Indeed, the Agency's theory addresses shareholders' interests by limiting the agency's problem that leads to the best out of value (MARASHDEH 2014). Agency theory is developed to explain corporate governance and the conflict of interest between investors and the managers (JENSEN - MECKLING 1976). In other words, this theory means that managers care about their interests rather than maximize profits. (AL- RAWASHDEH 2007) indicated that managers may boost their non-salary income in the short term through an interest in cost-increase actions, or they may increase the size of the company and development rather than increase shareholder fortune to achieve their goals such as control and respect.

According to agency theory, the company can overcome these problems by using mechanisms to motivate managers to increase shareholders' profits. In other meaning as long as there is good corporate governance, this will mitigate the Agency's problems between managers and owners (OLIVEIRA 2016). (SHELLFIRE - VISHNY 1986) explored the conflict of interest by proposing agency theory. As mentioned before that the separation of ownership and control leads to conflicts of interest. This leads to problems in corporate governance (RAFIEE - SARABDEEN 2012). Hence, each country sought and developed a wide variety of mechanisms to overcome the agency problems arising from this separation. BREUER ET AL. (2018) indicated that the managers prefer to play in a safe manner, which causes the agency problem. Therefore, to protect shareholders it must be to design an appropriate incentive plan to alleviate the problem of the agency. Such as, governance and compensation agreements should be designed by the boards to motivate managers to be risky to enhance investment value. Also, he asserted if these conflicts are ignored, bad results will be affected on the value of shareholders and economic investment. (MAHER - ANDERSSON 2000) showed that if there are good CG structures this helping in eliminating the agency costs, such as: Try to urge managers to implement effective management; Promote shareholders' rights so that empower the shareholders to control the management, and using an indirect way for controlling such as markets of monitor corporate.

Agency Costs

The agency costs are the costs that arise from the conflicts of interest between the principals and the agents (JENSEN - MECKLING 1976). (AL- RAWASHDEH 2007) defined the agency costs as a cost of any transaction that the owners incur to make sure the managers are working for them. LAIHO (2011) indicated that the agency cost regarding JENSEN - MACKLING (1976) consists of control costs, interconnection costs, and remaining losses. Control (monitoring) costs are the costs of monitor the manager's behavior by the owner (principals). Interconnection (bonding) costs the costs of creating systems by managers to guarantee that managers perform in the interest of shareholders. And when the actions of both of these costs fail, the remaining losses occur (residual losses). These losses resulting from the different decisions made by managers and decisions that increase the well-being of principals. According to (JENSEN - MECKLING 1976) the remaining loss means the dollar equivalent for the decrease in the welfare suffered by the owners because of the difference between decisions that increase the interest of the owners and the manager's decision. (AL- RAWASHDEH 2007) pointed out that agency costs are: exploration costs, choosing of fitting managers, obtaining information to define the criteria of performance, observing of managers, interconnection expenses by managers (non-financial, financial), and residual losses. These agency costs are guarantee that managers do not act in their personal interests, which decreases the agency's problem, and greater performance (MARASHDEH 2014).

3.4.3.2 Hofstede's cultural dimensions Theory - Culture Theory

One of the objectives of this study is to investigate the impact of Hofstede's cultural dimensions on corporate performance. Several researchers have attempted to present a composite picture of culture by conducting studies on sub-aspects or dimensions of culture. HOFSTEDE and SCHWARTZ are considered the pioneers in caring about culture. In the literature, the most famous culture theories are attributed to (HOFSTEDE 1994) and (SCHWARTZ 2001) in explaining the national cultures. Hofstede developed the six cultural dimensions including PDI, IDV, MAS, UAI, LTO, IND. Several kinds of literature conducted Hofstede's framework to explain cultures across countries. On the other hand, other scholars have conducted Schwartz's framework to overawed Hofstede’s model difficulties. Schwartz depended on the basic problems facing by societies to draw his framework that the nature of the relationship between individuals and groups, the promotion of responsible behavior to protect the social structure, and social and natural work management. Depend on these problems he developed his framework that included three bipolar dimensions. Namely, coherence vs. autonomy, hierarchy vs. equality, and skill vs. harmony. (OLIVEIRA 2016) pointed out that Schwartz developed a framework in 1999 in the same line as Hofstede 1983 which included (Autonomy versus Conservatism, a Hierarchy versus Egalitarianism, Mastery versus Harmony). (KLUCKHOHN 1961) assumed that cultures present Diverse answers to similar questions, also it impacts on the individuals. This stimulated Hofstede to seek solutions of culture to the company's difficulties (ALKAILANI ET AL. 2012). (HOFSTEDE 1991) indicated three elements (professional, organizational, and national) culture that influence on behavior in the work. While Schwartz (1994) attempted to develop a substitute for cultural dimensions for values related to work. He conducted a questionnaire of 56 valuable questions. He organized individual-level values on two basic dipole dimensions, (openness to change) opposes (conservation); (Universalism and Benevolence) opposes (Achievement and Power). A comparison has been made by (SALZMANN - BREUER 2005) between Hofstede and Schwartz cultural dimensions (RAFIEE- SARABDEEN 2012), this comparison is shown in the following Table 4:

Table 4. Comparison between Hofstede and Schwartz cultural dimensions

Hofstede cultural dimensions	Schwartz cultural dimensions	Similarities	Difference
Individualism and Collectivism	Autonomy versus Embededness	Both describe the bond between individual and group.	Individualism and collectivism didn’t describe some values (social order and freedom)
Power Distance :describes inequality degree in a society	Hierarchy versus Egalitarianism		Hofstede model didn’t describe (social justice and social Power) values.
Masculinity and Feminity: Refers to the division of roles between the sexes Male and female in society.	Mastery	Both stress assertiveness, activity and ambition.	
Uncertainty Avoidance: This dimension refers to the extent to which individuals feel uncertain about the ambiguities or risks, uncertainties and distaste	Harmony	Both supported harmony and order	Harmony refers to containment in nature, while avoiding uncertainty refers to harmony through strong control over uncertainty.

Source: ALKAILANI ET AL. 2012

Hofstede's cultural dimensions Theory

Hofstede’s cultural dimensions theory, developed by Greet Hofstede (Dutch psychologist), it's considered a framework of communication of intercultural. By this theory, the researcher can get insight into the influence of the culture on the values of society (GENT 2014). It is notable that studies on Hofstede's findings have continued to be a central point for further research, where the first four dimensions have received great attention. In literature, there are many studies and book for Hofstede such (HOFSTEDE 1980, 1983, 2002, 2010, 2011). Following some of studies: The Cultural Relativity of Organizational Practices and Theories (HOFSTEDE 1983); Culture’s Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations (HOFSTEDE 2001); Culture's Consequences: International differences in work-related values (HOFSTEDE 1980); Cultures and Organizations, Software of the Mind (HOFSTEDE, 1991); Cultures and Organizations: Software of the Mind (HOFSTEDE - MINKOV 2010); Dimensionalizing Cultures: The Hofstede Model in Context (HOFSTEDE 2011).

Hofstede is a Dutch administrative scientist who has a role in developing the managerial position in IBM by improving the performance of the company's employee’s between1967-1975. Where he distributed a questionnaire to 100,000 employees. One of the most important results of this study was the four dimensions PDI, MAS, IDV, UAI that later helped to diagnose and explain the reasons for the apparent and widespread differences in all operating offices of IBM. Those dimensions were the fundamental discovery that helped Hofstede classify 53 countries in scales based on its four dimensions, which explained the reasons for the existence of cultural differences and multiculturalism and its differences. Hofstede presented his theory, which states the importance of cultural considerations, the impact of cultural differences in understanding the behaviors and impressions of individuals within organizations based on the four dimensions. Hofstede’s identified four dimensions of culture in 1980 and then Hofstede has conducted many successive studies in the field of international business management in many countries of the world. The last one is the study of Chinese managers and employees, which later led to adding the fifth dimension (HOFSTEDE - MINKOV 2010) (HOFSTEDE 2006), it is a Long-term orientation vs. short-term orientation LTO that has been applied to more than 23 countries in the world. This dimension was added to the model in Hofstede’s book (Cultures and Organizations: Software of the Mind) (HOFSTEDE 1991).

The fifth dimension Long-term orientation vs. short-term orientation LTO, means the time of orientation is a long-term or short-term approach to cultures. There are 19 countries from East Asian countries that have long-term orientations. The United States and England have short-term orientations. Recently the researcher has six cultural dimensions (HOFSTEDE 2011; HOFSTEDE - MINKOV 2010) the sixth dimension is Indulgence versus Restraint. These cultural dimensions represent independent preferences for one state of affairs over another that distinguish countries from each other (Hofstede’s website).

3.4.4. Owner ship Structure, Corporate governance and Agency Theory

The literature on corporate governance CG and the ownership structure OWS are mainly based on agency theory. In general, the agency's theory is concerned with matters that influence agency conflicts (Ownership Structure and directorial constructions) which clearly relate to shareholders equity (JENSEN - MECKLING 1976). The agency theory developed the paradigm of principal-agent relationship to overcome the problems of agency and proposes two tactics; arguments prevention method by formulating incentive-alignments, and conflict resolve method by formulating CG mechanisms (MARASHDEH 2014). Indeed, Ownership structure, agency problem, and CG are interlinked topics where CG mechanisms can motivate self-interested managers to take action in the interest of shareholders by increasing the company's value. Therefore, these mechanisms will eliminate agency costs (AL- RAWASHDEH 2007). The literature is rich in several (control) CG mechanisms that companies can select to reduce agency costs. E.g. Ownership structure and corporate governance mechanisms. (ALEDWAN ET AL. 2017) indicated that OWS influences the implementation of CG instructions in companies.

Ownership structure OWS and Agency Theory

In terms of the **Ownership structure**, several researchers have preceded (JENSEN - MECKLING 1976; ALCHIAN- DEMSETZ 1972; BERLE - MEANS 1932) the latter referred to the problem of separation of ownership and control that arose from the outsider ownership structure, which was considered one of the most important problems of the agency. (JENSEN - MECKLING 1976) broadened the study of this issue by developing agency theory and broader the context to include the general models of manager's behavior (ALEDWAN ET AL. 2017). The agency theory provides a framework for the relationship between the owner and the managers and the nature of the conflict between them (agency's problem) as each of them aims to achieve their best own interests which limit the wealth of shareholders (JENSEN - MECKLING 1976). The literature of CG and OWS has shown that there is a difference between the interests of shareholders and managers, and these managers perform at the expense of principals in the absence of an appropriate structure, thus CG determines the results of companies. The owner appoints the manager to represent them and to run the company. Hence the relationship between the manager and the agent generated is the center of the precise agency theory (JENSEN'S - MECKLING'S 1976; LAIHO 2011; MARASHDEH 2014).

Ownership structure plays a big role in understanding the compatibility of the interests of owners and the desires of management since the various category of owners own companies for financial achievements (ALEDWAN ET AL. 2017). Based on the agency problems (Jensen and Meckling) developed a theory of ownership structure. Jensen and Meckling proposed the OWS as a mechanism to reduce agency problems. Since the agency theory proposes the conflicts of interest between agents (managers) and principals (external shareholders), as a result, the OWS is closely related to the performance of the company. Jensen and Meckling suggested models and mechanisms that contribute to aligning the interests of owners and managers or restricting the powers of management to mitigate the agency's problem, the most important of these mechanisms is the ownership structure. They indicated that large shareholders can monitor management more effectively than small shareholders as they absorb a greater portion of the observing costs and have a critical role in Influencing company decisions (LAIHO 2011). (MAHER - ANDERSSON 2000) pointed out that it can be overcome agency problems by using a specific mechanism of GC such as concentrated ownership which leads to efficient controlling. Furthermore, the agency theory proposed that the managers have ownership in the shares of the company as a mechanism to achieve a balance between the interests of managers and shareholders (MARASHDEH 2014). (ALCHIAN - DEMSETZ 1972) indicated that ownership Equity is a mechanism that enables shareholders to control managers and thus eliminate the agency's problems. And this internal control mechanism enters in defining the shareholder's fortune, the company's goals and the extent of the self-control of the managers.

In the literature, there are different perspectives on the role of the ownership structure, many authors have shown that owners who have large ownership (outsiders or insiders) get special interests that other shareholders do not. In turn, this will be impacted negatively in performance, the problem could be between large and small shareholders also in the same line. Therefore, the managers and owners incentives, and their power on decision-making, may list within the influence of the ownership structure on the company's performance (LAIHO 2011). Regarding the relationship between the ownership structure and performance, the literature has mixed results. This could be due to the issue being dealt with from different points of view. (DEMSETZ - LEHN 1985) indicated there are different relationships between the forms of OWS and the performance of the company depends on the environment (internal and external). (AL- RAWASHDEH 2007) pointed out that agency costs weaken performance, and the influence of the OWS on performance across agency costs is inconsistent, further, in theory, literature shows three hypotheses in this regard as the theoretical relationship are mixed; The convergence, neutrality (impartiality), and entrenchment, in other words that OWS could be related a positive, neutral, and negative to performance.

- **Largest Ownership LO**

There are two types of ownership structures that may influence on CP, dispersion OWS, and concentration OWS (BERLE - MEANS 1932). If the OWS is dispersion (diffused), the shareholders reduce the observation of management's decisions, because agency costs may exceed the potential benefits, which reduce CP. this lead to not being able to control managers, and the managers exploit the company's assets to their own benefits (AL- RAWASHDEH 2007). While the concentrated OWS contributes to reducing agency problems as they have a stimulus to monitor managers for mutual benefit (MARASHDEH 2014, HOLDERNESS 2003). In other words, increased concentration OWS means increased bearing of benefits, costs and risks incurred by larger shareholders, therefore, they play role in governance to reduce agency costs by avoiding inconsistency in the information between owners and managers, and thus more profits (MARASHDEH 2014; GROSSMAN-H - HART 1986). With regard to agency theory, highly concentrated OWS may serve their own benefits. This creates agency problems and this problem can be overcome by achieving compatibility between the interests of shareholders and the interests of management (JENSON - MECKLING 1976). However, the largest OWS (concentrated) reduces the agency costs where the large shareholders control the management efficiently. This is represented by their ability to overcome what hinders effective control by obtaining sufficient gains without exceeding the costs of gaining the required information, as well as the large voting and thus efficiently impacting on results of the company. On the contrary, small shareholders obtain small gains (LAIHO 2011). Moreover, it can be overcome agency problems by concentrated OWS which leads to efficient controlling (MAHER - ANDERSSON 2000). Besides, the control of the manager's behavior becomes easier, thus reducing agency costs, and improving CP (AL- RAWASHDEH 2007). (AMIN - HAMDAN 2018) indicated that the Largest OWS reveals the owner's capability in controlling the administrative decision. However, these controlling, and the participation in business decision-making leads to be costly in time and money (LAIHO 2011). Indeed, there are advantages of this type of OWS such as allowing the large shareholders to analyze the company's procedures extensively (LAIHO 2011). Furthermore, increasing private benefits and focusing control (ALEDWAN ET AL. 2017).

In the literature, several models describe the importance of large shareholders in increasing the CP. LAIHO (2011) pointed out according to Bebchuck's model, the countries with concentrated OWS, have special benefits of control, the US has low concentration OWS whereas Europe has a high concentration OWS (LAIHO 2011). Regarding the developing countries, several studies indicated these countries are characterized by concentration OWS (ABDULSAMAD ET AL. 2016; MARASHDEH 2014; LEMMON - LINS 2003; FACCIO ET AL. 2001). In concentrated OWS countries, there is no conflict of interest between managers and general shareholders. Rather, it is between the monitoring shareholder and the smaller shareholders (LAIHO 2011). However, in A study in the 27 richest countries, about 64% of large companies are characterized by controlling shareholders most of them family-owned (HASTORI ET AL. 2015). Jordan as a developing country is categorized as the concentration OWS (BOLBOL ET AL. 2003; AL-RAWASHDEH 2007; MARASHDEH 2014). The majority of this concentrated OWS is constituted by large block owners often from families most of them are the managers. And if they have weak experiences this leads to weak decisions which causes agency problems (MARASHDEH 2014) Therefore, it is expected that the LO in Jordan could be a negative impact on CP. This is consistent with (WANG - SHAILER 2015) that concluded that concentration OWS negatively correlated with CP within 18 emerging markets. However, in these countries investors do not enjoy adequate protection and this motivates owners to monitor managers and reduce the exploitation of managers (MARASHDEH 2014). Hence, ownership equity is an internal control mechanism, so large shareholder is the greatest means to control managers.

Finally, it is worth noting here, there is a lack of studies related to the effect of this ownership on the performance in Jordan. This study will examine the impact of the largest OWS on CP of the financial sector in ASE in Jordan context.

- **Government ownership GO**

Many authors indicated that GO is subject to agency problems due to the government politicians focus on their own interests and not caring about profit (MEGGINSON - NETTER 2001; MAK - LI 2001; ALEDWAN ET AL. 2017). Therefore, GO increases the agency problem and may influence negatively on CP. Moreover, (SHLEIFER - VISHNY 1994; MARASHDEH 2014) indicated that the GO motivates managers to achieve their personal benefits for example using company resources (assets) for political aims. That is, the government does not care about the privileges of cash flow, but rather focuses on privileges of equity, in other words, it focuses on endeavor political goals rather than economic goals, thus this weakens the ability of decision-makers to increase income. XU ET AL. (2005) studied the impacts of eliminating the ownership of state-owned companies in China. He found that this reduced the control of politicians, which led to the application of more effective CG tools such as participation informing the BOD structure on the basis of voting and contribution that eliminated agency problems. (ECKEL - VERMAELEN 1986) indicated that GO aids smaller shareholders. Since it is interested in a long-term investment that will lead to a decrease in the cost of capital and thus increase CP. On the contrary, (ALEDWAN ET AL. 2017) indicated that GO leads to constrain budget, leads poor innovation, and reduces performance, besides the possibility of increasing the opportunity for corruption. In the same line, (MEGGINSON - NETTER 2001) stated that companies that in government-owned are characterized by less profitability and are less efficient rather than the private sector. Furthermore, (MAK - LI 2001) indicated that non-accredited governing mechanisms in government-owned companies tend to have weak oversight. This result was confirmed by (ALEDWAN ET AL. 2017) who indicated that the State-controlled companies are distinguished by weak CG which does not favor improving governance. Where Government-owned companies prefer political goals rather than performance. Therefore, it is expected that GO in Jordanian companies could be a negative impact on CP.

Depending on the above discussion and in the light of lacking the local studies on the impact of GO on CP. This study will examine the impact of GO on CP of the financial sector in Amman stock exchange ASE in the Jordan context.

- **Foreign Ownership FO**

Many studies indicated that developing countries are characterized by the lack of sufficient local sources of funding, which leads these countries to foreign investments. Indeed, foreign investment plays a critical role in economic growth in these countries. But there are some obstacles that may impede foreign investment such as the poor corporate governance and weakness of the infrastructure within the country (MARR 1997). However, these obstacles may attract foreign investors in developing countries, where there are investors who prefer to invest in these countries whenever they are found encouraged by these countries (DEMIRHAN - MASCA 2008). However, the previous literature indicated that foreign investment is still not preferred (CHAN ET AL. 2005, MARR 1997; DEMIRHAN - MASCA 2008) due to the lack of knowledge and experience in legislation in the countries in which it is invested, poor technology, as well as the differences in governance and the inconsistency of information (MARASHDEH 2014; MARR 1997). In addition, foreign investors are far from the working environment. As a result, it may harm the company's performance (AMIN - HAMDAN 2018). Therefore, foreign investors prefer applying CG in companies that they invest in, to reduce the discrepancy in information due to the long-distance and language. Where foreign capital is attracted to companies applying CG (ALEDWAN ET AL. 2017).

Some authors studied the foreign direct investment FDI in different countries. (MARR 1997) reviewed the volume of FDI for low-income countries from1970-1996. The study found that FDI was primly found in China, Nigeria, and India. The most important factors that determine the decisions to invest in a particular country are the great market size, great earnings in natural sources, and low labor costs. The study showed that foreign investment is very little in the rest of the low-income countries, and this is due to the falling of their economies, the incompetence of their markets, and weakness in expertise and information inefficiency. (DEMIRHAN - MASCA 2008) investigated the basic elements of FDI in 38 developing countries from (2000-2004). The study used an econometric model. The results showed that the FDI positively affected by GDP as market size, infrastructure, the readiness of foreign investment. The most effective factor on the FDI is the existence of better infrastructure. The study concluded that investors are directed to invest in developing economies more than large economies. The CG tools also play role in the preferences of the foreign investors such as independence members, institutional ownership, and audit committee.

Indeed, foreign investors prefer to invest in developing countries with good governance that can be the main obstacle to foreign investment. However, the emerging markets are characterized by weak governance which weakens the desire of foreign investors to invest in such an environment. Therefore, in the light of increase in the interest in investment in emerging markets Jordan gave attention to this type of investment by preparing the appropriate legislative environment for these purposes. On the other hand, some researchers (YUNG ET AL. 2008; D‘SOUZA ET AL. 2005) mentioned that the foreign investor has a significant role as they have the ability to monitor the company due to their presence outside the framework of the environment from which institutional behaviors arise, which has a good effect in the application of CG, as a result, enhance the performance. (MANASEER ET AL. 2012) explained that FO affects the banks performance due to the capability of these investors in risk management and the have a good CG culture, which improves the performance and efficiency of the bank, as well as foreign capital, reduces the financial expenses of reformation banks. Moreover, some studies have shown that the company grows well when dividends levels and the percentage of foreign ownership is high (PARK 2004). Further, in order to effect positively on the company, this percentage must exceed 5% of the company’s portions.

Regarding the effect of FO in emerging countries, (MANASEER ET AL. 2012) stated that the advantages of FO in emerging countries are more than disadvantages and that FO is linked to more competitive national banking systems. Further, FO impact positively on the provision of commercial credit. According to Jordan, it is a developing country characterized by weak CG, the FO is not large, while the dominant character in the OWS of most companies consists of concentrated OWS in terms of family. However, Jordan has such advantages that can attract foreign investment such as a stable in the political circumstances, a safe atmosphere, besides good financial and monetary strategies. Moreover, the attractive investment laws (MARASHDEH 2014).

Depending on the mentioned above and in the light of lack the local studies on the impact of FO on the CP. As well as the critical role of FO in developing countries on CP. This study will examine the impact of (FO) on CP of the financial sector in Amman stock exchange ASE in Jordan context.

Corporate governance and Agency Theory

Agency theory assumes that resulting to separate ownership and control, managers may work to achieve their benefits not to achieve the interests of owners, to eliminate this inconsistency the companies must be setting CG mechanisms. (AL- RAWASHDEH 2007) indicated that CG plays a significant role in addressing agency problems. Since CG includes schemes of the relationship between owners and management, and it aims to achieve the coherence between managers and the benefits of shareholders, thus reducing the agency problem (AL-RAMAHI ET AL. 2014). Within these mechanisms, it should be a tool to reward the managers for their good performance (MARASHDEH 2014; AL- RAWASHDEH 2007). According to agency theory, managers should be motivated by giving them financial rewards that encourage them to increase the firm value (EISENHARDT 1989). Therefore, CG plays an important role in eliminating the agency's problem through using mechanisms that guarantee a return on investment for investors. These mechanisms could be in the company (internal control) or outside the company (external control) and the strength of these mechanisms depends on the economic and political factors of each country. Thus, CG means to what extent that the inside management is quality, and from the investor’s point of view, it means companies' obedience to regulations and tools for investment by using ownership structure (AL- RAWASHDEH 2007). (AL- RAWASHDEH 2007) pointed out that there are studies conducted regarding CG that came out with four paradigms of corporate control: Financial; Stewardship; Stakeholder; and Political. Besides two other paradigms concerning the governing of the social institutions to productive activities which are Culture and Power.

Corporate governance mechanisms have various elements in the literature the most important is the Board of Directors because it has an important role in monitoring the managers in companies and revealing the existence of any opportunistic opportunities by these managers. These governance mechanisms, namely, (Board of Directors: Number of board members; independence of BOD; Non - CEO duality; governance committee; Audit Committee.

Board of Directors BOD

The BOD is given legal authority to control the activities of the whole company and to preserve the shareholders' interests (LI - HARRISON 2008). In other words, The BOD has the power to manage the business (LICHT 2014). Furthermore, it is responsible for developing strategies, assessing the performance, and preservation of management (LI - HARRISON 2008). In addition, the BOD is responsible for revising the remuneration for the executive and BOD (MAHER - ANDERSSON 2000). Also, the BOD has the authority to change the management when they performed weakly to increase the profits (MAHER - ANDERSSON 2000).

The BOD consists of members who are elected by the owners, as it plays a major role as an oversight body, particularly for management. Further, it is a governance tool inside the company to observe the manager's decisions (Al-MANASEER ET AL. 2012). Therefore, the BOD contributes to reducing agency problems. The BOD is the highest level of oversight by the company, which enjoys strong power and authority. Further, the existence of a good board structure based on good communication between members and shareholders, and participating in taking decisions leads to improving the CP (MARASHDEH 2014). The BOD are the main actors in the CP (Hassan ad et. al, 2015). Agency theory assumes that BOD is forming to reduce agency problems and the role of BOD is focused on providing an effective tool for achieving good CG that guarantees their interests (FAMA 1980). Further, agency theory proposes that the BOD should be controlling, on the contrary of Stewardship Theory. Responsibilities of BOD included monitoring, services, and resource reliance. Monitoring by ensuring that the managers have been appointed in the Interest of owners. The service is to provide advice to managers and CEO. The reliance on resources means that the BOD implements outside communications to provide the company with the necessary funds (MARASHDEH 2014).

Many studies indicated that the independent BOD represents an effective governance mechanism (FAMA - JENSEN 1983; SHLEIFER - VISHNY 1997) this leads to eliminating the conflicts of benefits between the CEO and BOD. Besides other CG mechanisms such as the separation between the CEO and CM, Board size, and the Board committees. Therefore, it deserves to examine the critical role of the BOD as a tool of observing. This is confirmed by the Codes of CG in Jordan where it is determined the number of BOD and it is recommended to be independent in the board, besides it is unpermitted to combine the position of CM with any other executive position (Non-CEO duality). In addition, the Committees formed by BOD.

- **Board Size - Number of board members BON**

The literature has shown controversy about the ideal board size BON, where the structure of the board may affect some outcomes (LICHT 2014). Some studies have shown that a small board is better, while others have shown that larger boards are better. Some studies mentioned that the large BOD means having a varied experience at the same time, the large size of the board may lead to obstacles in harmonization and communication, which impedes the efficiency of the board in monitoring managers and encourage the CEO to take over the board, particularly, if the external owners are weak.

Further, the majority of corporate fraud operations are often caused by the CEO and the insiders (Al-MANASEER ET AL. 2012). The agency theory suggests that the larger the board, the greater the agency's problem with the unrestricted manager, and the board converts to more emblematic (MARASHDEH 2014). This is confirmed by (Al-MANASEER ET AL. 2012) who stated that if the BOD is large, it means more diversified experiences and increases the available resources, however, it may suffer from some problems as it may cause problems in coordination, control, and decision-making process. (KHOLIEF 2008) explained that with the size of a large board the coordination is less so the harmony may not be achieved which reduces decision-making efficiency, which increases agency problems, and reduces the capability of directors to observe the management avoiding wasting time to make decisions (Al-MANASEER ET AL. 2012). Thus, a large board size reflects a weak CG. (BOULAY ET AL. 2017) indicated that the large size of BOD reduces the CP while the small size leads to effective decision making. While (SALEM ET AL. 2016) showed that the BOD gain huge knowledge in decision-making and supervision when the board has a large size. Moreover, the large size of BOD may cause effective monitoring and more stringent decisions (HARFORD ET AL. 2008). It is worth saying here, in the developing countries characterized by weak CG lead to an inefficient board and a shortage of transparency (MILLER ET AL. 2005).

The Codes of CG in Jordan recommended that the shareholding companies must be managed by a BOD whose members are no less than five and not more than thirteen. This study will examine the impact of the Number of board members BON on the performance of the financial sector in ASE in the Jordan.

- **Non CEO duality NCEOD**

BERLE - MEANS (1932) are considered the first authors was talking about the separation of ownership and control, Where they indicated that the small shareholders owned most of the huge public companies and had no role in influencing decision-making, later managers became own the control on these companies and seize the opportunity to use their site (LAIHO 2011). CEO duality is considered an important governance mechanism that occurs when there is no separation between the chairman CM and the CEO. Indeed, that CEO duality means poor CG (LARCKER ET AL. 2007; Al-MANASEER ET AL. 2012). Agency theory contradicts the CEO duality where it supports the separation between the CM and CEO for more operative governing, and enhance CP, by avoiding the agency problems of (ineffective observing) that are represented in observing the performance from the same person which encourages the CEO to effect on the board. Thus, the separation is considered a good practice, as it strikes a balance between powers, enhancing the ability of the board to make decisions separately from the management. Further, raise accountability (OECD 2004). Hence, transparency and disclosure are considered critical issues in good CG (AL-AZZAM ET AL. 2015). According to agency theory, the CM has a significant role in the management and control of the BOD. Since the CM is the one who hires and rewards the CEO who in turn implements the company's policies that are set by the BOD. Therefore it is imperative not to combine these two roles that lead to Agency problems by reducing the ability to observe the CEO (JENSEN 1993; MARASHDEH 2014) as well as impede the controlling of the board (CULLINAN ET AL. 2012). In other words, the separation leads to high independence from the BOD. This limits managers' use of opportunities to achieve their own welfares and interests.

On the contrary, many of the studies that adopted the stewardship theory, which supports CEO duality, (BRICKLEY ET AL. 1997) argued that if the chairman is himself the CEO, he will pass on his expertise to the board, which increases their efficiency and enables them to make good decisions and then improve CP. As well as indicated that most companies in the USA prefer CEO duality. Furthermore, (CULLINAN ET AL. 2012) indicated that it is more effective for the companies to integrate the CEO and CM because it eliminated the costs of CEO duality and preserves some stability of power in the BOD. Also, CEO duality decreases reimbursements or managerial rewards (GOERGEN ET AL. 2019). (WEIR ET AL. 2002, GOERGEN ET AL. 2019) argued that this would increase the strength of oversight and determine the control of BOD. (Al-MANASEER ET AL. 2012) assert that CEO duality impairs the CEO's ability to effectively control. This will raise the struggle between the manager and the agent, as a result, it will impact adversely on CP. Where most studies assumed that agency problems increase when there is a duality. Moreover, the corporations that had duality were exposed to the fraud (Al-MANASEER ET AL. 2012).

Most of the investors and governance experts prefer that firms with non-duality by arguing that CEO duality will reduce the monitoring of management (GOERGEN ET AL. 2019). Regarding agency theory, it proposes that in larger and complex firms the CEO duality raises the agency costs, where monitoring is more difficult (JENSEN - MECKLING 1976). Furthermore, Agency theory advocates increasing the independence of BOD by Non-duality between the CEO and CM which eliminates the agency problems and increases CP (JENSEN 1993). While the stewardship theory proposes that CEO duality provides managers with cohesive control, this is in the best interest of shareholders and that reduces organization costs and enable flexibility, therefore, it is suitable for small companies (competitive and dynamic) because they tend to take more focused ownership structures and combined roles (DONALDSON 1990). (GOERGEN ET AL. 2019) indicated that the justifications for companies that adopt non-duality according to the agency's theory, owing to agency costs particularly, is due to the separation of the duties and roles of the CEO and CM; and to facilitate administrative supervision and stimulate the CEO to lead the daily operations.

OECD (2004) recommended under the Responsibilities of the Board- section (E) to separate between the CEO and CM. As well as the Cadbury Committee recommended the separation to attain a fair partition of responsibilities (CADBURY REPORT 1992). Regarding the codes of CG in Jordan, the provisions of Article 4/G/ stipulated that it is not permissible to combine the position of Chairman and any other executive position in the Company. This study will examine the impact of Non - CEO duality on the performance of the financial sector in Amman stock exchange ASE, in the Jordan context.

- **Independence of Board of Directors INDB**

The BOD may include executive members who occupy administrative positions. On the other hand, it may include non-executive members NEMs who are members of the board not hold any administrative positions. This is one of the requirements of the principles of CG under the Responsibilities of the Board- section E (OECD 2004). The agency's theory postulated that NEMs are considered an effective oversight mechanism and guarantee shareholders 'rights, and fair control, which limits agency problems (SHLEIFER - VISHNY 1997). Agency theory explained that the vital experience and the skills are available in the independent NEMs and they have the ability to control managers. Further, NEMs may be a communication tool between the external and internal atmospheres of companies and improve organizational purposes and contribute to eliminating the lack of human resources in companies, which leads to successful decisions and thus reducing conflict and ultimately maximizing the fortune of shareholders (MARASHDEH 2014). This was confirmed by (MAHER - ANDERSSON 2000) who indicated that the independence of the Board achieves effective control and oversight which may increase the value of the company. More independence of BOD leads to enhance observing (AL-MANASEER ET AL. 2012). In addition, the outsider members enrich the company with expertise and objectivity, thus reducing the opportunity to exploit the company's resources, which improves performance (HARFORD ET AL. 2008). Therefore, if the BOD includes a large number of external members, it improves operational performance (CORNETT ET AL. 2008).

The Codes of CG in Jordan recommends that at least one-third of the members of the board are independent members (Independence of BOD). This study will examine the impact of the Independence of the Board of Directors INDB on the performance of the financial sector in Amman stock exchange ASE in Jordan context**.**

Board Committees BC

Board committees BC were mentioned in the literature as an important factor in improving the efficiency of the BOD, (SIMPSON 1987) argued that specific committees in the BOD would provide it with more objective means. Therefore, if the committees are implemented successfully, this helps the members to take responsibility and protect shareholders. From the perspective of agency theory, it is a secondary control tool to support accountability and safeguard shareholders ’rights (MARASHDEH 2014). (FALEYE ET AL. 2011) indicated that BC may be either for monitoring (observing), or management supportive (functional). The functioning committees provide advice in making decisions. And usually formed from insiders. While the main oversight function of BOD in accordance with agency theory model is to ensure appropriate review and assessment of company actions, selections, and reward of managers (FAMA - JENSEN 1983; JENSEN - MECKLING 1976). Usually, the monitoring committees are formed from the NEMs (NTIM 2013).

Corporate governance principles of OECD emphasized that that BC must consist of non-executive members. Furthermore, the report of the Cadbury Committee advocated that the NEMs must have adequate representation on BOD (PASS 2004). The Hempel Committee report also advocated that the BOD must be formed by NEMs at least a third of the board. (PUNI 2015) recommended strengthening the BC through qualified external directors, who have skills to help the committees fulfill their tasks. Such NEMs lead to good CG (WEIR ET AL. 2002). Thus the presence of non-executive members of BOD improves the expertise of members which enhances the decision-making, and CP (HARRISON 1987). It is worth pointed (CARTER ET AL. 2010) concluded that the existence of women on BOD may enhance CP. On the contrary, (CARTER ET AL. 2010) found that women on BOD have no relationship with CP.

(OECD 2004) indicated that having committees might progress the BOD, but increase the inquiries about the shared obligation of BOD. In order to assess the advantages of the BC, it is important to know their purpose, responsibilities, and structure. Actually there are Audit AC and Governance committees GC, further, there is a committee for nominations and rewards managers. As the OECD asserted to form committees consist of non-executive members.

In Jordan, article 46 / A of the Securities Law No. 76 of 2002 and CG instructions of listed companies 2017 Article 6, and Article 10 of the instructions of CG for banks stipulated that the BOD must form two permanent committees: The Audit committee AC and governance committee GC, which must consist of non-executive BOD of no less than three, at least two of them are independent. These committees direct and supervise the preparation, updating, and monitoring of the guide to corporate governance (Securities Depository Center).

It is notable that the BC have not been widely conducted in literature, particularly, the governance committee GC as a proxy of CG this is due to most the local companies do not have such committees. (ALSNNAWI ET AL. 2015) indicated that the companies in Palestine do not have CG committees. Further (AL-HANINI - HAYMOUR 2013) showed Islamic banks in Jordan don't have GC. However, the governance committee GC and Information Technology Management Committee ITC are still a new issue for many companies. Therefore, this study will examine the impact of Board committees (AC; GC; ITC) on the performance of the financial sector in ASE in the Jordan context.

3.4.5. Empirical (Previous) Studies

The review of previous studies is considered one of the systematic stages in scientific research to identify the previous contributions on the subject of research and to identify the gap of this literature, seeking to cover this gap as well as enriching literature with constructive results and recommendations. Many related studies have been reviewed, in the following the most important and the latest related studies:

1. Corporate Governance CG and Corporate Performance CP

There are many studies in the literature that confirmed the existence of a relationship between corporate governance and corporate performance. Referring to the agency theory the researcher finds that it provides a direct link between corporate governance and financial performance, where the agency's theory increases the value of the company by achieving shareholders' interests and reducing the agency's problem (ZAYED 2014). (MAHER - ANDERSSON 2000) pointed out that all countries should implement an effective governance system to achieve better performance and economy. Because companies with higher problems are performing poorly. Effective governance provides incentives to managers and this helps reduce the misuse of company assets for their benefit and thus prevent the misappropriation of corporate resources. Therefore, executive managers are given greater compensation (CORE ET AL. 1999). Thereby, improving the performance of companies (RAFIEE - SARABDEEN 2012). Besides that CG aims to achieve a reasonable return on investment and taking into account the interests of shareholders and other stakeholders (RAFIEE - SARABDEEN 2012). BUALLAY ET AL. (2017) indicated that high-quality implementation of CG may reduce the risk, improve investment capital and CP. This is confirmed by (AHMED - HAMDAN 2015) an effective governance system that generates profits because it offers higher value to investors and greater return on investment. Further (AL-RAMAHI ET AL. 2014) indicated that the implementation of CG and the presence of operative structure of CG improves the performance. Whenever CG is good, management will be good as a result of good relationships with shareholders and stakeholders, thus enhancing the performance (AL- RAWASHDEH 2007).

Most studies have been conducted by different scholars on the relationship between the corporate governance and corporate performance to identify the nature of this relationship (e.g. SALIM ET AL. 2016; ABDALLAH - ISMAIL 2017; ANDRES - VALLELADO 2008; ERKENS ET AL. 2012; MARASHDEH 2014; AL-RAMAHI ET AL. 2014; BUALLAY ET AL. 2017; AHMED - HAMDAN 2015; MASOUD - ALDAAS 2014). Most of them show that there is a positive relationship regardless of governance or investor protection metric, or the level of a country or the firm (ABDALLAH - ISMAIL 2017). It should be noted that there is no unified model of corporate governance practices that is applicable in all countries of the world (OECD 2015). Furthermore, there is no standard or effective governance system, whether for companies or countries (CASTRILLO ET AL. 2010). Therefore, CG structures differ according to various governance systems, and this leads to directing attention to the characteristics of the country that manufacture effective governance systems. In the following, reviewing for some studies:

1. MARASHDEH (2014) examined the impact of corporate governance on firm performance in Jordanian companies by using the agency theory. The study uses the statistical method and multiple regression to analyse data. The sample of the study consisted of 115 firms listed on the ASE. The study finds that there is a positive impact of CEO duality on firm performance, which means if the chairman is the same CEO that improves the performance of the firm. Also, the study finds that the presence of non-executive directors NEDs influences negatively on firm performance, this result is contrary to the agency's hypothesis. Furthermore, the study finds there is a positive impact of managerial OWS and foreign OWS on firm performance. Also, there is a negative impact of concentration OWS. On the other hand, the influence of the size of the board on firm performance couldn’t be determined in this study. The study shows that the variation of corporate governance due to variation of concentration OWS across countries. As a result, the influence on performance couldn't be expected. This study excluded board sub-committees in the companies. Because the study s began in 2000 and there was no data available about these committees. The reason due to that before 2006 the Jordanian corporate governance code asked companies to set up board committees on a voluntary basis but at the beginning of 2006, it became mandatory for companies such as (audit, remuneration and nomination committees). The study recommends studying the effect of corporate governance on corporate performance in financial sectors. Also, the effect of board directors on corporate performance, regarding the level of education, gender, experience). Furthermore, examine the effect of board committees audit on the performance. The current studies will be filled this gap by conducting these board committees such as (Governance committee, and Audit Committee).

2. MASOUD - ALDAAS (2014) investigated the impact of Cg on CP in ASE. The study shows a difference in the level of application of governance principles among companies listed on ASE in the sectors covered by the study sample. Corporate governance has a positive impact on added market value, and also, affects operational performance measured by ROA, ROE, and net profit margin. Where the results show a statistically significant effect of the independence of the BOD and (the Separation between the positions of the Chairman and CEO) NCEOD, while there is no statistically significant effect of BON on ROE. Also, there is a statistically significant impact of the independence of BOD, besides no statistically significant effect of BON and NCEOD on ROA. The study recommended the need to find a standard and unified guide for corporate governance can be applied in companies listed on ASE.

3. BAWANEH (2011) conducted the impact of CG requirements on in Jordanian banks. The study examined the extent to which Jordanian banks are affected by the requirements of CG issued by the Basel Committee on Banking control BCBS and the OECD, it found that banks are complying with the requirements of CG and apply the guidelines of CBJ to strengthen CG in accordance with the requirements of BCBS. In the later study (BAWANEH 2015) examined the influence of applying the principles of CG on the bank's performance. The study concluded that banks are committed to implementing governance by 59%. The study indicated that banks must properly apply CG to ensure its success. Further, the study found that CG corporate governance in terms of board tasks, committees, control, transparency, and disclosure) correlated to the bank's performance.

4. Another study was pursued by (AL-MANASEER ET AL. 2012) to examine the effect of CG in terms of (board size, board composition, CEO status, and foreign ownership) on the bank's performance (ROE, ROA, profit margin, and earnings per share). The study found that CG in terms of external members and foreign ownership correlated positively with performance, while the non-duality and the board size are correlated negatively with performance. This means that duality in Jordanian banks aids evade mystery in accountability.

5. A study conducted in Saudi Arabia entitled “Corporate governance and firm performance by (BUALLAY ET AL. 2017). The study inspected the effect of CG mechanisms on operational, financial, and market performance in Saudi listed companies. The study was conducted on 171 diverse listed companies from fifteen sectors on TADAUWL. The researchers use Corporate Governance as an independent variable by using (largest Ownership; three largest Ownership; board Size, board Independence; and Posts of chairman and CEO. and uses (ROA, ROE, and Tobin's Q.) to measure the dependent variable financial performance the researcher uses ROE and uses ROA to measure operational performance. The study concludes that corporate governance is at a high level. However, corporate governance does not influence ROA and ROE. Further, the study finds that the proxies of corporate governance (largest ownership and board independence) do not influence the market performance. While the ownership of board and board size influence significantly on the performance. Furthermore, the study finds that Tobin's Q. correlated with board Size and the largest three Ownership. While it is not correlated with the other CG dimensions. This is because the companies applied the CG principles recently. Further, the researcher indicates that there are some obstacles to the implementation of CG due to the investors in Saudi have large protection by applying the commercial laws which may weaken the role of CG. The researchers recommend the need to oblige Saudi companies to apply the rules of CG; Capital Market Authority should be caring about minority shareholders by protecting them from the majority of shareholders. Furthermore, they should set regulations to determine the numbers of BOD and INDB percentage to minimize the agency costs. Also, the study concludes small board enhancing CP due to it helps the company to make a good decisions. Further, increase the awareness of corporate governance by stakeholders to achieve a good decision for investment.

6. ABDALLAH - ISMAIL (2017) selected the GCC Countries to examine the CG Practices, Ownership Structure OWS, and Corporate Performance CP. The study indicated that the management of control may execute by concentration OWS and board composition as alternatives in terms. And the power of these alternatives depends on the type of monitoring owner. So the purpose of this study conducted to fill the gap in the literature in adopting the microdata of OWS structures and the CG mechanisms to get more understanding of the diversity of CG. In addition, he found that if the company has low concentrated OWS, the CG is associated positively with CP, therefore, that well-managed company outperformed poorly managed firms. The results of the study help to develop stock markets by adopting best practices to reach a good CG structure fit to optimal corporate ownership.

In light of the above and depending on the literature related to the impact of CG on CP that indicated CG is a critical factor to enhance the effectiveness of different kinds of performance (financial, operational, and markets). Therefore, It is should be conducted further research regarding CG and CP in Jordan especially in the light of the privatization of most governmental companies (SHANIKAT - ABBADI 2011).

2. Hofstede's cultural dimensions HCL and corporate governance CG

Organizational commitment was defined as the extent of an individual desire to continue to work in the company and what an individual feels about his company (AFANEH ET AL. 2014). Therefore, it reflects the attitudes and values of the company. According to (RAFIEE - SARABDEEN 2012) the behavior of individuals and the social environment are formed by cultural values. Thus, it is possible to understand culture through values where values form attitudes that lead to behavior. Therefore, corporate accountability can be improving by corporate governance which controlling directors' behaviors.

Recently, culture and governance are considered one of the most important issues globally. Regarding the studies that conducted the relationship between culture and corporate governance, it is noticeable that most of these studies assert the influence of national culture on the effectiveness of corporate governance. (LICHT 2014) indicated that the cultural environment is taken into consideration when analyzing any governance systems, where these systems are integrated and could be comparing cultures. (MAHER - ANDERSSON 2000; RAFIEE - SARABDEEN 2012) indicate that cultural factors, regulations, and laws in the country affect the effectiveness of CG systems. This due to the values held by decision-makers is influenced by the culture prevailing in the company. Therefore, effective CG depends to a large extent on effective interaction and negotiation among stakeholders (RAFIEE - SARABDEEN 2012). Furthermore, cultural trends may affect the composition of BOD as a proxy of CG across countries. For example, gender equality gives an opportunity for females to attend boards in Western Europe, which calls for promotes diversity in gender (LICHT 2014). Regarding emerging markets is characterized by the wrong practices of regulatory systems and this affects the creditworthiness of companies and hinders investments (RAFIEE - SARABDEEN 2012). Where the investors preferred to invest in major foreign markets which adopted the culture-sensitive corporate governance principles (LICHT ET AL. 2001).

It is notable there is a shortage in the literature on corporate governance that has been linked culture to governance especially in developing countries. The literature indicated that there is a relationship between CG and culture, in the following, reviewing for some studies:

1. LICHT (2014) referred to the effective contribution to the role of culture and its interaction with corporate law in shaping corporate governance and its variety. Also shows the importance of formal and informal institutions in the analysis of CG systems. Institutional environments differ across countries which makes CG systems more effective.

2. Another study for (LICHT ET AL. 2007) examined the impact of national culture on societal organizations, to measure culture the researcher used Schwartz framework (1994, 1999), And Hofstede cultural dimensions PDI; IDV; UAI; MAS. For governance, he used societal standards of governance that are linked to cultural dimensions namely, law rule, fraud, and independent responsibility. The study concluded that the societal standard of governance correlates with cultural value dimensions.

3. DE JONG - SEMENOV (2006) investigated the impact of national culture on Concentration OWS across nations. The results of the study confirmed that there is an influence of values on concentration OWS and their shaping mechanisms. And the variation in values leads to various forms of ownership. The study used the four cultural dimensions of Hofstede UAI; MAS; IDV which derived from Hofstede's (1980) survey of work-related values. The author expected that countries with high UAI and low MAS property to be more concentrated. Furthermore, concentration OWS could be affected by the PDI and IDV. In addition, (original owners, novel shareholders, and managers) could be affected by OWS forms that are influenced by the governing atmosphere. The author indicated that there is a set of relationships between culture and concentration OWS. Thus he suggested conducting more examinations on the investigation on other CG variables.

4. LI - HARRISON (2008) adopting agency theory and institutional theory, to examine the impact of ownership structure OWS (ownership concentration, bank ownership, and state ownership). And institutional structural standards in terms of Hofstede’s national culture dimensions PDI; IDV; UAI; MAS, on the board size and leadership structure in terms of CEO duality in industrial countries. The findings showed that OWS structure and culture affect the size and the structure of board in industrial countries.

5. A study conducted by (RAFIEE - SARABDEEN 2012) in emerging markets to investigate the impact of culture dimensions on CG and the extent to which companies are committed to CG in emerging economies. The study indicated that Hofstede's cultural dimensions have an influence on CG practices. PDI is considered the most effective dimension in CG in emerging markets. These markets have a high PD where the power is unevenly between members.

Therefore, the members cannot be a conflict with leaders. While the low PDI societies can conflict with the leaders and can participate in decision-making. In low PDI countries, leaders have to attract investors to invest in their companies. So, the CG practices could be a high comprehensive than in High PDI countries. This culture takes into account financial performance. Thus, CG must be at a high level. While, in the low IDV, the culture of the managers and the shareholders are influenced by authorities and roles. Low UAI society individuals have less tolerance for uncertainty and good CG. In the high UAI, the individuals agree socially and follow the corporate group. Therefore, it is not easy to change CG practices. Regarding low MAS culture has good CG since the leaders are concerned about the employees.

In summary, it is notable that the emerging market characteristics with a high PDI, low IDV thus there are a collectivist society, high UAI, and low MAS. Where CG practices are weak in these societies. Therefore, these countries should make their efforts to establishing good CG mechanisms to attract investments from foreign countries.

Based on the discussion above, It is notable there are no studies that examine the impact of the culture with the presence of CG mechanisms in terms of (Board size, board composition, board committees) on CP. This study will fill this gap. However, it is apparent that there is a relationship between culture and corporate governance. Where the behavior of the individual results from the values of the organization. Therefore, the individual has a role to play in reversing the governance mechanisms of the organization (AFANEH ET AL. 2014). Locally, there is a shortage of studies regarding corporate governance and culture. Therefore, it would be an interesting subject in future studies.

3. Empirical Studies of Hofstede's cultural dimensions HCL, Corporate Governance CG, and Corporate Performance CP

Culture is the patterns of values and beliefs shared by individuals that lead to an understanding of organizational performance (SLATER 2011). Where the successful organizational performance achieves sustainable development in countries, as effective organizational culture leads to successful organizations (IRFAN (2016). Hofstede's cultural dimensions reflect cultural differences (ALKAILANI - KUMAR 2016). Therefore, Hofstede's framework has been studied widely in the literature. Such as (WAQFI 2004; ALKAILANI - KUMAR 2016; AL-HARSH 2008; SABRI 2012; ALKAILANI ET AL. 2012; AFANEH ET AL. 2014; GRIFFIN ET AL. 2014; GLEASON ET AL. 2000; IRFAN 2016). However, there is a lack of empirical and theoretical studies that have been addressed in Jordan that linked Hofstede's cultural dimensions HLC and CG with performance. Most of these studies are conducted about HCL in a general context, for example:

1. WAQFI (2004) investigated the culture of management in commercial banks by using values, customs, and beliefs. The study concluded there is no similarity in the culture in the banks. Further, the managers are ignoring the importance of culture and its impact on performance. Where the researcher indicated that whenever the managers understanding the culture and this culture developing, the performance of the bank will be positive.

2. AL-HARSH (2008) aimed to measure and identify the features of management and organization in the Jordanian environment based on Hofstede's cultural dimensions HCL. The study detected the extent of the effect of HCL on the attitudes of individuals in Jordanian commercial banks. Further, identified the general characteristics of the Jordanian administration based on these dimensions in management and regulation. The study used HCL PDI; IDV; UAI; MAS; LTO. A questionnaire was developed and distributed to (6) commercial banks. The study used statistical methods, such as frequencies, descriptive statistics. The results showed that Jordanian commercial banks are characterized by high PDI, and UAI, Employees tended to be collective in performance. Also to masculinity in performance and leadership. Moreover, individuals don't have Long-term orientation in the future. The study recommended adopting

applications and methods that tend to be independent, decentralized, and collective. Also, it recommended activating the R & D departments in banks and adopting strategic planning to overcome the high PD, which in turn weakens innovation and creativity. The researchers recommended conducting studies in other sectors such as industrial, insurance, and services companies.

3. SABRI (2012) Reassessed Hofstede's work on leadership types in Jordan, by investigating the impact of work values (cultural values) on administrative and leadership methods in Jordan and to provide how the difference of value orientations of managers, impact the behavior of managers, and their leadership styles and how these values affect in operating the organizations. The researcher used two measurement tools for DV variables: the work value measured by using the Inventory of cultural attitudes measurement developed by (DORFMAN - HOWELL 1988), and leadership kinds measured by using T-P Leadership measurement developed by (PFEIFFER - JONES 1974), the questionnaire distributed on 235 managers. To measure, the IV variable the researcher used HOFSTEDE’S (1984) IDV, UAI, PDI, and MAS. The study concluded that can predict the relationship between the "task" of leadership type and managers' values (UAI and PD). While cannot predict the relationship between "people" leadership type and collectivism. Furthermore, the results showed that Jordanian managers hold a very high (collectivism, UAI, and MAS) and less PD orientation. A high UAI means that the main goal of managers in times of instability is to keep business. The managers tend to be “task” leadership than a “people” leadership type by correlated positively with (MAS, UAI, collectivism, and PD). Regarding the positive correlation with UAI, that means that the individuals in Jordanian companies tend to follow the managers who provide them with the behaviors of missions that minimize their uncertainty. And this stems from that Jordanian managers tend to be masculine. Furthermore, the “task” leadership type correlated positively with collectivism which means that the Jordanian managers caring about their employees by providing them with the objectives of the company and leading them to reach it. While, the findings show that there is no positive relationship between people” leadership type and collectivism. Whereas there is a positive relationship between UAI and PDI. The positive correlation between “people” leadership type and PD means that the manager tends to be a father, and they assistant each other to achieve the goals of the company. While the positive correlation with the UAI means that Jordanian managers aim to achieve safety for themselves and their employees. In some of the results, the study contradicted Hofstede's findings (1984), where Jordanian managers tend to be a low PDI. The study recommended working on improving the company in an efficient way and setting the most important changes for the company and analyzing the behavior of human resources and this can be done by a reassessment of the cultural theories continuously and increasing the understanding of leadership style and the cultural characteristics.

4. ALKAILANI ET AL. (2012) re-measured Hofstede's work according to Jordan. The re-examination was justified on the existence of some criticism of Hofstede's findings in (1980, 1997) about cultural dimensions in Arab countries that were excluded Jordan, and then he generalized scores to all the Arab countries. Regardless of many aspects that might differ the Arab countries such as GDP, income, and education. The researcher used the qualitative and quantitative approach, they adopted the (VSM 94) Hofstede Value Survey Module 94 to measure five dimensions of Hofstede’s work. He conducted his study on 795 graduate students depending on different aspects such as (age and education). The study found that Jordanians scores of MAS 51 and IDV 27.7 that consistent with Hofstede's scores of Arab countries that scores 53, 38 respectively. That means the Jordanian society is considered a masculine society that discrimination against gender and a collectivist society by acting as a family and caring about the relationship to a high degree. While the UAI scores a significantly high degree 110 and PDI scored a significantly low degree 7.75. Therefore, it is inconsistent with Hofstede's scores of Arab countries that score 68, 80 respectively. Regarding PDI, it considers a new result.

In Low PDI society the people feel younger and strong. It is worth noting here that new results of Alkailani regarding some of the values that are inconsistent with (HOFSTEDE'S 1980, 1991, 2005) values are consistent with (AL-NASHMI - SYD ZIN 2011) that conducted in Yemen.

5. AFANEH ET AL. (2014) purposed to investigate the effect of Hofstede's cultural dimensions HCL on the adherence of the Jordanian private universities. To measure the culture the researchers used (HOFSTEDE 1991) model of four (PDI, UAI, IDV, MAS) as the IV variables. To measure organizational adherence, the study depends on (ALLEN - MEYER 1990) study included (Effective; Normative; Continuous) Commitment. The study employed a questionnaire conducted on 182 members in the universities. The study found the universities are considered collectivist culture and the managers are totally committed. This adherence to the organization is affected strongly by collectivism. Moreover, the presence of a high degree of IDV, MAS. While, PDI and UAI did not exist in universities. Furthermore, Jordanian universities are characterized by the presence of three dimensions of adherence especially (Continuous) commitment to a high degree. Followed by the (Normative) commitment, without the existence of the (Effective) commitment. There is an effect of the combined cultural dimensions of organizational adherence. Also, there is an effect of high UAI, IDV, and MAS on organizational adherence. While there is a weak impact of high PDI on organizational adherence. Furthermore, the study indicated the adherence of the organization may be influenced by obligating to formal instructions to reduce the level of stress caused by weak security, personal interests, and refuse the mystery by the individual to avoid risks. And the individuals prefer the low PDI, and this reflects the organizational adherence and the short distance between managers and employees. Based on the results, the study encouraged Jordanian universities to change their culture and encourage new ideas.

Further to previous studies, there are general studies about Hofstede cultural dimensions in Jordan, such as AL-SARAYRAH ET AL. (2016) The Effect of Culture on Strategic Human Resource Management Practices: A Theoretical Perspective; AL – JAAFREH - ET AL. (2012) The effect of national culture on the information quality in Jordan; RABABAH (2015) The Relationship Between Cultural Factors and Balanced Scorecard Implementation; OBEIDAT ET AL. (2012) Toward Better Understanding for Arabian Culture: Implications Based on Hofstede's Cultural Model.

Regarding the global studies that have been linked Hofstede's cultural dimensions with performance in the following:

1. GRIFFIN ET AL. (2014) conducted a study entitled "National Culture, Corporate Governance Practices, and Firm Performance, to investigate the global good CG applied based on (Anglo-American governance) model. For culture, the researcher adopted Hofstede's (1980) theory. The study found that there is a positive relationship between IDV and transparent disclosure and explicit corporate policy as CG variables. On the other hand, there is a negative relationship between UAI and transparent disclosure, and minority shareholder protection as CG variables. Also, the findings showed that there is a positive relationship between the CG applied at the firm level and firm performance. Furthermore, there is a negative interaction relationship between corporate policy as a proxy of CG and IDV. As a result, a positive effect of corporate policy may reduce (Tobin's Q.) And there is a positive interaction relationship between minority shareholder protection and UAI when the dependent variable is (Tobin's Q). In the advanced stock market, can be found a strong relationship between CG applied at the firm level and firm performance. The study concluded that national culture is important for companies to adopt good CG practices, regardless of whether these practices are compatible with the Anglo-American governance model. Where he indicated the major impacts of culture on CG are the same impact of CG on CP. And assert that the impact of CG practices on CP depends on comparing inside the country or various countries.

2. BOUBAKRI ET AL. (2017) employed 48 international banks to inspect the effect of national culture on bank performance through the latest financial crisis by using three culture dimensions (UAI), (IDV), and (PDI). The researchers indicated that throughout the crisis, there is a primary influence of UAI, collectivism, and PDI on bank performance. The banks perform better in high levels of UAI and PDI communities throughout the financial disaster. Further, throughout the crisis, the main focus in individual societies is on self-orientation, objectives, and performance. Therefore, the banks perform better in collective societies rather than individual communities. Also, the study concluded that culture impacts in a direct way on bank performance through bank divergence.

3. GLEASON ET AL. (2000) concentrated on the relationship between capital structure, culture, and performance. The study was conducted on retailers from 14 countries in Europe by using Hofstede's cultural dimensions 1980, the study grouped the sample into four cultural clusters, the findings showed variation in capital structures due to variation in cultural clusters. Further, the study showed that agency problems regarding retailers may lead to higher debt in the capital structure which in turn influences negatively on financial performance. The results further showed that the culture has not any impact on the performance of the retailer.

4. A study in Sri Lanka conducted by (IRFAN 2016), investigate the effect of four Hofstede cultural dimensions HL (PDI, IDV, UAI, and MAS) on organizational performance. The study concluded that there is a correlation between performance and HCL. The researcher indicated that Sri Lanka is characterized by moderate collectivism, according to PDI score is high, and the society is feminine. And UAI is moderate-low. People are divided into hierarchical arrangements based on ethnicity (Sinhalese, Tamil, and Muslims). Thus, it's considered very unequally comparing with other countries. So, Sri Lanka is characterized by high PDI. This can be noticed in the family controls, low salaries, and Society's lack of equality, also, poor decentralization is considered a critical feature of organizational performance in Sri Lanka. Therefore, high centralization and the hierarchy in an organization is top-down, which reduces performance. Sri Lanka is considered a collectivist society because of the moral relationship between management and workers in organizations and they are dealing as a family. This leads to improving performance. Females play a critical role in organizations and impact positively on organization performance and this is because of frauds lesser than males, more efficiency, good work, more responsibilities, and commitment on time. The organization in Sri Lanka is characterized by preserving social harmony this is considered avoiding the uncertainty that removes the uncertainty related to the conflict. Moderately low UAI improves performance. The study concluded that there is a positive relationship between collectivism, femininity, and employee performance more than PDI and UAI. The study confirmed that organizations must strongest their culture to raise performance. Even organizational performance is good in a moderate way in Sri Lanka. But there are some obstacles. Therefore, the study presented a recommendation to achieve success such as (higher salaries, decentralization, equitability between the males and females).

5. SHEHU (2014) The study aimed to test the relationship between entrepreneurial orientation and SME`s performance in Nigeria by using the organizational culture as a mediator variable. These companies are selected because they formed a large percentage of Nigerian GDP and employees, the researcher adopted the organizational culture dimensions developed d by (ZHAO, LYNCH - CHEN 2010). A quantitative approach has been conducted by distributing a structured questionnaire to the owners and the managers in SME. Besides used SPSS and PLS in data analysis. The researcher used the questions that have been adopted by (SULIYANTO - RAHAB 2012) model for the performance, and (IDAR - MAHMOOD 2011) model for entrepreneurial orientation. The study concluded that there is an important relationship between entrepreneurial orientation and the performance in the existence of the organizational culture as an intermediate variable.

6. BAE ET AL. (2012) employed Hofstede's three cultural dimensions UAI, MAS, and LTO to analyze the relationship between CG at the country level and culture and dividend policy. The CG is measured by the degree of minority shareholder protection against controlling shareholders' actions. Higher governance means high investor protection. This high investor protection induces to pay high dividend payouts in high UAI, high MAS cultures. The study found that there is a significant correlation between UAI, MAS, and LTO and dividend policies, this correlation depends on the power of the CG. Where the culture and CG influencing separately and mutually on dividend policies. Further, there is a negative relationship between MAS, UAI, and LTO and dividend policies, a high LTO, MAS, and LTO cultures pay low dividends.

7. OLIVEIRA (2016) targeted emerging and developed countries to examine the impact of corporate governance CG and cultural dimensions on dividend policy by using a sample of 1232 companies from 38 countries. She indicated, that solutions to agency problems vary across countries and are linked to the applying of CG tools as well as the culture associated with these problems. As a result, the culture could be an impact on CG and dividend policy. The author adopted Thomson Reuters ASSET4 CG Performance Index for measurement of quality of corporate governance and employed the Geert Hofstede Framework to measure culture by using (Uncertainty avoidance UAI, Masculinity MAS, and Indulgence IND). The study found that there is a positive correlation between the quality of CG at the firm level and dividend payout, which means greater paying of dividends whenever the quality of CG is high. The dividend payout ratio is lesser in high MAS and UAI societies. However, dividend payout ratio is greater in high IND societies. The study found that in emerging or developed countries the effect of CG and cultural factors in dividend policy varies. In emerging countries, firm-level corporate governance has high importance on the contrary to cultural characteristics. Furthermore, the dividend payout ratio is less affected by national culture comparing with developed countries. In addition when a level of CG is better that eliminated the impact of the culture. According to the impact of HCL and firm-level CG, the study found that whenever the firm-level quality of corporate governance is becoming better, the culture and dividend payout ratio varies.

8. SUN ET AL. (2019) focused on the Indulgence versus Restraint Cultural dimension from Hofstede's framework as a moderating variable on the relationship between corporate social performance CSP and corporate financial performance CFP. The researchers adopted Hofstede's framework and stakeholder theory. The data was collected from 43 countries. The study found that social performance CSP positively impacts financial performance CFP. However, this effect is weak in indulgent societies.

9. ZHENG - ASHRAF (2014) investigated the relations between uncertainty avoidance UAI, long-term orientation LTO, and masculinity MAS in banks of 51 countries, he indicated that HUAI, HLTO, and LMAS cultures pay lower dividends.

10. MARTINS - LOPES (2016) investigated the impact of national culture on corporate performance ROA and ROE. The study using Hofstede cultural dimensions PDI; UAI; IDV; MAS; LTO; and IND. in 500 European companies. The study found that lower PDI, lower UAI, Long-term Orientation, and Higher Indulgence cultures have higher CP. While Individualism and Masculinity did not impact CP.

In summary, based on the above discussion, and depend on the recommendation of (ALKAILANI - KUMAR 2016; ALKAILANI ET AL. 2012) regarding reviewing Hofstede's findings that have been generalized to Arab countries, where Jordan was not included in the sample of Arab countries. Thus, these findings should be repeated in different countries. Furthermore, culture is considered a social phenomenon that could be adapted toward the needs of the individual (mental, physical) (AFANEH ET AL. 2014). As well as since Jordan is interested as one of the developing countries in rebuilding itself and in establishing an internal culture to enter the world of competition (ALKAILANI - KUMAR 2016). Therefore, one of the objectives of the current study is restudying and testing these dimensions in Jordan to contribute to Hofstede's cultural dimensions literature.

Finally, based on the (ALKAILANI ET AL. 2012; AL-HARSH 2008) recommendations to conduct the impact of Hofstede cultural dimensions in insurance, and services companies. Besides the lack of studies that examine the individual or interaction impact of corporate governance or culture on CP. Particularly, regarding long-term orientation LTO and Indulgence vs. restraint IND dimensions. Therefore, this study will fill this gap in the literature. In the following Table 5 the empirical studies of relationship between cultural variables, CG, and CP.

Table 5. Empirical studies of the relationship between cultural variables, corporate governance and corporate performance

Cultural, CG Variables	Authors	Empirical studies	Relationship
Minority shareholder protection CG	GRIFFIN ET AL. 2014	National culture, corporate governance practices, and firm performance	Positive relationship with CP Tobin's Q and ROA
Corporate policy CG			Positive relationship with CP
Transparent disclosure CG			Significant relationship with ROA
Individualism			Positive relationship with transparent disclosure and corporate policy
Uncertainty avoidance index			Negative relationship with transparent disclosure and minority shareholder protection
Uncertainty avoidance index			Negative relationship with Tobin's Q and ROA.
Power distance	IRFAN 2016	Cultural Dimensions of Hofstede and Their Impact on Organizational Performance in Sri Lanka	Negative relationship between HPDI and organization performance
Masculinity/femininity			Positive relationship between femininity and performance.
Individualism/collectivism			There is a positive relationship between collectivism and performance.
Uncertainty avoidance			Moderately low UAI is contributing to the success of organization performance.
Hofstede's cultural dimensions 1980 work four cultural clusters	GLEASON ET AL. 2000	The interrelationship between culture, capital structure, and performance	-variation in capital structures due to variation in cultural clusters. -capital structure influences negatively on financial performance of retailers. -culture not impact on CP
Indulgence vs. restraint	SUN ET AL. 2019	Indulgence versus Restraint: The Moderating Role of Cultural Differences on the Relationship between CSP and CFP	Social performance CSP positively impact on financial performance CSF. And this effect is weak in indulgent countries.
-Power distance -Masculinity/femininity -Individualism/collectivism -Uncertainty avoidance -Long-Term Orientation -Indulgence vs Restraint	MARTINS - LOPES 2016	Culture and profitability: empirical evidence at a European level	Lower PDI, lower UAI, Long-term Orientation, Higher Indulgence cultures have higher profitability. While Individualism and Masculinity did not impact on profitability.

Source: Author's own, 2021

3.4.6 Development of Hypotheses

After reviewing the previous studies and for attaining the objectives of the study, the researcher developed the hypotheses related to the research questions based on the appropriate theories. The hypotheses have been developed based on reviewed literature. To the best of the researcher's knowledge, it is notable from the literature reviewed there are no local studies and few international studies, that combine the six Hofstede cultural dimensions and corporate governance and corporate performance. Particularly, the recently new ones, long-term orientation LTO and Indulgence vs. restraint IND dimensions. Whether by examining the individual or interaction impact with corporate governance on corporate performance. Moreover, there is a lack of studies in the literature regarding the corporate governance committee and CP. Besides, the Information Technology Management Committee ITC has not been covered in the literature, the current study tries to add a new contribution to the literature by using this dimension as a new proxy of CG and examining its impact on the CP. This study will fill these gaps in the literature.

First of all, the researcher presented hypotheses related to the relationship between corporate governance CG and corporate performance CP. Secondly, the researcher presented the hypotheses related to the relationship between Hofstede's cultural dimensions HCL and corporate performance CP. Thirdly, the researcher presented the hypotheses related to the relationship between Hofstede's cultural dimensions HCL, corporate governance CG, and corporate performance CP. Fourthly, the researcher presented the hypotheses related to the relationship between the interaction of corporate governance and cultural dimensions HCL and corporate performance CP. The researcher developed some of these hypotheses depending on (GRIFFIN ET AL. 2014) due to his study has strengths of the framework which may help to understand the role of cultural dimensions in effect on the relationship between corporate governance and firm performance. In addition, the researcher adopted some related hypotheses according to (OLIVEIRA 2016) and (SHI - VEENSTRA 2015). Further, the researcher developed a new hypothesis related to the relationship between the interaction of CG * HCL, and corporate performance CP.

Figure 17 illustrated the theoretical framework model of the study that indicated the relationship between the independent and dependent variables and related hypotheses.

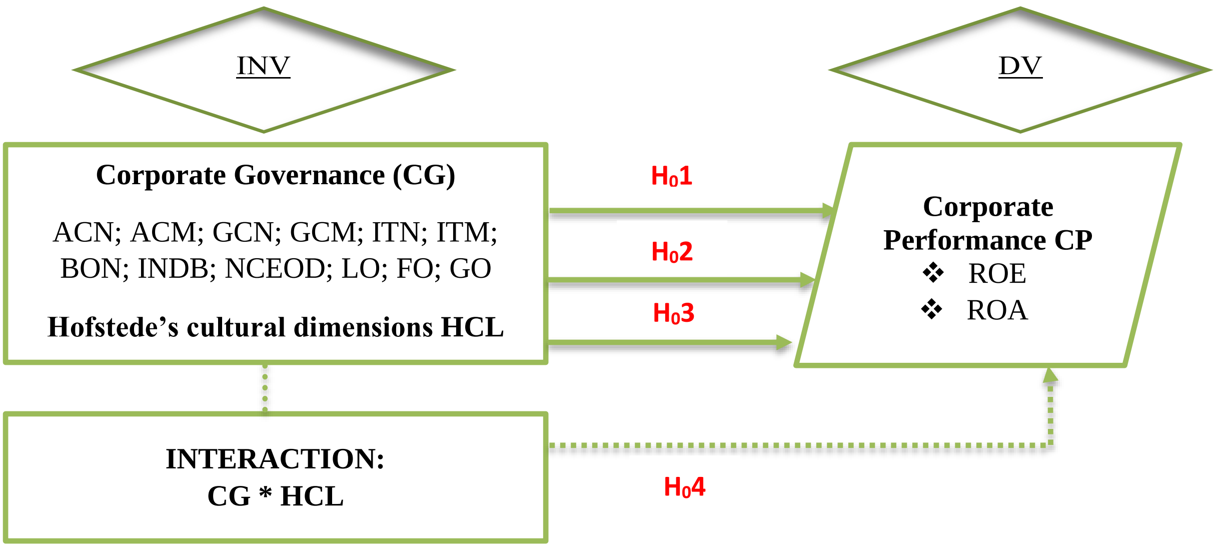


Figure 17. Theoretical Framework model
Source: Author's own, 2021

- ***$H_0$1**: There is no significant relationship between corporate governance CG and corporate performance CP in Jordan context*
- ***$H_0$2**: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP in Jordan context*
- ***$H_0$3**: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP with the presence of corporate governance CG in Jordan context*
- ***$H_0$4**: There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and corporate performance CP in Jordan context*

1. Corporate governance CG and corporate performance CP

First of all the researcher presented the hypotheses related the corporate governance CG and corporate performance CP. The CG has numerous mechanisms that enable to motivate the management in companies (MATHIESEN 2002). Indeed, many studies confirmed that the improvement of CP is considered the main objective of CG. Furthermore, the agency's theory links CG with CP, which helps to test the impact of CG on CP. (OLIVEIRA 2016) has developed her hypotheses depending on the (outcome model), one of the agency's dividends models which defined by (LA PORTA ET AL. 2000b) where dividends are considered one of the good CG indicators as authorized protection, dividends help smaller investors to excerpt cash from the firm. To increase equity capital it should be protecting the smaller investors (GRIFFIN ET AL. 2014). So, dividends are good CG tools for protection, where dividend payout influences positively on CP (MUREKEFU - OUMA 2012). Indeed, the dividends will be higher when the investments achieve high profits. Therefore, it is expected that there will be a positive relationship between CG and CP. Further, the shareholders prefer dividends to overcome the forfeiture risk by the insiders. This is confirmed by (MARASHDEH 2014) that CG practices helping in eliminate agency problems (conflict of benefits) by controlling the managers to perform the required tasks and thus that improve CP, besides protecting shareholders from the forfeiture of their wealth. Regarding agency theory, it's proposed that CG is linked to CP, where it is aimed to reduce the agency problems (conflicts of interests) between the owners and managers by using various mechanisms of CG that help and protect the shareholders' interests and increase the company value. Therefore, this study expected there is a relationship between CG and CP.

In the literature, the result of the impact of CG on CP is mixed, (AHMED - HAMDAN 2015) indicated that CG has an effect on ROE. This result was confirmed by (AL-RAMAHI ET AL. 2014) the implementation of CG effect on ROA in First Market companies listed in ASE. Furthermore, (AL-MANASEER ET AL. 2012) found there is an influence of CG on CP in banks Jordanian. (GRIFFIN ET AL. 2014) indicated that there is a positive relationship between CG at the firm level in terms of the minority shareholder protection and corporate policy and CP (Tobin's Q and ROA). This result is confirmed by (OLIVEIRA 2016) a higher quality of CG leads to a higher dividend payout. Where high performance leads to higher dividends payouts. While (BUALLAY ET AL. 2017) indicated that CG adoption doesn't affect operational performance ROA and financial performance ROE in Saudi companies.

- **Board of directors BOD**

Many studies showed that BOD has a critical role in the impact on CP, BOD has different aspects such as Board size, Board committees, Board independence (WANG 2007; MARASHDEH 2014; HARFORD ET AL.2008; SALIM ET AL. 2016; LIN - SHEN 2012; BENJAMIN - ZAIN 2015; BUALLAY ET AL. 2017; AHMED - HAMDAN 2015).

Board Size - Number of board members BON

Large size boards costing the company high monitoring costs and it may be ineffective when it exceeds eight members (JENSEN 1993). Regarding the Agency Theory, the agency's problems increase with the increase in the size board, where the board may control by the CEO, which leads to ignoring the interests of the owners and then decreases CP (HERMALIN - WEISBACH 2001). BOD has a critical role in monitoring CP. Board size is considered one of the factors of BOD and reflects the effect of BOD. The large BON leads to connect to external environments and obtain important resources. Furthermore, the larger BON could be limiting the dominance of the CEO. As a result, strengthen CG and improves CP (WANG 2007). On the contrary, (MARSHADAH 2014) indicated that large BON increases communication problems and leads to different opinions and less efficient decision-making, this cause reducing the Board monitoring on management, As a result, the increasing problem of the agency.

The findings of empirical studies are mixed. (WANG 2007) examined the impact of CG on efficiency performance in the insurance industry, he showed that board size has a negative impact on performance. Therefore, increasing the BON causes less coherence and leads to poor performance. This is confirmed by (YAMEEN ET AL. 2019) found BON impacts negatively on ROA, ROE. Further, (MOHAN - CHANDRAMOHAN 2018) found BON affects negatively on CP. On the other hand, (MOHAMED ET AL. 2013) found that there is no impact of BON on CP. This result confirmed by (MASOUD - ALDAAS 2014) that there is no significant effect of BON on ROE and ROA. And (TOMAR - BINO 2012) showed that there is no effect of BON on the CP of banks listed in ASE. While (SALIM ET AL. 2016) pointed out that BON affects positively on the Australian banks. This result is confirmed by (AHMED - HAMDAN 2015) BON impacts positively on ROE And ROA performance measures. Further, (BANSAL ET AL. 2016) found that BON correlated positively with performance Tobin's Q.

In the Jordan context (SHEIKH ET AL. 2012) found large BON enhance CP. (ALMOSTAFA 2017) found the large BON enhanced the performance in the Jordanian Financial Sector. On the contrary, (Al-MANASEER ET AL. 2012) found that the large BON is negatively related to performance in Jordanian banks. (MARASHDEH 2014) found that there is no impact of BON on CP in Jordanian companies (Industry and service sectors). Regarding the small board (YERMACK 1996; HERMALIN - WEISBACH 2003; MAK - KUSNADI 2005) found that small BON increase CP. (MAK - YUANTO 2003) showed that when BON is small the firm assessment will be maximum in Malaysian companies. In the same boat (YERMACK 1996) found a positive association of small BON to CP in Finland.

Independence of Board of Directors INDB

The agency theory confirms that non-executive members NEMS are the most effective observing tools to protect shareholders. Therefore, the greater the number of NEMs on the board, the fewer agency problems and thus improving the company's performance (SHLEIFER - VISHNY 1997). INDB plays a critical role in CP. Theoretically, Agency theory expects a positive relationship between the performance of the company and the non-executive directors. Empirically studies have shown mixed results. But most of the studies found that INDB impact positively on CP (ALMOSTAFA 2017; AHMED - HAMDAN 2015; YAMEEN ET AL. 2019; MOHAMED ET AL. 2013; AL-MANASEER ET AL. 2012). (RAVINA - SAPIENZA 2009; AL-MANASEER ET AL. 2012) found the outsider members related positively with bank performance. Further, (Rosenstein and Wyatt, 1990) indicated that outside directors have positive impacts on efficiency performance and stockholders' capital. Furthermore, (WANG 2007) found the presence of outside directors has positive impacts on efficiency performance. This result is confirmed by (AHMED - HAMDAN 2015) INDB has a positive effect on ROE and ROA. Moreover, (YAMEEN ET AL. 2019) showed that INDB has a positive effect on Indian hotels' performance in terms of ROA, ROE. While it is has a negative effect on the

Indian hotel's performance in terms of marketing measures Tobin's Q. Besides, (MOHAMED ET AL. 2013) found that the INDB has a positive impact on firm performance market value Tobin's Q and book value ROA, ROE measures. This means that these results are consistent with agency theory. On the contrary, there are studies that found results inconsistent with agency theory. (MARASHDEH 2014) found that there is a negative impact of the presence of non-executive directors NEDs on ROE and ROA. Also, (BENJAMIN - ZAIN 2015) indicated there is a negative relationship between the INDP and dividend payout. This means that dividends payout and CG are alternatives to decreasing agency costs. This is consistent with the "substitution argument", which requires the company with weak governance to distribute more dividends in order to enhance its reputation. On the other hand (SALIM ET AL. 2016) found that INDB does not effect on bank technical performance. This was confirmed by (MOHAN - CHANDRAMOHAN 2018) found that INDB does not effect on CP. (SHAH ET AL. 2009) investigated the association between INDB and Earnings Management in Pakistan. The study found no significant relationship between INDB and earnings management.

Non CEO duality (the CEO is the same Chairman) NCEOD

Agency theory advocates increasing the independence of BOD by non-duality between the CEO and CM which eliminates the agency problems and increases the CP (JENSEN 1993). Agency theory does not favour CEO duality because in this case, one person is accountable for the performance, and the assessment of the efficacy (MARASHDEH 2014). CEO duality often exists in minor corporate where rare sources. CEO duality has adversely affected the performance of BOD, which leads to conflicts of interests between shareholders and managers, this increases the agency's problem and prevents enhancing CP (MARASHDEH 2014). This result was confirmed by (WANG 2007) who indicated that most of the companies in the US are characterized by CEO duality which allows the CEO to control and minimize the impact of oversight on the Board. This rise the conflicts of interest and increases agency problems.

Empirical studies showed mixed results. However, the majority of the results of studies have shown compatibility with the agency theory that supports the non-duality that contributes to reducing the agency cost and enhance CP. (RECHNER - DALTON 1991; DAHYA ET AL. 1996; HANIFFA - HUDAIB 2006, CARPETO ET AL. 2005). On the other hand, there is empirical studies have shown that CEO duality impacts positively on CP (BOYD 1995; BANSAL ET AL. 2016). Further (MARASHDEH 2014) indicated that CEO duality positively influences on ROE and ROA in industrial and services Jordanian companies. Where CEO could be the same as the chairman in Jordanian companies as it is expected to be a positive effect on CP. This result could be proved or refute depend on the findings of this current study. In the same line (MOHAMED ET AL. 2013) found there is a positive effect of CEO duality on ROE. This result contradicts the agency's theory which calls for the separation between CEO and CM. (AL-MANASEER ET AL. 2012) found the separation between the CEO and CM correlated negatively with CP in Jordanian banks. While (WANG 2007) showed that CEO duality negatively influences the efficacy of insurance companies in Taiwan. This was confirmed by (MOHAN - CHANDRAMOHAN 2018) who indicated that the CEO duality effect negatively on CP. However, (AHMED - HAMDAN 2015) showed that the functions of the Chairman and CEO do not affect the ROE and ROA. And he indicated that it is preferred for the company not to combine the two functions. Also, (MASOUD - ALDAAS 2014) confirmed that the separation between the CM and the CEO doesn't significantly influence on ROA. While it is a significant influence on ROE. Other studies for example (BOZEC 2005; HANIFFA - HUDAIB 2006; MANGENA - CHAMISA 2008) found there is no impact of CEO duality on CP.

Audit Committee AC

Interest in the AC has increased recently due to the financial failures of international companies. Many kinds of literature have shown that the AC is considered an important tool of CG because it plays a role, through its supervision of the internal audit function in companies and its role in preparing financial reports, which leads to increased confidence and transparency in the financial information of companies. Further, the independence, size, and meeting of AC are among the essential tools of CG. Which guarantees for the owners the liability and obligation of management. Therefore, these governance tools play an important role in improving CP (AL-MATARI ET AL. 2012). The empirical studies have shown that there is a significant relationship between AC and CP (WILD 1994). (ZAYED 2017) found AC effect positively on CP of Jordanian listed companies. (SAIBABA - ANSARI 2013) found that the independence of AC related positively with the performance measures in Indian companies. While (PUNI 2015) found that AC has no impact on CP of Gana listed companies. This is confirmed by (AL –SHERIF - ABU ABUJAILH 2009) who indicated there is no relationship between the quality of profits and the activity of the AC in Palestine.

- **Number of Audit Committee meetings ACM**

Previous studies have been conducted on the impact of meetings of AC on CP. (AL –SHERIF - ABU ABUJAILH 2009) indicated there is no relationship between the quality of profits and the number of meetings of ACM, this result confirmed by (JHANDIR 2012) who indicated there is no relationship between ACM and the share price. Furthermore, (BANSAL ET AL. 2016) found that audit committee meetings have no impact on CP in Indian companies. However, (HAMDAN ET AL. 2012) indicated that there is a positive impact of ACM on improving the quality of profits in Jordanian industrial Public Companies. This result confirmed by (SALIM ET AL. 2016; HOQUE ET AL. 2013) that there is a positive impact of committee meetings on banking efficiency in Australia. On the contrary, (AL-MATARI ET AL. 2012) indicated that the meetings of the audit committee are negatively correlated but insignificant with ROA.

- **Number of Audit Committee members ACN**

AL-MATARI ET AL. (2012) indicated that the size of the audit committee is correlated positively with CP. This is confirmed by (SWAMY 2011) and (BAUER ET AL. 2010) that there is a positive relationship between the AC size and ROA and ROE in Indian and USA companies respectively. On other hand, (YAMEEN ET AL. 2019) indicated that the AC size has a negative effect on the Indian hotel's performance in terms of accounting measures ROA, ROE, while it is has a positive effect on the Indian hotels' performance in terms of marketing measures Tobin Q. (MOILAH - TALUKDAR 2007) found a negative relationship between AC size and ROA, ROE in Bangladesh companies, this confirmed by (BOZEC 2005) that there is a negative relationship between the AC size and ROA in Canadian companies. On the other hand, (GHABAYEN 2012), (MOHD 2011) and (WEI 2007) found no relationship between the AC size and ROA in Saudi Arabia, Malaysian and Chinese companies respectively.

Governance committee GC; IT committee ITC

Substitution theory suggests that it is possible to address the deficiency in any CG mechanisms in other alternative strong mechanisms of the governance, (CREMERS - NAIR 2005; HUANG ET. AL 2009). Therefore, companies that suffer from weak acquisition (the ease of the taken by insider owners or external bidders) can form Governance committees and thus reduces agency costs by stimulating the management focusing on CG issues within a specialized committee that leads to an increase in the power of BOD (HUANG ET. AL 2009). Furthermore, (HUANG ET. AL 2009) pointed out that in line with the substitution theory, the formation of a GC helps in reducing agency problems in terms of restricting management accounting and focuses on CG responsibilities on a particular committee, which enhances the success of board oversight. Further, the presence of governance committee reduces administrative opportunism by limiting aggressive financial reporting since the governance committee hires external auditors (NASER ET AL. 2014). (DAHMASH - HENINI 2008) indicated that the existence of the GC committee whose members are independent of the management improves CP. Regarding the Information Technology Management Committee ITC it is notable it has not been previously covered in the literature, therefore, the researcher used it as a new proxy of Corporate governance as a novel contribution to the literature. This study covered this proxy to examine the impact on the CP. Finally, the AC and GC have been slightly addressed in the local previous studies. Therefore, the current study will fill this gap by using these committees as proxies of corporate governance to determine the impact of each of them on CP, and to ensure that the Jordanian companies are interested in these committees.

- **Ownership structure**

Largest ownership LO

It is considered one of the most important and effective CG tools. According to (BERLE - MEANS 1932) LO is an effective tool to guarantee the disciplined of managers. Which reduces agency costs and enhances performance. Furthermore, (JENSEN'S - MECKLING'S 1976), proposes that the LO has an effectiveness of observing that helps in eliminating agency costs and increases CP. Ownership characterizes by a high concentration in developed and developing countries (MOHAMED ET AL. 2013). The literature is rich in studies that conducted the relationship between the LO and CP.

Empirically, (LEHN 1985) was the first that examined the impact of the concentrated OWS on CP, where he denied the existence of a relationship. On the other hand, there are some studies indicated that the presence of concentrated OWS in the company means the possibility of favoritism when the majority of shareholders occupy key positions in the management; consequently, they may care about their interest. This corresponds to agency theory that proposed that a higher concentration OWS could lead to self-interest being prioritized by large shareholders. Here, the major shareholders avoid the exposure of information, and encourages the forfeiture of the company's resources, this leads to a decrease CP (JENSEN - MECKLING 1976). This is evident in family-owned companies whose goal is to transfer control from one generation to the next, and this is characteristic of large companies in developing countries. However, some studies have found that concentrated OWS plays a significant role in companies (ZEITUN - TIAN 2007). (LA PORTA ET AL. 1998) indicated that in Emerging markets the Investor protection is poor, the concentration OWS plays a substitute tool for CG.

ABU-SERDANEH ET AL. (2010) showed when the concentration OWS is high the profitability decreases and when a portion of equity owned by institutional investors is high the profitability increases in Jordanian industrial companies. (MARASHDEH 2014) found that concentration OWS (largest ownership) negatively affects performance, contrary to the premise of efficient monitoring, that major shareholders are able to influence and pressure on management to improve CP. This result contradicts the other studies that adopt the monitoring hypothesis, where major shareholders eliminate the agency problems because they limit the problem of small traders and thus increase performance. Also, (MARASHDEH 2014) pointed out that concentrated OWS is known for nepotism which stems from it, and most of the companies in the Middle East including Jordan are characterized by concentrated OWS. Also, (AHMED - HAMDAN 2015) confirmed there is a strong negative effect of LO on ROE. The reason is that most of the business in Bahrain is owned by the family. While there is no impact on ROA. (LEHMANN - WEIGAND 2000) examined the relationship between the LO and firm value in Germany companies and found a negative correlation. Further, (MUDAMBI - NICLOSIA 1998) found LO correlated negatively with the value of British companies.

On the other hand, there are some studies indicating that there is a positive correlation between the LO and CP (LA PORTA ET AL. 1999; ABDULSAMAD ET AL. 2016; QUANG - XIN 2014; ZAKARIA ET AL. 2014). This corresponds to most researchers who have assumed that concentrated OWS plays an important role as a governance mechanism since large shareholders have greater control, which means better oversight for managers (SHLEIFER - VISHNY 1997; LA PORTA ET AL. 1999). (REYNA ET AL. 2012) indicated that concentrated OWS positively and significantly correlated with CP in Mexican companies, in the same line, (RASLI ET AL. 2013; ZAKARIA AND ET AL. 2014) indicated that concentration OWS correlated positively and significantly with CP. (AMIN - HAMDAN 2018) indicated that the concentration OWS positively but not insignificant impact on ROA. (HILL - SNELL 1989) indicated that concentration OWS in US companies correlated positively with CP in terms of productivity. (WU - CUI 2002) indicated that concentration OWS positively correlated with accounting measures (ROA and ROE), while it is a negative correlation with market value measures in terms of price to earnings ratio and market price to book value ratio. However, (DEMSETZ - VILLANONGA 2001) concluded that there is no significant relationship between OWS and CP. These results have been proved by (AL- RAWASHDEH 2007) concluded that OWS does not affect CP in Jordanian industrial companies. Where individual holders (individuals own more than 5% of share) and Institutional holders (institutions own more than 5%) have no effect on CP. (SALIM ET AL. 2016) indicated that there is no significant impact of LO on bank performance. This result confirmed by (BUALLAY ET AL. 2017) there is no relationship between the LO and CP measures (ROE, ROE, Tobin's Q). The same result was concluded by (TSEGBA - EZIHERBERT 2011) that there is no relationship between concentrated OWS and firm performance in Nigerian companies. (MOHAMED ET AL. 2013) indicated that the concentration OWS doesn’t impact on firm performance. Further, (AYMEN’S 2014) found that concentration OWS has no significant correlation with ROA in Tunisian companies. (MCCONNELL - SERVAES 1990) indicated there is no correlation between the LO and the value of the company. (KING - SANTOR 2008) found there is no significant correlation between concentration OWS and ROA in Canadian companies.

Government ownership GO

Literature has rare studies that investigated the effect of government ownership on CP. However, the literature showed mixed results, some studies show that GO has a negative impact on CP (MARASHDEH 2014; TAUFIL-MOHD ET AL. 2013; RAHMAN - REJAB’S 2013; ZAKARIA AND ET AL. 2014). TAUFIL-MOHD ET AL. (2013) found that GO is negatively and significantly related to performance. This confirmed by (RAHMAN - REJAB’S 2013) indicated that GO is related negatively to bank performance. Also, (ZAKARIA ET AL. 2014) found GO is negatively related to ROA. (HABBASH 2013) indicated a negative impact on companies in Saudi Arabia. While, studies found that there is a positive impact (ABDULSAMAD ET AL. 2016; BOSS 1991; NOR ET AL. 2010, GOH - KHAN 2013). (QUANG - XIN 2014) found that GO related positively and significantly to ROA in non-financial Vietnamese companies. (ABDULSAMAD ET AL. 2016) found that GO is correlated with a small positive with CP of Malaysian companies in terms of EPS. (NOR ET AL. 2010) found that GO related positively to ROA. (GOH - KHAN 2013) found that GO is positive and significantly related to CP. On the other hand, some studies didn’t find any relationship, (AROURI - MUTTAKIN 2014) found that GO didn't relate to bank performance. (AJLOUNI 2007) found that GO has no impact on performance.

Indeed, Local studies on GO are very rare (MARASHDEH 2014) indicated that GO influences negatively on CP in listed companies in ASE, this confirms the government is not seeking profits. While (AL- RAWASHDEH 2007) found that the performance of Jordanian industrial companies does not affect by GO. Further, (AL- RAWASHDEH 2007) explained that the GO in Jordanian industrial companies is represented by the portfolio of the Social Security Corporation, therefore it does not interfere mainly with the decisions of the board, as a result, there is no impact of GO on performance. (ALEDWAN ET AL. 2017) indicated that the positive impact of GO on Jordanian insurance companies is due to the commitment of government representatives on the board to apply orders to get rid of accountability. Comparing with the Arabic region (HABASH 2013) found that GO has a negative impact on Saudi companies. (ALEDWAN ET AL. 2017) explained this divergence in results due to the interests and the nature of government representatives related to maintaining their locations since the remuneration for membership is one of the motivations for government representatives in Jordan while it has no importance in Saudi companies. According to (LA PORTA ET AL. 1999) the government quality may determine the impact of GO as well as the track direction in the country.

Foreign ownership FO

There is a critical role of FO on CP. This is confirmed by many studies. (YAMEEN ET AL. 2019) found that FO impacts positively on Indian hotel's performance in terms of accounting measures ROE, ROE, and marketing measures Tobin Q. (AROURI - MUTTAKIN 2014) found that FO correlated positively and significantly with bank performance in Arabic Gulf countries. Further, (TAUFIL-MOHD ET AL. 2013) indicated that FO correlated positively and significantly with CP. Further, (AL-MANASEER ET AL. 2012) indicated that FO positively correlated with the performance of Jordanian banks. (MARASHDEH 2014) found that FO influences positively on ROE in emerging markets. While (AMIN - HAMDAN 2018) found a negative relationship between the FO and CP. On the other hand, (ABU-SERDANEH ET AL. 2010) indicated that FO is not correlated with CP in Jordanian industrial companies and a moderate level of foreign ownership is 14%. This result is consistent with (TSEGBA - EZIHERBERT 2011) who concluded there is no relationship between FO and CP. Also (AYMEN'S 2014) found the same result with ROA in Tunisia. Since the results are mixed, the effect of the foreign OWS on profitability cannot be expected.

In the light of the above findings, the researcher concluded there is a relationship between corporate governance CG and corporate performance CP. This relationship didn't conduct widely in the literature especially, in Jordan. It is notable that the relationship is mixed. Therefore, the researcher tries to examine this relationship between corporate governance CG namely, (board size, board committees, board independence, CEO Duality, Ownership structure) and corporate performance CP of Amman stock exchange companies (Financial sectors). The researcher formulated the first main hypothesis based on the above discussion and depends on agency theory.

The first main hypothesis will be tested is:

$H_0$1*: *There is no significant relationship between corporate governance CG and corporate performance CP in Jordan context

Regarding **the sub-hypotheses for the first main hypothesis H01, it will be tested the relationship between the CG dimensions and CP in terms of ROA and ROE.** The CG dimensions namely, (Board size) BON; (Independence of BOD) INDB; (Non CEO duality) NCEOD; (Number of Audit Committee meetings) ACM; (Number of governance committee meetings) GCM; (Number of IT committee meetings) ITM; (Number of audit committee members) ACN; (Number of governance committee members) GCN; (Number of IT committee members) ITN; (Largest ownership) LO; (Government ownership) GO; (Foreign ownership FO).

2. Hofstede cultural dimensions HCL and corporate governance CG

The literature has shown that companies that adopt official corporate governance practices according to the Anglo-American model should outperform others, which leads to better performance. This model focuses on protecting the smaller shareholder by conducting internal tools for board independence or outside tool authorized security of shareholder rights. However, good CG is affected by national culture. Therefore, there is an alternative paradigm, it is the relational paradigm that focuses on the exchange of information between shareholders and controllers (GRIFFIN ET AL. 2014). Recently, any CG systems couldn't be analyzed without concern for the cultural environment in which these systems are integrated (LICHT 2014). In the literature, CG is considered a critical factor in mitigating agency problems. (GRIFFIN ET AL. 2014) indicated that the culture is considered a substitute for good CG due to national culture's impact on investors and their agents (boards).

OLIVEIRA (2016) indicated that practices of CG vary in companies in the same country and it has affect dividend policy. Further, (MAHER - ANDERSSON 2000) asserted that CG varies across the countries. However, many studies concluded that there is a relationship between cultural dimensions and agency problems, the resolution of this problem varies across countries because each culture has different mechanisms of CG and the impact of culture can be expected in the quality of governance. This is due to that culture consisted of a set of behaviors, values, and habits that are transferred (OLIVEIRA 2016). Following Jensen and Meckling, CG deals with multiple relationships between stakeholders (shareholders, managers, employees) within a contractual framework. Where Agency Problem stems from this relationship between shareholders and management (LICHT 2014). Indeed, national cultures play a role in the origin and development of CG systems (LICHT 2001). (LICHT 2001, p.189) called culture “the mother of all path dependencies" in corporate governance systems. Furthermore, (LICHT ET AL. 2007) concluded that social norms of governance correlate strongly with cultural value dimensions. Cultural directions may influence on board composition in different countries. In the entrepreneurship societies characterized by individualism and lower UAI, the composition of the board to be in line with the interests of external shareholders by the existence of independent directors. (LICHT 2014) indicated that the external directors on the board of multinationals companies are positively linked to UAI, individualism, femininity, and PDI.

Femininity culture's emphasis on gender equality and helps increase the existence of females on boards this is seen in Western Europe (LICHT 2014). (GROSVOLD 2011) indicated that there is a positive relationship between the existence of women on the boards and the PDI and a negative relationship with UAI. On the other hand, in the emerging markets, Hofstede's cultural dimensions HCL have an influence on CG practices (RAFIEE - SARABDEEN 2012). GRIFFIN ET AL. (2014) indicated that individualist cultures focus on protecting all investors, while, collectivist cultures focus on protecting the internal parties, therefore, CG is expected to be worse. Further, they found that there is a positive relationship between individualism and transparent disclosure and corporate policy as corporate governance variables. On the other hand, there is a negative relationship between UAI and the proxies of CG (transparent disclosure and minority shareholder protection). High UAI cultures focus on minimizing uncertainty by using instructions and safety measures. Therefore, these cultures focus on internal issues in the organization rather than improving the reputation of the organization (GRIFFIN ET AL. 2014). (BAE ET AL. 2012) concluded that high investor protection as a CG proxy induces to pay high dividend payouts in high UAI, high MAS, and high LTO cultures. On the other hand, (AL-HARSH 2008; RAFIEE - SARABDEEN 2012) indicated that emerging markets characteristic with a high PDI, low IDV (collectivist), high UAI, and low MAS. Also, (AL-HARSH 2008) indicated that the individuals have short-term orientation. Since HCL have an influence on CG practices in emerging markets. Besides CG practices are weak in these cultures (RAFIEE - SARABDEEN 2012). Therefore, these countries should care about good mechanisms of CG to attract investors from all over the world.

DE JONG - SEMENOV (2006) pointed out that forms of ownership structure differ in industrialized countries due to the difference in these countries in terms of values. Where values influence concentration OWS and their shaping mechanisms. And he expected that countries with high UAI and low MAS properties to be more concentrated. Furthermore, concentration

OWS could be affected by PDI and Individualism index. LI - HARRISON (2008) showed that there is a relationship between culture and CG, he indicated that the ownership structure and culture affect the size and the structure of board in industrial countries. (GLEASON ET AL. 2000) indicated that the variation in capital structures is due to variation in cultural clusters. Further, the capital structure influences negatively on the financial performance of the retailer. Finally, regarding the Indulgence vs. restraint IND dimension (OLIVEIRA 2016) found the CG highly correlated with IND and UAI. Regarding the Jordan context. Indeed, despite Jordan's tendency to shift down the forms of family businesses, there are still some owners of the business in Jordan who prefer to run their own companies in the form of family companies. Therefore, Jordanian social customs and traditions may influence CG tools such as reducing the separation between management and ownership (AL- RAWASHDEH 2007).

In the light of the discussion above this study will examine the relationship between the culture and corporate performance, with the presence of CG mechanisms in terms of (Board size, board composition, board committees).

3. Corporate governance CG, Hofstede cultural dimensions HCL and corporate performance CP

BALOGH (2015) and NAJIA (2013) emphasized that organizational culture influences the way organizations operate; it determines the success of the organization or not. The researchers have to take into account organization culture because it is a significant matter, may the organization set (a code of conduct) to assist individuals to commit. Thus, helping the organization to progress and differentiate itself from others, and achieve aims. Where weak performance from employees leads to weak organizational performance (IRFAN 2016). Thus, Strong employee's performance leads to reaching organizational targets.

- **Power distance index PDI**

Hofstede indicated that the existence of the different social strata (higher, intermediate, and lower) within the societies means inequalities (IRFAN 2016). According to Hofstede Jordan scores 70%, which means people in Jordan is considered a hierarchical society that reflects the inequalities in organizations. However, (ALKAILANI 2012) and (SABRI 2012) found that Jordan Society is LPD. IRFAN (2016) indicated that Sri Lanka as a developing county is considered a very unequal society comparing with other countries. So, Sri Lanka is characterized by high PDI and poor decentralization which affects organizational performance. Therefore, the highly centralized and top-down hierarchy in an organization leads to reduce organizational performance. This result is consistent with (MARTINS - LOPES 2016) who indicated that lower PDI cultures have higher profitability. However, (BOUBAKRI 2017) shows that there is a crucial impact of PDI on bank performance during the financial crisis. When PDI is high the bank's performance is better throughout the crisis. Based on the previous studies that indicated that there is an expected impact of culture on corporate performance**. Therefore, the researcher expects there is a relationship between Power distance PDI and CP.**

Regarding the relationship between the interaction of (PDI*CG), and corporate performance. To the best of the researcher's knowledge, there are no studies that investigated the impact of the interaction variable CG*HPDI on corporate performance CP. (AL-RAMAHI ET AL. 2014) indicted that there is a positive impact of CG on financial performance in companies listed in ASE. This is confirmed by (AHMED - HAMDAN 2015) there is a positive impact of CG on performance. On the other hand, according to the sorting of Hofstede of cultural dimensions, the culture influence the practice of CG in emerging markets that have a high PDI (RAFIEE - SARABDEEN 2012). Therefore, CG practices are expected to be weak. As a result, weak CG will reduce CP in high PDI cultures. Based on the previous discussion. **The researcher expects there is a relationship between the interaction of (PDI * CG), and CP.**

- **Masculinity versus Femininity MAS**

According to Hofstede Jordan scores 45%, this means it is considered a low masculine (Feminine) society. These societies appreciate equality in their working lives. This result is inconsistent with (HOFSTEDE 1991) and inconsistent with (SABRI 2012, AL-HARSH 2008). This means there is a limited role of women in the Arab countries (ALRASHEED 1994). Therefore, this contradiction requires re-examination to confirm if Jordan is characterized by masculine or feminine society and to know the nature of the relationship between the MAS and corporate performance.

MARTINS - LOPES (2016) indicated that masculinity did not impact on profitability. (ROSE 2007) conducted a study on Danish companies, the study found that although Denmark has given rights to women, the BOD consists of men. Further, the study found there is no relationship between the presence of women on board and the performance in terms of Tobin's Q. However, (IRFAN 2016) indicated that Feminine increases organizational performance because that female more effective, moral, and excellent at work, more accountable, and commitment than males. The study concluded that there is a positive relationship between femininity and employee performance. This is confirmed by (HASSAN ET AL. 2015) who investigated the influence of the BOD diversity in terms of demographic and cognitive dimensions on CP by using the upper echelon theory. The study found that the presence of diversity in the BOD of women and men with knowledge and experience has positive effects, such as contributes to making good decisions, improves CG, improves the image of the company, and attracts customers to the company, thus better results and performance. In the same line (ADLER 2001) indicated that the company has more female influence positively on CP. (OLIVEIRA 2016, BAE ET AL. 2012) indicated there is a negative correlation between masculinity MAS and dividend payout ratio. Thus regardless of the conflicting findings of masculinity in Jordan and based on Hofstede's classification Jordan is considered a low masculine culture. Based on the previous studies that indicated that there is an expected impact of culture on CP. **Therefore, the researcher expects there is a relationship between Masculinity / Femininity MAS and CP.**

Regarding the relationship between the interaction of (MAS * CG), and corporate performance. (OLIVEIRA 2016) found there is a positive correlation between dividend payout ratio and MAS when governance quality is better. This result is confirmed by (BAE ET AL. 2012) who showed there is a positive relationship between masculinity MAS and dividend policies when taking into consideration the corporate governance variable and the (shareholder rights protection) is strong, a high MAS cultures pay more dividends. So, as mentioned before dividends are considered a good CG as legal protection besides (MUREKEFU - OUMA 2012) indicated that dividend payout improves CP. depends on these findings and regardless of the conflicting findings of masculinity in Jordan, and based on Hofstede's classification Jordan is considered a low masculine as well as based on (RAFIEE - SARABDEEN 2012) findings that the culture influences on CG in emerging markets that have a Masculinity. It is concluded that CG practices are expected to be weak. As a result, weak CG will reduce CP in MAS cultures. Based on the previous discussion. **Therefore, the researcher expects there is a relationship between the interaction of (Masculinity / Femininity MAS * CG), and CP.**

- **Individualism vs. collectivism IDV**

Arab countries are characterized by a collective society (HOFSTEDE 1991). This result was confirmed by (AL-HARSH 2008, SABRI 2012, HICKSON - PUGH 1996). According to Hofstede Jordan scores 30%. Therefore, it is a collectivistic society. Where individuals care about their belong group. Martins and Lopes (2016) indicated that Individualism did not impact on profitability. While (IRFAN 2016) conducted a study in Sri Lanka and found Sri Lanka considered a collectivist society due to the moral relationship between management and workers in organizations and they are dealing as a family. This leads to improving organizational performance. The study concluded that there is a positive relationship between collectivism and employee performance. This result is confirmed by (BOUBAKRI ET AL. 2017) that throughout the crisis, the main focus in individual societies is on self-orientation, objectives, and performance. Which means, the bank performs better in collective societies rather than in individual communities. Since Jordan is a collectivist culture and based on the previous studies that indicated that there is an expected impact of culture on corporate performance. **Therefore, the researcher expects there is a relationship between Individualism/collectivism and CP.**

Regarding the relationship between the interaction of (Individualism/collectivism * CG), and corporate performance. (GRIFFIN ET AL. 2014) indicated that there is a negative interaction between corporate governance (corporate policy) and individualism, which reduces the positive impact of corporate policy on Tobin's. In other words, the positive correlation between CG and CP is weaker in individualistic cultures. This result is inconsistent with the Anglo-American model that assumed the compatibility of individualist values that focuses on the obvious agreement (formal relationship), this aligns the interests between management and owners, and reduction Inconsistency of information and inspire the management to increase performance. (SHI - VEENSTRA 2015) examined the impact of individualism as a moderating variable on the relationship between corporate social performance CSP and corporate financial performance CFP. The study concluded that there is a negative interaction between CSP and individualism. Also, the study found in high individualistic countries if the companies have high CSP the governing legality will be low levels, where governing legality stems from the equivalence between the firm and its cultural atmosphere when the social behaviors of the firm follow them publicly. Therefore, the interaction of CSP with individualism negatively influences on CFP. Since CSR refers to a responsibility toward society and CSP considered a result stems from CSR due to its extension of the CSR concept that focuses on the actual results (CARROLL 2018) as well as corporate governance and CSR are considered paired to each other, where the CSR joining in the CG mechanisms (VERMA - KUMAR 2012). Therefore, the interaction of individualistic cultures with CG negatively influences on CP.

According to (AL-RAMAHI ET AL. 2014) corporate governance impact positively on the financial performance of listed companies in ASE. This was confirmed by (AHMED - HAMDAN 2015) who indicated CG impact positively on performance. On the other hand, according to the sorting of Hofstede of cultural dimensions, the culture may influence in the practice of CG in emerging markets that have a low IDV (collectivism). Where CG practices are expected to be weak (RAFIEE - SARABDEEN 2012). As a result, weak CG will reduce CP in low IDV (collectivism) cultures. This result is confirmed by (GRIFFIN ET AL. 2014) collectivist cultures concentrating on the informal relationships that weaken the correlation between CG and CP. Further, (GRIFFIN ET AL. 2014) indicated that individualist cultures focusing on protecting all investors, while, collectivist cultures focusing on protecting the internal parties, therefore, corporate governance is expected to be worse. Based on the previous discussion. **Therefore, the researcher expects there is a relationship between the interaction between (Individualism / collectivism * CG), and CP.**

- **Uncertainty avoidance UAI**

According to Hofstede, if UAI score 0 this mean the UAI culture is strong, and if UAI score 100 this mean the UAI culture is weak (HOFSTEDE 2010). Jordan scores 65, this means the society characterized a high avoiding uncertainty. (IRFAN 2016) indicated that the organization in Sri Lanka characterized by preserving social harmony this considered avoiding the uncertainty that eliminates the uncertainty related to the conflict. Moderately avoiding low uncertainty improves the organization's performance. The study concluded that there is a negative relationship between uncertainty avoidance and the organization's performance. This result consistent with (MARTINS - LOPES 2016) who indicated that lower Uncertainty Avoidance LUAI cultures have higher profitability. Furthermore, (GRIFFIN ET AL. 2014) indicate there is a negative relationship between UAI and Tobin’s Q and ROA. Further, (BREUER ET AL. 2018) pointed out that there is a significant negative correlation between UAI and post-acquisition stock price performance. In high UAI cultures, people are doubtful about the threat of investments they are not too risky. Further, there is the various insight of returns from the point of view of managers and investors. Management tends to keep cash for future obstacles. Based on the previous studies that indicated that there is expected impact of culture on corporate performance. **Therefore, the researcher expects there is relationship between Uncertainty avoidance and CP.**

Regarding the relationship between the interaction of (UAI* CG), and corporate performance. (GRIFFIN ET AL. 2014) indicated that there is a negative interaction between corporate policy a proxy of CG and UAI with ROA. Further, they indicated that high UAI cultures prefer the exchange of information between internal persons and their monitoring, which leads to a poor relationship between good CG and CP. On the other hand, (GRIFFIN ET AL. 2014) found there is positive correlated between the interaction of transparent disclosure and UAI with ROA. Jordan characterized by high UAI and according to the sorting of Hofstede of cultural dimensions, the culture influence in the CG implementation in emerging markets that have high UAI. And CG practices expected to be weak (RAFIEE - SARABDEEN 2012). As a result, weak CG will reduce CP in high UAI cultures. Based on the previous discussion. **Therefore, the researcher expects there is a relationship between interaction of (UAI* CG), and CP.**

- **Long-term orientation vs. short-term orientation LTO**

Jordan scores 16, this score means that Jordan considered short-term orientation culture, which means they don't care about the future and savings. This is confirmed by (AL-HARSH 2008, MUNA 1980). (BAE ET AL. 2012) indicated that long-term orientation correlated negatively with dividend policies. High LTO cultures pay low dividends. So, as (MUREKEFU - OUMA 2012) indicated that dividend payout dividend policy improves CP. Thus a high LTO culture doesn’t focus on quick returns. Furthermore, (BRAUER 2013) indicated that Short-term orientation focusing on maximizing short-term returns, thus there is a negative influence of short-term orientation on medium-term financial performance. While, there is a positive influence of long-term oriented on medium-term performance. (SHI - VEENSTRA 2015) pointed out that achieving a rapid return is preferred in short-term orientation society by stakeholders. On the contrary, (MARTINS - LOPES 2016) indicated that Long-term Orientation cultures have higher profitability. Depend on the above, Arab cultures tend to have a short-term orientation. Based on the previous studies that indicated that there is an expected impact of culture on corporate performance. **Therefore, the researcher expects there is a relationship between Long-term orientation/short-term orientation and CP.**

Regarding the relationship between the interaction of (Long-term orientation/short-term orientation * CG), and corporate performance. As mentioned before that long-term orientation LTO didn't conduct widely in the literature whether by examining its relationship with CG or CP. However, (SHI - VEENSTRA 2015) concluded that there is a positive interaction between CSP and long-term orientation. Also, in short-term oriented countries if the companies have high CSP the governing legality would be below levels. Then CSP interacted with long-term orientation will positively influence on CFP or CSP, interacted with short-term orientation will negatively influence on CFP. Therefore, firms with high CSP are much better in long-term orientation cultures. This is confirmed by (HALKOS - SKOULOUDIS 2016, 2017) who pointed out that Long-term orientation influences positively on CSR index. Since CSR joining in the CG tools (VERMA - KUMAR 2012). Therefore, Long-term orientation LTO cultures have good CG that leads to increase CP. Depend on the above, and since the Arab cultures tend to have short-term orientation and have weak CG. **Therefore, the researcher expects there is a relationship between the interaction of (Long-term orientation/short-term orientation and CG), and CP.**

- **Indulgence vs. restraint IND**

Jordan scores 43 which means Jordan is a restraint culture. That means this culture does not care about leisure time and controls satisfaction. (SUN ET AL. 2019) found that in indulgent societies the social performance has a weak positive impact on financial performance. According to (OLIVEIRA 2016) in high IND, dividends are considered as an incentive to investors for their contributions. Managers keep lower cash for emergency conditions. Therefore, IND will impact positively on dividends payout. As a result, will impact positively on CP. (MARTINS - LOPES 2016) indicated that higher IND cultures have higher profitability. A high level of IND focusing on needs satisfaction. While in high restraint cultures controlling the satisfaction of the needs. Management prefers work from a short-term standpoint and keeps lesser cash for sufferers in the future. So a high IND increases returns. Since Jordan has a restraint culture, and based on the previous studies that indicated there is an expected impact of culture on CP. **Therefore, the researcher expects there is a relationship between Indulgence/Restraint and CP.**

Regarding the relationship between the interaction of (Indulgence/Restraint * CG), and corporate performance. It is notable from the literature reviewed the IND dimension didn't conduct widely because it is a relatively new one. Whether by examining its relationship with CG or CP. However, (OLIVEIRA 2016) pointed out that the managers' earnings predilection diverges according to the power of investor protection. Further, she found there is a negative correlation between dividend payout and IND when CG quality is better; because good CG aims to reduce the influence that releases the agents and principals thus high IND cultures, and high CG decreases the dividend payout ratio, as a result, decrease the CP. Moreover, (MUREKEFU - OUMA 2012) indicated that dividend payout positively correlated with CP. (SHI - VEENSTRA, 2015) concluded that there is a negative interaction between CSP and indulgence. Also, the study found in high indulgent cultures, if the companies have high CSP the governing legality would be below levels. Therefore, the CSP interacted with indulgence will negatively influence on CFP. That means indulgent culture stakeholders don't prefer CSP due it is costing and minimize the value of investments. Since CSP is considered a result that stems from CSR besides CSR is joining in the CG tools. Therefore, the interaction of CG with indulgence will negatively influence on CFP. Depend on the above, and since Jordan is a restraint culture. **Therefore, the researcher expects there is relationship between the interaction of (Indulgence/Restraint * CG), and CP.**

Finally, Based on the above discussion, the researcher formulated second, third, and fourth main hypotheses:

$H_0$2: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP in Jordan context

$H_0$3: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP with the presence of corporate governance CG in Jordan context

$H_0$4: There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and corporate performance CP in Jordan context

4. MATERIALS AND METHODS

This study purpose to investigate the impact of Hofstede's cultural dimensions and corporate governance on the corporate performance of listed companies (Financial sector) in Jordan. After the researcher developed the hypotheses as shown in chapter four based on the literature view, this chapter presented the Sample selection, Data Collection, measurement of dependent and independent variables, Research approach and research method, and the proposed model. Also, presented how these hypotheses will be tested. The study utilized to analyze data the SPSS 20 namely, descriptive statistical analysis, statistical methods; Normality test, correlations coefficient, Multicollinearity, and finally Regression analysis.

4.1. Sample of study

The population is the total number of people, actions, or things that the researcher examines (SEKARAN - BOUGIE 2010). The population of this study is the entire financial sector companies listed on ASE. The sample included 105 companies for the period 2013 - 2018. The companies obtained directly from the ASE official website. There are two main sectors in ASE, the financial sector and the non-financial sector. The financial sector included banks 16, insurance 23, diversified financial services 32, and real estate 34 (Appendix 5). The non-financial sector included industrial and services. The researcher selected the financial sector due to its important role in the Jordan economy, to reach reasonable results that can be generalizable. (COOPER - SCHINDLER 2008) Defined the sample size as a smaller group of the larger population. (LENTH 2001) argued that the study should be of an appropriate size to the aims of the study. It prefers to be "large enough" to be its impact statistically and significantly. The study targeted specific people (purposive sampling), which are three levels of job positions from each company of the bank and insurance sectors including (Managers, Heads of sections, employees) in order to get different opinions related to culture and to conform to the standards that putting by the researcher (SEKARAN - BOUGIE 2016). The sample was chosen according to the relative importance of each sector of the total number of employees in order to ensure fair and adequate representation. The number of bank employees reached 20,000, while the number of employees in the insurance sector reached 2932. In addition, the researcher tried to have the sample size compatible with the research objectives and the size of the population, and the extent of Required accuracy, given the time and cost of data acquisition (SEKARAN - BOUGIE 2016). The researcher tried to select the appropriate sample size (LENTH 2001), that was calculated depending on the relative importance of each sector of the total employee's number. The researcher planned to disturbed 6 questionnaires to each company (Two from each position level). Therefore, it was expected to collect from a total of 39 companies 234 questionnaires. The returned questionnaires were 170, which were accepted because they represented 73% of responses (LIN 1976). Following Table 6 shows the selected sample size from the financial sectors.

Table 6. Summary of the financial sector companies and the sample size

Company Sector	No. of companies	No. of employees*	% of total population	Expected Sample size	Actual sample size	% Returned of expected S. Z.
Banks	16	20000	49%	103	87	85%
Insurance	23	5000	12%	26	24	94%
Diversified financial	32	9250	23%	47	35	74%
Real estate	34	6680	16%	34	25	73%
Total	105	40930	100%	210	171	

Source: *Annual reports, ASE

4.2. Data Collection

Cross-sectional and time-series data research design have been conducted, the researcher will gather data of published studies from different local and foreign articles from social science journals; and conducted the statistical analysis of these collected data. In addition, after all the data has been collected, the researcher measured the responses based on the companies' conduct of corporate governance as well as operations, practices, and performance. In order to achieve the objectives of this study, the researcher evaluated the reality of applying corporate governance, and the cultural dimensions and their impact on performance in the financial companies listed on the Amman Stock Exchange. The study data were obtained from the following sources:

- **Secondary sources:** The data was collected from secondary sources:
  - Published articles from social science journals, and related studies on business, organizational administration, corporate governance, and corporate performance. Acquiring secondary data is more convenient to use because they are already condensed and organized. Moreover, the analysis and interpretation are done more easily.
  - The Amman Stock Exchange (www.ase.com.jo) where the available information on the profitability of companies is collected through the company guides of companies available on the website. This guide shows the information included in the balance sheet statement and income statement. As well as the available financial ratios on the Securities Depository Center SDC.
  - The company's annual report that available on the website of Amman Stock Exchange ASE (www.ase.com.jo) to collect data on the dimensions of corporate governance and the ownership structure, as they are considered more accurate, quality, and reliable (FRASER ET AL. 2006). As well as interviews to gather pertinent data. Moreover, the researcher reviewed previous studies and compare them to the results of this study to provide conclusions and recommendations that contribute to the literature.
- **Primary sources**

Primary source used to cover the practical framework of this study in order to collect data on the cultural variables the researcher used a structured survey questionnaire to obtain the preliminary study data and to measure the orientation of culture in the Jordan context. The data was collected from the respondents to cover the field side of the study. In addition the available information about the Hofstede cultural dimensions scores on Hofstede's website. The questionnaire was distributed to three different job positions (Managers, Heads of sections, employees) in the selected sample companies. The researcher designed the questionnaire after reviewed of the theoretical framework and previous studies

The questionnaire included 4 sections. The First section presented the personal data e g. (Sex, Age, Education level, Career position). The Second section, scaled questions covered the main section which covered the Independent Variable (Hofstede Cultural Dimensions). The third section presented scale questions related to the opinion of respondents about the constraints and the obstacles that may resist any changes in culture and impede the implementation of good corporate governance? The researcher prepared these questions depending on some studies in literature concerned about this issue. The questionnaire has been judged by specialists to ensure the integrity of the questions and the absence of misinformation. Regarding the second section, the researcher adopted the questionnaire used by (RAHMATULLAH 2018) and (AL-HARSH 2008). The Likert scales will be used from 1 to 5 to indicate the weight given by the respondent to the questions of the questionnaire: 1 strongly disagree); 2 disagree; 3 neutral; 4 agree; 5 strongly agree. This section contains 22 questions included the six of Hofstede's cultural dimensions: Power distance index PDI, Individualism vs. collectivism IDV, Uncertainty avoidance UAI, Masculinity vs. femininity MAS, Long-term orientation vs. short-term orientation LTO, Indulgence vs. restraint IND. The questionnaire will consist of Hofstede's cultural dimensions constructed based on Hofstede's framework. For the first four dimensions Power distance index PDI, Individualism vs. collectivism IDV, Uncertainty avoidance UAI, Masculinity vs. femininity MAS the researcher adopted the scale was developed by (RAHMATULLAH 2018) and (AL-HARSH 2008), (GRIFFIN ET AL. 2014), ALKAILANI - KUMAR 2016) this scale developed by Hofstede on the influence of culture on organizational functioning (HOFSTEDE 1984). The researcher derived the fifth dimension (Long-term orientation vs. short-term orientation LTO from (RAHMATULLAH 2018) and (AL-HARSH 2008), and regarding the sixth dimension Indulgence vs. restraint IND, the literature has not used this dimension in the questionnaire before because it has been added recently. Therefore, after reviewing the previous studies on this dimension the researcher developed some questions to measure this dimension. Therefore, this contribution may enrich the scale used in the literature by adding questions measuring the sixth dimension, the researcher built this question depend on (HOFSTEDE 2011).

The scale for the sixth dimension as following:

Indulgence dimension

1. The workplace environment allows staff to have some breaks in order to meet and satisfy human needs.
2. The workplace environment allows staff sometimes to have activities and events that allow the employee to have the gratification of basic and natural human desires related to enjoying life and having fun.

Restraint Dimension

3. The workplace environment does not allow staff to have some breaks in order to meet and satisfy human needs.
4. The workplace environment sometimes does not allow the employee to have the gratification of basic and natural human desires related to enjoying life and having fun.

In short, the following Table 7 summarize the sources data of the study variables:

Table 7. The sources data of the study variables

Type of data	Data Sources	Measured Variables
Primary Data	Questionnaire	Hofstede's cultural dimensions
Secondary data	Amman Stock Exchange ASE - Annual report	CG Variables
	Securities Depository Center SDC	CP Variables

Source: Author's own, 2021

The panel data is a type of regression model, it combines the time series and cross-sectional data, and using the historical data and takes into account the problem of collinearity between variables (GUJARATI 2003). In addition, it is more useful and more efficient (AL-MANASEER ET AL. 2012). Furthermore, the use of panel data overcomes the corporates heterogeneity with respect to variables (MOHAN - CHANDRAMOHAN 2018).

4.3. Measurement of study variables

This section presented the definition and the measures of the variables of this study. The researcher constructed the variables of the study based on previous studies as shown in Chapter 3. Regarding the definition and background on the legal framework (guidelines) of these variables (independent and dependent variables), it has been mentioned previously widely in Chapter 3. The current study included: (1) Dependent variable DV corporate performance CP; (2) The Independent variable IV the Hofstede's cultural dimensions HCL and, (3) the independent variable corporate governance CG. Figure 18 shows Illustration of independent variables.

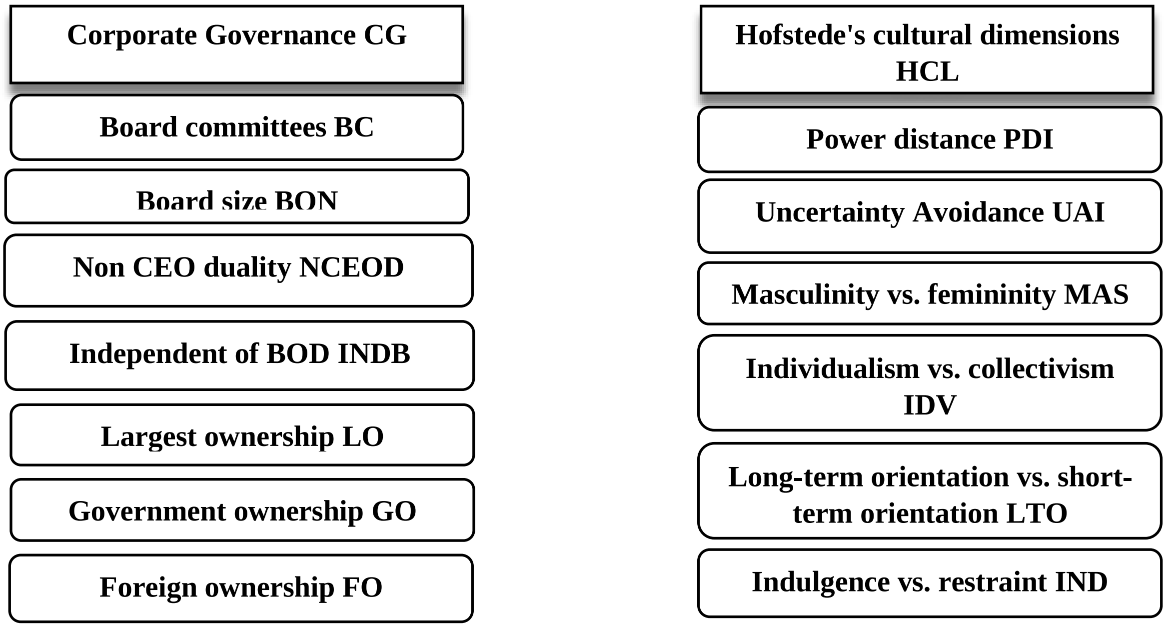


Figure 18. Illustration of independent variables
Source: Author’s own, 2021

4.3.1. Corporate performance variables (Dependent variable)

The dependent variable of the study is corporate performance CP. The literature has shown various measurements that can be used to measure corporate performance such as (Tobin‘s Q; ROA; ROE; ROI; NPM; EPS; etc...). Corporate performance is an important tool to measure the efficiency of management in using resources (SUBRAMANYAM 2009). Corporate performance refers to the result of the company's strategy, and a measure to achieve the goals of the company if the company's goal is the performance that you plan to achieve. (AL-RAWASHDEH 2007). Corporate performance is the company's ability to generate a result and acceptable procedures (SHEHU 2014). Further, a performance considered as a financial assessment of the corporate performance by measuring the return on equity, asset turnover, and sales growth (SHARIF ET AL. 2010). (AL- RAWASHDEH 2007, p22) pointed out that performance has various concepts, such as developing the share price, profitability, or present value of the company.

According to (MANDY 2009) the performance is the result of good management performance. (SHEHU 2014) assumed criteria to measure corporate performance. Namely, the growth and productivity (behavioral measures: adaptability, satisfaction, and good communication), effectiveness (financial measures: profitability and growth), and efficiency (operational measures: productivity, resource acquisition). According to (AL-RAMAHI ET AL. 2014) financial ratios are the most widely used financial analysis tools that indicate the ability to perform and the continuity of the company in the future. Tobin‘s Q, ROA, ROE, ROI, and net profit margin are the most famous indicators that have been used in different studies as financial measures. These measures were conducted widely in the literature. The literature did not refer to preferred measures of financial performance. Each measure has advantages and disadvantages, so there is no preferred measure to be an approved measure of financial performance (MARASHDEH 2014).

Return on Equity ROE: measures the return earned by the investor on the investment of his funds and reflects the nature of the company's practices (MASOUD - ALDAAS 2014;

MARASHDEH 2014). It is known at the level of the company and is one of the preferred measures for investors (AL- RAWASHDEH 2007). ROA measures the ability of the company to operate assets and generate profits. It is considered a well-known measure of financial reporting and one of the main measures of success and performance measurement (AL-RAWASHDEH 2007). Furthermore, it is an important ratio to measure the operational efficiency of the company (MASOUD - ALDAAS 2014; AHMED - HAMDAN 2015; MARASHDEH 2014). According to (AL-RAMAHI ET AL. 2014) ROA measure is the ability of each dinar invested in available assets to generate profits, regardless of the source of these assets. Also, it's known as return on investment (MARASHDEH 2014). And it is considered a financial performance measure (LI - HARRISON 2008).

Indeed, the literature indicated that there are two types of measures the researchers can use; market and accounting measures to measure the company performance. The market measures such as Tobin‘s Q, reflects the expected performance. ROA, ROE considered accounting measures to measure financial performance (MARASHDEH 2014). ROA, ROE measures are most preferred to use by researchers because it reflects real circumstances of work so it reveals the present performance of the company. In other words, it reveals the variations in equity prices in the stock market across the years (DEMSETZ - LEHN 1985). Thus it's associated with actual profits. While market-based measures do not reflect the real circumstances of work but it reflects the perceptions improvements of the future. Furthermore, (MARASHDEH 2014) pointed out the advantages of using accounting measures, where if ROA and ROE are high this refers to use the assets and equities in an effective way which increases the value of the company. On the other hand, low ROE and ROA refer to the ineffectiveness of the company in the use of company assets and its equities. Furthermore, by using ROA and ROE it can be compared between companies (SAUS–SALA ET AL. 2020). ROE is preferred more than ROA to measure the performance since it reflects the return of investors. Furthermore, the agency theory suggests that managers are interested in realizing their personal interests at the expense of the company's interests and this leads to their not using the assets in an optimal manner and therefore, this reduces the return on assets (MARASHDEH 2014). However, ROA and ROE concerning to insiders, while marketing measures concerning to outsiders (BLACK ET AL., 2006). According to (KUMAR 2004), market measures are not appropriate for emerging markets, as the structure of most companies’ features debt rather than equity. Jordan is an emerging market country, where the market-facing uncontrollable fluctuations, such as stock falls. While, the internal control in most companies controlling financial performance.

Depend on the discussion above the current study adopted ROA and ROE as accounting measures. ROA and ROE measures have been used in literature widely. In the following Table 8 show the previous studies, definitions, and measurements of corporate performance variables:

Table 8. Previous studies, definitions and measurements of the corporate performance dimensions

Variable	Description	Empirical Studies
Corporate performance: Return on Assets ROA Measures the ability of the company to operate assets and generate profits.	Net Income / Total Assets	GRIFFIN ET AL. 2014; WANG 2007; GLEASON ET AL. 2000; SALIM ET AL. 2016;AL-RAMAHI ET AL. 2014; BUALLAY ET AL. 2017; AHMED - HAMDAN 2015; AMIN - HAMDAN 2018; YAMEEN ET AL. 2019; MOHAMED ET AL. 2013
Return on Equity ROE Measures the return earned by the investor on the investment of his funds and reflects the nature of the company's practices.	Net Income / Shareholder Equity	MARASHDEH 2014; BUALLAY ET AL. 2017; AHMED-HAMDAN 2015; MOHAN 2018; MOHAMED ET AL. 2013

Source: Author’s own, 2021

4.3.2. Cultural dimensions (Independent variables)

Hofstede's cultural dimensions theory developed by Geert Hofstede. It is a cornerstone of communication in any society, indicates the effects of culture on values and behavior (ADEOYE - TOMEI 2014). (HOFSTEDE 1983) was a pioneer in the development of cultural dimensions and he based his research on the influence of cultural values at work. He develops cultural dimensions. He described the national culture in four dimensions: Individualism vs Collectivism, Power Distance index, Uncertainty Avoidance, and Masculinity vs Femininity. Later, Hofstede presented the Long Term Orientation versus Short Term Normative Orientation dimension (HOFSTEDE 2002). In 2010, Hofstede presented the five dimensions in his book Culture and Organizations Software of the Mind data (HOFSTEDE - MINKOV 2010). Nowadays, Hofstede's cultural dimensions are becoming six dimensions. The sixth dimension is Indulgence versus Restraint.

The researcher constructed the cultural dimensions based on Hofstede cultural dimensions theory (Hofstede framework), the cultural measures were derived from the contributions of Hofstede in cultural dimensions from the related studies For example (RAHMATULLAH 2018; IRFAN 2016; GENT 2014; AL-HARSH 2008; AFANEH ET AL. 2014; ALKAILANI - KUMAR 2016; ALKAILANI ET AL. 2012), the researcher used all six dimensions. Previous studies have shown there is a gap in conducting all these dimensions, only (OLIVEIRA 2016) used just three cultural dimensions (masculinity, uncertainty avoidance, and indulgence) to analyze the impact of corporate governance and cultural dimensions in dividend policy. And similar to her study, (BAE ET AL. 2012) use uncertainty avoidance, masculinity, and long-term orientation. His study analyzes the relationship between dividend policy, corporate governance at the country level, and cultural elements. (ZHENG - ASHRAF 2016) examines the direct effects of national culture on bank risk-taking behaviour by using four dimensions (uncertainty avoidance, individualism vs. collectivism, masculinity vs. femininity, and power distance). The study covered this gap and used the Hofstede model of national culture consists of six dimensions, namely, Power distance index PDI, Individualism vs. collectivism IDV, Uncertainty avoidance UAI, Masculinity vs. femininity MAS, Long-term orientation vs. short-term orientation LTO, Indulgence vs. restraint IND. To define the culture variable, the researcher used the information available on Hofstede's website in addition to previous studies.

- **Power distance index PDI**

Power Distance refers to the degree of acceptance of the unequal distribution of social power within society. According to (HOFSTEDE 1983) physical and intellectual abilities are not the same for the people. In the organization PD refers to what extent members of the organization accept distributed power unequally among individuals. (ALKAILANI 2016) PD reflects the distance between high power roles and low power roles. In low power roles cultures power is not the most important and people are treated equally. On the contrary, they are more powerful roles and attitudes that control the important decisions and processes in high power roles cultures. The PD may range between 0-100, when it is 0 a small PDI and 100 a large PDI (HOFSTEDE 2010).

- **Masculinity versus Femininity MAS**

Refers to the division of roles between the sexes Male and Female in society. (HOFSTEDE 1983.p85) called the societies with a high gender roles division "masculine", and the societies with a low gender division "feminine". (AFANEH - ET AL. 2014) indicated that societies that do not differentiate into roles between man and woman and equal them and support women called Feminine societies. Further, (ALKAILANI 2016) pointed out that cultures characterized by the achievement of the task and don't care about qualitative relationships called masculine society. On the other hand, cultures characterized by qualitative relationships and take care of others called feminine society. MAS may range between 0-100. If the score is 0 low scores that means feminine society and if it is 100 that means the society is masculine (HOFSTEDE 2010).

- **Individualism vs. collectivism IDV**

Is refer to what extent people are integrated into society in groups, the cultures in which the links between individuals are loose on the individual societies, everyone is expected to have a self-image "I". On the other hand on the collective societies, the cultures that integrate people in strong and cohesive groups from birth to a long time, and in a collective culture, is expected the self-image "we." (ALKAILANI 2016) In an individual society people characterized by taking care of themselves. Also, the loyalty to the group is not important. On the contrary, in a collective society, the loyalty to the group is important and the individuals within a group take care of them. IDV may range between 0-100. If the score is 0 low scores that means a collective culture, and if it is high scores 100 that means an individualist culture (HOFSTEDE 2010).

- **Uncertainty avoidance UAI**

This dimension refers to the extent to which individuals feel uncertain about the ambiguities or risks, uncertainties and distaste. This dimension allows measuring the degree to which the members of the organization accept the unpredictable of certain events. Individuals who are highly uncertain and concerned about ambiguous situations that cannot occur are therefore resorting to strict behaviors and to reducing uncertainty as well as to certifying the facts absolutely trying to keep a fun situation and focusing on practices rather than principles and deviations are unacceptable. (ALKAILANI 2016) UAI refers to the extent to which cultures differ in identifying threats from unknown or uncertain situations. According to (HOFSTEDE 1983) it couldn't be to know what will be in the future so must be live with uncertainty. UAI may range between 0-100. If the score is 0 low scores that means the uncertainty avoidance culture is strong, and if it is high scores 100 that means the uncertainty avoidance culture is weak (HOFSTEDE 2010).

- **Long-term orientation vs. short-term orientation LTO**

Refers to the way of thinking typical of cultures related to time. According to (HOFSTEDE 2011) Long-term orientation society is caring about the future, saving, and investment. On the other hand, short-term orientation society is caring about past and sacred the traditions, tend to not save and consume. (BAE 2010) LTO refers to promoting virtues of future rewards (savings). On the other hand, the short-term focusing on the past and the present of virtues such as respecting traditions. (ALKAILANI 2016) LTO when people insist on the relations, while, Short-term orientation is characterized by a focus on stability. (AL-HARSH 2008) LTO the view of the members of the society towards the future in terms of long-term and acceptance of the change. Or focus on the short-term side by adhering to traditional aspects and their pride in the past and stability, and not accepting change easily.

- **Indulgence vs. restraint IND**

Indulgence covers different concepts not included in other dimensions. It reflects a society that allows the gratification of human desires (Indulgent society). On the other hand, the restraint symbolizes controlling the satisfaction of needs (Restraint society) (HOFSTEDE 2010). According to (OLIVEIRA 2016) Indulgence in society caring about the satisfaction of needs and feeling relaxing and like fun. The restraint society rescinds meeting needs and cares about strict social standards. In the following Table 9 shows the conclusion of the characteristics and definitions of Hofstede cultural dimensions, Table 10 show the previous studies and the measurements of Hofstede's cultural dimensions:

Table 9. Characteristics and definitions of Hofstede cultural dimensions

Dimension	Characteristics
Power distance index PDI	The extent to which power is accepted unequally.
Masculinity versus Femininity MAS	Refers to if the society tend to be Masculine or Feminine.
Individualism vs. collectivism IDV	Degree of interconnection between members in the society.
Uncertainty avoidance UAI	The position of individuals toward ambiguous or unknown positions.
Long-term vs. short-term orientation LTO	Indicates whether the community tends to be present-oriented or future-oriented.
Indulgence vs. restraint IND	Indicates whether the community is indulgent or restraint.

Source: Information collected from Hofstede Website

Table 10. Previous studies and the measurements of the Hofstede's cultural dimensions

Variable	Symbol	Empirical Studies
Hofstede's cultural dimensions: - Power distance index PDI -Individualism vs. collectivism IDV -Uncertainty avoidance UAI -Masculinity vs. femininity MAS -Long-term orientation vs. short-term orientation LTO -Indulgence vs. restraint IND	Hofstede's cultural dimensions (1980) work four cultural clusters	HOFSTEDE'S 1980; GLEASON ET AL. 2000
	PDI,IDV,UAI, MAS	HOFSTEDE 1983
	presented a new dimension LTO	HOFSTEDE 2002
	LTO	HOFSTEDE 1991; HOFSTEDE - MINKOV 2010
	UAI, MAS, LTO	BAE ET AL. 2012
	UAI, MAS, IND	OLIVEIRA 2016
	PDI,IDV,UAI, MAS	ZHENG - ASHRAF 2016; IRFAN, 2016; ALKAILANI - KUMAR 2016; AFANEH ET AL. 2014; ALKAILANI ET AL. 2012; RAFIEE – SARABDEEN 2012; LICHT ET AL. 2007; LI - HARRISON 2008; SABRI 2012
	IDV,UAI, MAS	BREUER ET AL. 2018; DE JONG - SEMENOV 2006
	IDV, UAI	GRIFFIN ET AL. 2014
	PDI, IDV,UAI	BOUBAKRI ET AL. 2017
	PDI, IDV,UAI, MAS, LTO	AL-HARSH 2008
	IND	SUN ET AL. 2019
	IDV, LTO, IND	SHI - VEENSTRA 2015

Source: Author's own, 2021

4.3.3. Corporate Governance Variables (Independent variables)

This section presents a wide explanation of Corporate Governance Variables, the definitions, and methods of measurement that were adopted, In addition to the studies that used these measures. Policymakers try to set good CG systems that protect the benefits of shareholders as controllers. Such systems are represented in effective mechanisms. It is known that the most important of these CG mechanisms are the board of directors, ownership structure (concentration, and managerial). These mechanisms are used to overcome the conflicts of interest between agents and principals. The BOD is considered the top of the internal control system. It has a key role to control the management and reducing the problems between the managers and the shareholders (MARASHDEH 2014). There are important issues that can be derived from the BOD such as (CEO duality, Number of board members BON, (Independence of BOD) INDB, and Board committees, besides Ownership structure. Each of them plays a critical role in agency problems. Therefore, this study uses these mechanisms as proxies for CG. Corporate governance CG is used as the independent variable IV. Table (11) summarized the previous studies of used the corporate governance dimensions. Table (12) summarized the measurements of each variable and the adopted related studies.

- **Board Size - Number of board members BON**

Board size is known as the number of board members. The BON is represented by the Number of board members, the BON was collected from the Annual report of the listed companies - ASE. The related previous studies that used the Board size are summarized in table 12.

- **Independence of Board of Directors INDB**

The agency's theory suggests the non-executive directors are independent and have critical knowledge and experience. So, they have the capability of controlling the executive managers. Hence, the INDB leads to efficient controlling (MAHER - ANDERSSON 2000). As a result, they may increase the value of the company. In addition, investors are increasingly confident and attracted to companies with independent management boards (BUALLAY ET AL. 2017). According to (RAFIEE - SARABDEEN 2012) the INDB reducing the problem stems from the tendency of managers to achieve their desires rather than to achieve the desires of companies. Furthermore, external managers provide a company with experience and objectivity that reduces the confiscation of company resources. Also, the INDB reducing administrative opportunism. Thus, enhancing the controlling and improving the performance (HARFORD ET AL. 2008). (BUALLAY ET AL. 2017) recommended to eliminate the agency problems and increase the profits of Saudi listed companies they should have an independent board. In the emerging markets, the majority of boards consist of family members, and this leads to agency problems (RAFIEE - SARABDEEN 2012). Therefore, these countries need extremely to an independent board. As a result, in developing countries, the BOD is expected to be not an independent board.

The Codes of CG in Jordan define the non-executive as a member who is not an employee of the company or is paid a salary from it. INDB is represented by the percentage of non-executive members to the total number of members of the BOD, the INDB collected from the Annual report of the listed companies - ASE. The related previous studies that used the Independent of Board of Directors INDB are summarized in Table 12.

- **Non CEO duality (the CEO is not the same Chairman) NCEOD**

CEO duality happens when the chairman CM and the CEO are in the same positions (LI - HARRISON 2008). This contradicted the agency theory that suggests the company should not be combined between the CM and CEO in the same position to reach effective control. On the contrary, stewardship theory and (BERLE - MEANS 1932) argued that separating ownership and control negatively impacts the CP. (MAHER - ANDERSSON 2000) pointed out that the agency problem associated with CG that stems from the separation between ownership and control because the executive managers and the CM are not the same owners or investors. And the owners hire agents to manage the company. In this case, the conflicts of interests stem from the owner's need for these managers to run the company in a perfect way to gain high profits. However, a practical CEO may provide the company with many benefits. According to (MARASHDEH 2014) the good experience of the CEO leads to enhancing the investments and success strategies. This experience could convey to the board members and give them the chance to play the same role as CEO.

Empirically, some studies found that the presence of duplication has a negative effect, while there are studies that have shown that duplication has a positive effect. (BUALLAY ET AL. 2017) showed the board acting more effectively when the CEO is not the same chairman. This stems from that the CM has control over the boards. On the contrary, (MARASHDEH 2014) pointed out that when the CEO and CM are combined may not create conflicts of interest.

The Non - CEOD is presented by the given number (0) if the CEO is the same chairman (CEO = CM), If not the same will be given (1). The Non-CEOD was collected from the Annual report. The related previous studies that used the Non-CEO duality are summarized in Table 12.

- **Audit Committee AC, Governance committee GC, Information and Technology committee ITC**

AC is defined as "a committee made up of non-executive board members of the company whose responsibilities are focused on reviewing the annual statements before submitting them to the board of directors (Securities Depository Centre). These committees has been used around for a long time since the 80th, the OECD organization and Cadbury report supported such committees, where it is recommended to form two main committees (Nomination and remuneration, and Audit) committees (HARRISON 1987). Regarding the agency theory, the existence of an audit committee is considered one of the most important controlling tasks Of BOD that guarantees that there is an efficient audit of the company's actions (FAMA - JENSEN 1983). Furthermore, the (CADBURY REPORT 1992) asserted the importance of board committees as a monitoring tool to ensure responsibility and good management.

AC is an important factor in carrying out and observing the CG practice (SAIBABA - ANSARI 2013). Its task is to meet with external or internal auditors to review the audits process and discuss financial statements, which reduces inconsistencies in the information and thus reduces the agency's cost (DEZOORT ET Al. 2002). Furthermore, understanding the process of assessing internal control from the tasks of the audit committee to know the strength or weaknesses of the audit plan (ASARE ET AL. 2008). Hence the important benefit of the presence of AC that contributes to reducing the fraud, thus trust of investors will increase which leads to enhance CP (KLEIN 1998). (AL -MOMANI 2010) when the BOD doesn't care about the composition of the Audit committee AC and their working mechanisms leads to a lack of independence and full effectiveness of AC.

Indeed, BOD must have the competence and skills to make good decisions (MATAR - NOUR 2007). This is achieved through committees. The GC committee monitors and evaluates the extent to which the company complies with the principles of CG (ISMAIL 2010). Furthermore, the audit committee reviews the report of internal and external auditors (MARASHDEH 2014). Moreover, the audit, nomination, and remuneration, and risk committees are responsible to make important decisions and monitor the managers and solve the problems (SALIM ET AL. 2016). (DAHMASH - HENINI 2008) indicated that GC committee, working on setting goals and establishing an appropriate CG system, improves CP. Regarding the Information Technology Management Committee ITC, to the best knowledge of the researcher, it has not been covered by the literature (local or international). Therefore, the researcher used it as a new proxy of CG as a novel contribution to literature. The study covered the number of meetings of (AC, GC, ITC); the number of members of (AC, GC, ITC). The measurements of each variable are summarized in Table 12. Dummy variables were used in coded the variables to get more accurate results. The related previous studies are summarized in table 11, and the related data collected from the Annual report.

- **Ownership structure OWS**

Ownership structure OWS provides the interrelationship between the different parties and the company, and thus it is somewhat complex, leading to difficulties in implementing the CG structures (RAFIEE - SARABDEEN 2012). Therefore, regarding OWS, the agency's theory suggests rewarding the managers to align the interests between them and the owners which courage the managers to do the best to increase the firm value (MARASHDEH 2014). Indeed, there are different types of ownership, this confirmed by (DE JONG - SEMENOV 2006). This OWS could be dominant or dispersed. Furthermore, the ownership and the monitoring of owners play an important role to make CG systems distinct (MAHER - ANDERSSON 2000). Furthermore, there is concentrated (centralized) ownership (internal systems) and distributed ownership (external systems). Regarding agency theory, there are various forms of shareholders that may affect the manager's competence, this study will cover three mains ownership structures in terms of Largest ownership LO; Government ownership GO; and Foreign ownership FO.

- **Largest ownership LO**

The ownership structure and the identity of the shareholders are considered mechanisms that distinguished CG systems (MAHER - ANDERSSON 2000). Actually, there are different forms of shareholders so the nature and behavior of the shareholder could be varied (MARASHDEH 2014). The preferences of investors cause this diversity that leads to agency problems. As a result, different forms of shareholders could influence on CP. AMIN - HAMDAN (2018) defined the concentration of ownership as the ratio of the owner's ownership of shares to the total ownership shares of the company. (MADIWE 2014) defined the OWS in the listed companies, as the concentration OWS if the company is owned by one or a few large owners (concentrated), and as (dispersed/diffused) if it is owned by multiple smaller owners. Indeed, the ownership identity is a critical factor when is it's concentrated. (RAGAZZI 1981) defined the OWS as dispersed when the company shares are owned by a large number of individual shares, none of them can obtain direct or indirect welfares, greater than others. According to (BUALLAY ET AL. 2017) concentrated (Largest) OWS is known as the three largest shareholders (more than 50%). This leads to the formation of controlling shareholders whose aim is to achieve the company's interests, which is to improve CP contrary to the objectives of minority shareholders. In other words, concentration OWS (LO) is considered one of the outsider governance mechanisms. They have the ability to influence executive managers (SALIM ET AL. 2016). Therefore, the LO may be helping in solving the problems of agency theory (HARFORD ET AL. 2008). This result is consistent with agency theory that suggests that LO promotes shareholders' abilities in controlling the management, which motivates them to make decisions for the benefit of the company. Thus, it will be affected positively the CP (BUALLAY ET AL. 2017). According to (MILLER ET AL. 2007) the larger concentrated OWS, leads the large shareholders to be stronger and can achieve their personal interests and thus reduce the firm value if the sources of the company are confiscated.

According to (ONDER 2006) the culture and lawful construction of the company as well as political issues, are clarifying the relationship between the concentration OWS and CP in emerging countries. Therefore this study selects the largest ownership LO as a proxy of corporate governance since variable has an impact on CP. LO is represented by all the ownership ratios that are owned by shareholders who own 5% or more based on ASE rules. The LO was collected from the Annual report. The related previous studies that used the LO are summarized in Table 12.

- **Government ownership GO**

Some companies tend to have large government OWS to monitoring the company. On the other hand, GO may cause some of the agency problems because the government focuses on political aims and social matters rather than increasing profits and firm value (MEGGINSON - NETTER 2001; MAK - LI 2001). Further, if the government has shares in companies this leads to a poor commitment to CG principles, as a result, causes poor control (MAK - LI 2001). Furthermore, GO may increase the opportunity for corruption (ALEDWAN ET AL. 2017). In addition, it may weaken human resource policies, and increase tribalism, and nepotism. Which increases the agency problem and negatively influences on CP. (XU ET AL. 2005) indicated that eliminating state-owned companies in China led to effective CG tools and reducing the agency problems. GO is represented by the Ownership ratio owned by the government. GO collected from the Annual report. The related previous studies that used GO are summarized in Table 12.

- **Foreign ownership FO**

In developing countries, foreign investors play a critical role in economic growth. Foreign investors invest in developing countries although the presence of the obstacles (DEMIRHAN - MASCA 2008; MARR 1997). Indeed, there are good reasons for going to FO, to covering the lack of experience in the local financial and legislative environment. Furthermore, there is no conflict of interest between the foreign investors and the company because it provides the company with a good reputation, and the company expected from them effective monitoring than the domestic investors. This leading to effectively implemented CG mechanisms. In addition, foreign investors have a desire to intervene in control CG to monitor and supplement current bad governance by domestic investors. Furthermore, FO controlling managerial behavior leads to increase firm value (MARASHDEH 2014). Actually, foreign investors prefer to invest in a stable economy to gain quick earnings (DEMIRHAN - MASCA 2008). And most investors prefer to invest in their country because of differences in CG and unacceptable legislation in emerging markets. Besides, the poor CG impedes foreign investment. Even this, Jordanian market is somewhat attractive to foreign since there are no restrictions on the percentage of FO in some economic sectors (Banking). FO is represented by the Ownership ratio owned by the Foreign. FO was collected from the Annual report. The related previous studies that used the FO are summarized in table 12.

In summary, the issue of CG for (financial and non-financial) companies are usually explained by using agency theory. The agency theory is the primary paradigm used in most studies such as (JHANDIR 2012; AHMED - HAMDAN 2015; YAMEEN ET AL. 2019; MARASHDEH 2014; SALIM ET AL. 2016) to examine the effect of CG on CP. The agency theory focuses on reducing the agency problem. The separation of control and ownership typical of companies causes an agency conflict. The managers may engage in actions maximizing their personal utility. Hence, the role of BOD is to reduce this conflict and to supervise managers to serve the interests of owners (FAMA 1980).

Agency theory predicts that board attributes and ownership structures and other CG mechanisms are an impact on a company's performance (SALIM ET AL. 2016). The authors assert that good CG systems take into account, both the legal investor protection and the concentration of ownership (OLIVEIRA 2016). Previous studies draw on agency theory to explain the impact of board attributes and ownership structures on performance or stock price. To measure CG the current study used the most important measures cited in the literature, and depending on the principles of CG set by the OECD. In the following, Table 11 shows the previous studies of corporate governance dimensions. And Table 12 shows the Definitions and measurements of corporate governance dimensions.

Table 11. Previous studies of the corporate governance dimensions

Variable	Symbol	Empirical Studies
Corporate governance: Number of governance committee meetings	GCM	No studies
No. of Audit Committee meetings	ACM	SALIM ET AL. 2016; BANSAL - ET AL., 2016; AL –SHERIF - ABU ABUJAILH 2009; JHANDIR 2012; HAMDAN ET AL. 2012; AL-MATARI ET AL. 2014
Board Size - Number of board members	BON	MARASHDEH 2014; HARFORD ET AL. 2008; SALIM ET AL. 2016; BUALLAY ET AL. 2017; MASOUD - ALDAAS 2014; AL-MANASEER ET. AL 2012
Independence of Board of Directors	INDB	MARASHDEH 2014; HARFORD ET AL. 2008; LIN - SHEN 2012; SALIM ET AL. 2016; WANG 2007; BUALLAY ET AL. 2017; MASOUD - ALDAAS 2014
Non CEO duality	NCEOD	MARASHDEH 2014; BUALLAY ET AL. 2017; AHMED - HAMDAN 2015; AL-MANASEER ET AL. 2012
Largest ownership	LO	MARASHDEH 2014; BUALLAY ET AL. 2017; AL-SA'EED 2018; WANJIKU 2013;; ZEITUN 2009; KING - SANTOR 2008; REYNA ET AL. 2012; AYMEN’S 2014; AMIN - HAMDAN 2018
Government ownership	GO	MARASHDEH 2014; ALEDWAN ET AL. 2017; QUANG- XIN 2014; AROURI - MUTTAKIN 2014; NOR ET AL. 2010; TAUFIL-MOHD ET AL. 2013; RAHMAN - REJAB’S 2013; ZAKARIA ET AL. 2014
Foreign ownership	FO	AYDIN - CAVDAR 2015; ZAKARIA, ET AL. 2014; AYMEN’S 2014; AROURI 2014; TAUFIL-MOHD ET AL. 2013; AMIN - HAMDAN 2018; AL-MANASEER ET. AL 2012

Source: Author’s own, 2021

Table 12. Definitions and measurements of corporate governance dimensions

Variable	Symbol	Definitions and measurement of variables	Sources
Audit Committee meetings	ACM	If Audit committee meetings > = 4, the value is 1, if not = 0	Author's own, 2021
Audit Committee members	ACN	If Audit committee members > = 3, the value is 1, if not = 0	Author's own, 2021
Governance Committee Meetings	GCM	If Governance committee meetings > = 2, the value is 1, if not = 0	Author's own, 2021
Governance Committee Members	GCN	If Governance committee members > = 3, the value is 1, if not = 0	Author's own, 2021
Information Technology Management Committee meetings	ITM	If IT committee meetings > = 4, the value is 1, if not = 0	Author's own, 2021
Information Technology Management Committee members	ITN	If IT committee members > = 3, the value is 1, if not = 0	Author's own, 2021
Board Size	BON	Number of board members	MOHAMED ET AL. 2013; MARASHDEH, 2014; YAMEEN ET AL. 2019; MOHAN -CHANDRAMOHAN 2018.
Independent of Board of Directors	INDB	The percentage of non-executive members to the total number of members of BOD.	MOHAMED ET AL. 2013; MARASHDEH 2014; YAMEEN ET AL. 2019
Non CEO duality The CEO is not the same Chairman, The separation of the role must be formal	NCEOD	The number (0) will be given if the CEO is the same chairman (CEO = CM), If not the same will be given (1).	AL-MANASEER ET. AL 2012; MOHAMED ET AL. 2013; AHMED -HAMDAN 2015; BANSAL ET AL.2016
Largest ownership	LO	All the ownership ratios that are owned by shareholders who own 5% or more (Depends on cut-off ranks adopted in ASE)	MOHAMED ET AL. 2013; MARASHDEH 2014; ALEDWAN ET AL. 2017; ZAKARIA, ET AL. 2014
Government ownership	GO	Ownership ratio owned by the government.	MARASHDEH 2014; ALEDWAN ET AL. 2017; ZAKARIA ET AL. 2014
Foreign ownership	FO	Ownership ratio owned by the Foreign	YAMEEN ET AL. 2019; AROURI -MUTTAKIN 2014 ALEDWAN ET AL. 2017

Source: Author's own, 2021

Following Figure 19 an illustration of the research questions and linking them to variables (independent and dependent)

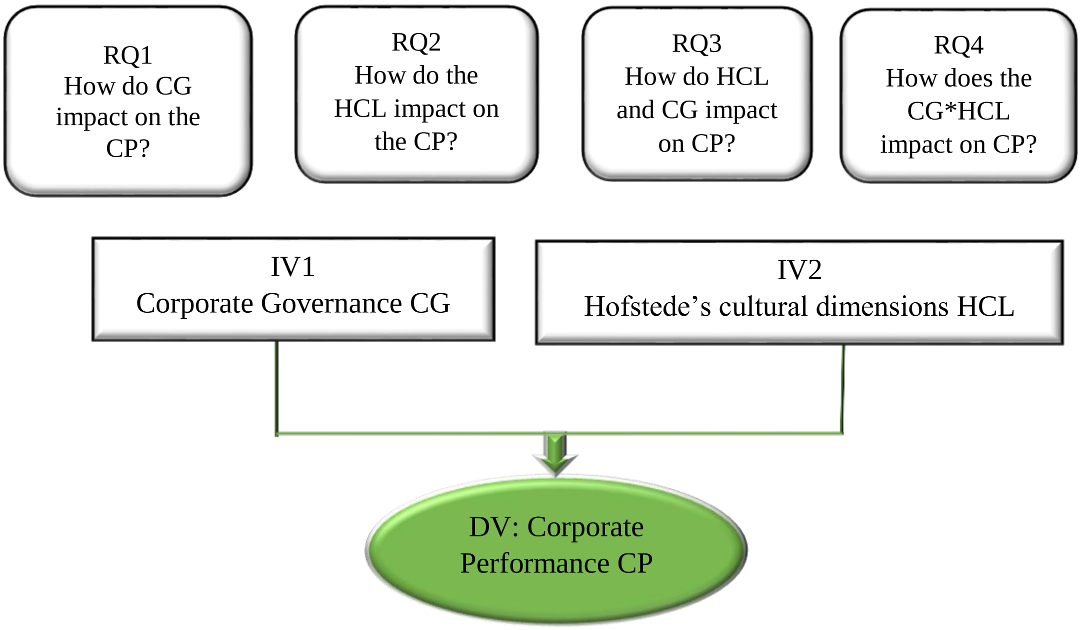


Figure 19. Summary and Illustration of independent and dependent variables and questions research
Source: Author's own, 2021

4.4. Research Approach

Many kinds of literature have advocated for the use of an appropriate model for study. (DUDOVSKIY 2016) debated that the scholars in business studies should identify the adopting approach. There are two models in general deductive and inductive approaches, indeed in deductive approach the collection data linked with the quantitative method. While the inductive approach linked with qualitative methods. (DUDOVSKIY 2016) indicated that the kind of reasoning in the deductive approach is objectivity and causation while in the inductive approach is subjectivity and meaning. The inductive approach in Business Research depends on observations to describe the phenomenon under study and there are no theories or hypotheses at the beginning of research and the theory is setting at the end of the research. The inductive approach is a (bottom-up) approach to knowledge. The other approach is a deductive approach (top- down) approach to knowledge in which the current study adopted, where the hypotheses developed at the beginning of the study depend on the present theory and the researcher planning a research scheme for testing the hypothesis (WILSON 2014). Deductive means thinking from the specific to the general. It is ascertained whether this relationship or correlation has attained extra general conditions. The justification for using the deductive approach due to it describe causal relations between notions and variables. Also, conduct a quantitative approach by using structural equation modeling.

In summary, a current study is a deductive approach (structured approach) for the following reasons; used quantitative methods to collect and analyze data; The Hypotheses were developed based on existing theories (agency theory and culture theory); It is explained how to examine these hypotheses and how to measure variables; Determine the nature of the causal relationships between variables; The selected sample of the financial sector, which constitutes the largest proportion of the Jordanian economy, and thus the possibility of generalizing the results.

4.5. Research method and statistical analysis

This research is a quantitative approach and used statistical analysis, reliability. According (BRYMAN 2012) when the research deals with appropriate sample size and a long period in order to generalize the finding, quantitative methods are preferred. Therefore to achieve the objectives of this study and analyze the collected data, the study used number of appropriate statistical analyses by using SPSS statistical packages for social sciences. The following statistical analyses were pursued:

1. Cronbach's Alpha (α): To calculate the Reliability of the study instrument.
2. Descriptive Statistics (Minimum, Maximum, Means, and standard deviations, frequencies).
3. Normality test: To know if the data is distributed normally.
4. Pearson correlation coefficient: To identify the existence of a correlation between the variable.
5. Multicollinearity test: To test the collinearity between the IV in the model regression.
6. Regression analysis: To illustrate the impact of the independent variable on the dependent variable. Figure 20 shows the statistical analysis tests used in the study.

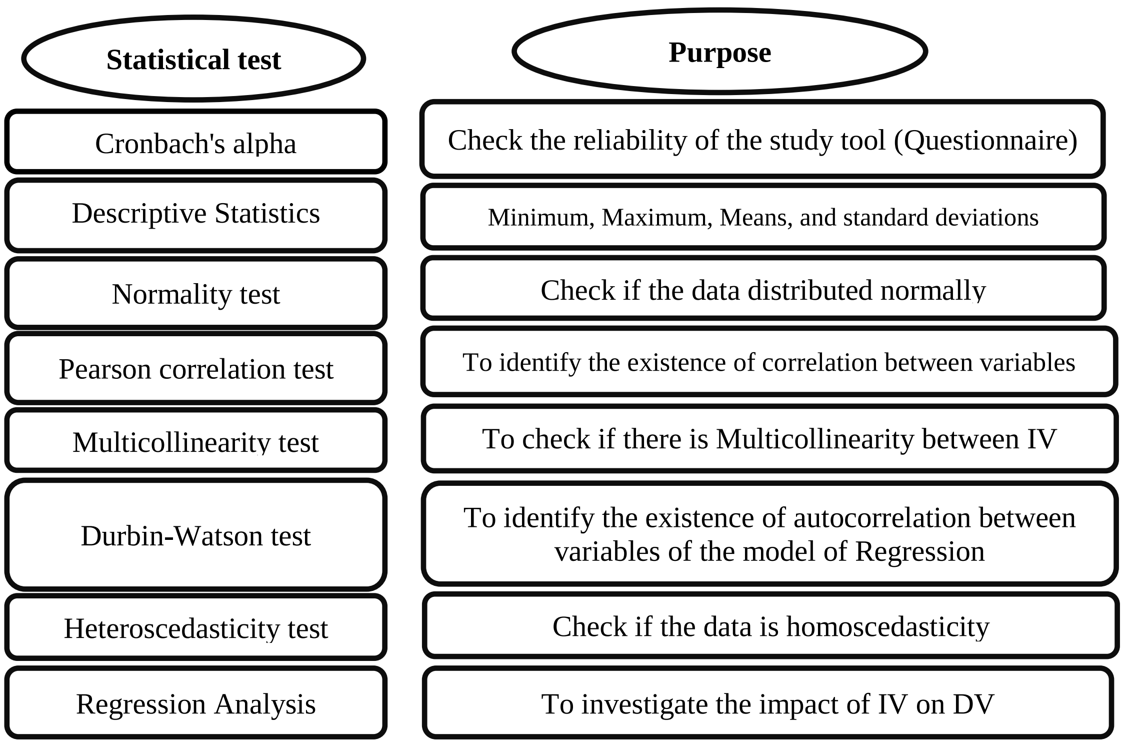


Figure 20. Statistical analysis test

Source: Author’s own, 2021

4.6. Proposed Model

The researcher overviewed the theoretical and empirical studies in the literature to justify the theoretical (*conceptual*) model that was adopted to formulate the questions, objectives, and justify conducting this study in order to investigate the impact of Hofstede's cultural dimensions HLC and Corporate Governance CG on the corporate performance CP.

Agency theory has been addressed in several studies in literature such as (MARASHDEH 2014; LI - HARRISON 2008; MAHER - ANDERSSON 2000). (JENSEN - MECKLING 1976) suggest that the legal requirements and the structure of ownership are considered as primary factors that explain the corporate governance structure variation (LI - HARRISON 2008). Further, the agency's theory provides a direct link between corporate governance and financial performance, where the agency's theory increases the value of the company by achieving shareholders' interests and reducing the agency's problem. In addition, many studies confirmed there is a significant influence of cultural dimension on corporate governance such as (RAFIEE - SARABDEEN 2012; LICHT ET AL. 2007; DE JONG - SEMENOV 2006; LI - HARRISON 2008). As many studies have been conducted on the relationship between the quality of corporate governance and corporate performance e.g. (SALIM ET AL. 2016; ABDALLAH - ISMAIL 2017; ANDRES - VALLELADO 2008; ERKENS ET AL. 2012; MARASHDEH 2014). As a complementary for these studies, there are many researchers have linked cultural and corporate governance with corporate performance e.g. (GRIFFIN ET AL. 2014; BOUBAKRI ET AL. 2017; IRFAN 2016; WAQFI 2004; GLEASON ET AL. 2000). Therefore, the model of study has been built on previous studies. The researcher built a theoretical framework depending on Hofstede's cultural Theory and Agency theory to verify the impact of Hofstede's cultural dimensions and Corporate Governance on corporate performance. The six of Hofstede's cultural dimensions HCL and corporate governance CG are the Independent Variable IV, and corporate performance CP is the Dependent variable DV. The proposed model is a regression model with corporate performance as a dependent variable. The researcher measured the individual impacts of Hofstede's cultural dimensions and corporate governance on corporate performance. Therefore, the study adopted the following regression models:

Equation (1): This model measure the individual impact of corporate governance and Hofstede's cultural dimensions on corporate performance

$$\mathbf{CP = \alpha + \beta 1\ (CG) + \beta 2\ (HCL) + \epsilon}$$

$$CP = \alpha + \beta 1(ACN) + \beta 2(ACM) + \beta 3(GCN) + \beta 4(GCM) + \beta 5(ITN) + \beta 6(ITM) + \beta 7\ (BON) + \beta 8(INDB) + \beta 9\ (NCEOD) + \beta 10\ (LO) + \beta 11(FO) + \beta 12(GO) + \beta 13(PDI) + \beta 14(IDV) + \beta 15(UAI) + \beta 16\ (MAS) + \beta 17(LTO) + \beta 18\ (IND) + \epsilon$$

Also, the researcher will measure the impact of the interaction between corporate governance and Hofstede's cultural dimension CG*HCL as an independent variable on corporate performance. Therefore, the study will be adopted the following linear regression model:

Equation (2): This model measures the interaction impact of both of corporate governance and Hofstede's cultural dimensions on corporate performance. In other words, the researcher will test how the relationship between culture and corporate performance differs with the corporate governance structure.

$$\mathbf{CP = \alpha + \beta 1\ (CG) + \beta 2\ (HCL) + \beta 3\ (CG * HCL) + \epsilon}$$

$$CP = \alpha + \beta 1(ACN) + \beta 2(ACM) + \beta 3(GCN) + \beta 4(GCM) + \beta 5(ITN) + \beta 6(ITM) + \beta 7\ (BON) + \beta 8(INDB) + \beta 9(NCEOD) + \beta 10(LO) + \beta 11(FO) + \beta 12(GO) + \beta 13(PDI) + \beta 14(IDV) + \beta 15(UAI) + \beta 16\ (MAS) + \beta 17(LTO) + \beta 18(IND) + \beta 19(CG * HCL) + \epsilon$$

Where:

CP: is corporate performance, represented in: ROE is return on Equity: Net Income / Shareholder Equity, ROA is return on Assets: Net Income / Total Assets.

CG: is corporate governance, represented in: **ACM**: is number of audit committee meetings; **ACN**: is number of audit committee members; **GCM**: is number of governance committee meetings; **GCN**: is number of governance committee members; **ITM**: is number of IT committee meetings; **ITN**: is number of IT committee members; **INDB**: is independent of board of directors; **NCEOD:** is Non-CEO duality; **LO**: is largest ownership; **GO**: is government ownership; **FO**: is foreign ownership

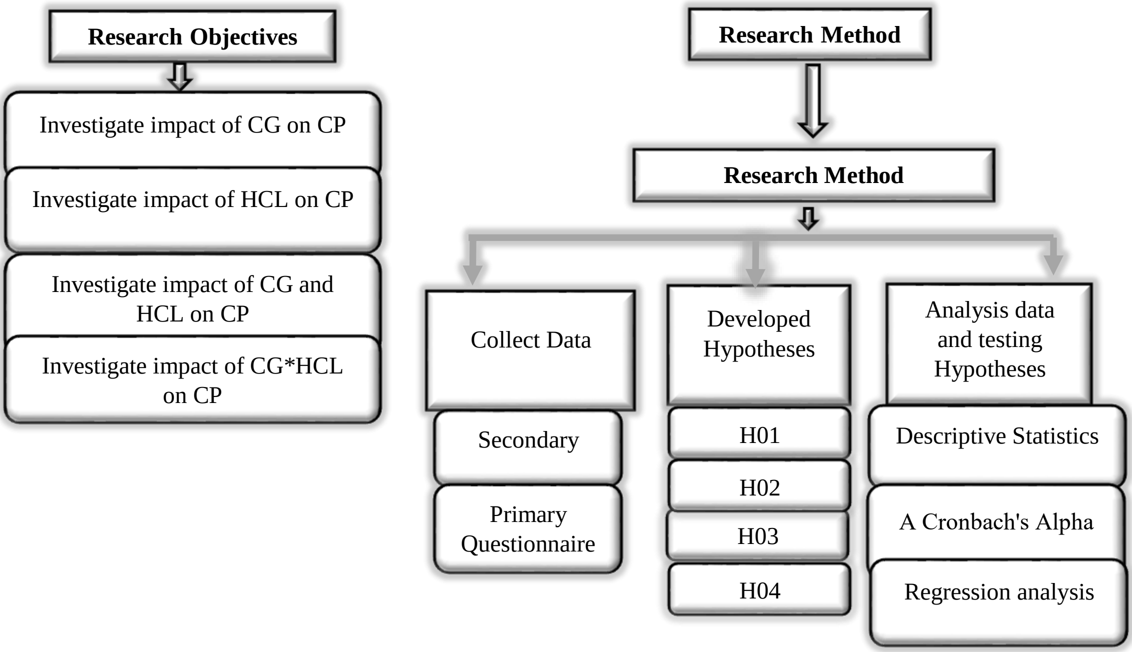
HCL: represents Hofstede's cultural dimensions: PDI, IDV, UAI, MAS, LTO, IND.

CG* HCL: is the interaction variable between corporate governance and the Hofstede cultural dimensions.

α: is the constant

β :The coefficient of the independent variables

Figure 21. Shows Illustration and summarize the objectives and methods of research:



Source: Author's own, 2021

Figure 21. Summary of objectives and methods of study

5. RESULTS AND DISCUSSION

In the previous chapter, it was shown the sample and data collection, measurement of variables, the model of the study also was constructed to measure the impact of corporate governance and culture on the corporate performance of Jordanian companies. This chapter presents the results of data analysis and discussion. Such as characteristics of the sample study (Demographic characteristics) of respondents, the Reliability test, the Normality test, Multicollinearity test to verify if there is an autocorrelation problem between variables. Descriptive statistics (frequencies, mean, and standard deviations). As well as Correlation test. Finally, it presents the results of Regression analysis and testing hypotheses.

5.1. Distribution and collection of the questionnaire

The researcher distributed the questionnaire to the sample study was included three different job positions (Managers, Heads of sections, employees) in the selected sample companies. (Appendix 4). The questionnaires were distributed to 105 companies and all the distributed questionnaires were retrieved 100% of the total number of the sample size. The recovered questionnaires were validated for the purposes of statistical analysis.

5.2. Reliability test

The reliability of the study tool (the questionnaire) was tested statistically by subjecting the questionnaire questions to a robust stability test using Cronbach's alpha. According to this test, the acceptable value for the reliability and stability of the questionnaire should not be less than 60% (SEKARAN 2012). Table 13 shows the results of the reliability of the instrument study.

Table 13. Reliability test

Variable	Cronbach's Alpha Coefficient
The reliability coefficient of the questions for (LPDI, HUAI, LTO, COLL, MAS, REST)	0.825
Low Power distance index LPDI; Long-term orientation LTO; Collectivism COLL; Masculinity MAS; Restraint REST; High Uncertainty avoidance Index HUAI	

Source: Author's survey

Table 13 shows that Cronbach's alpha is 0.825 more than the minimum percentage 60%. This means that the responses of the variables are reliable for data analysis.

5.3. Characteristics of the sample

This section presents the demographic characteristics of respondents where the population of study is the entire financial sector companies listed on Amman stock exchange ASE. The sample included 105 companies. Banks 16, Insurance 23, Diversified Financial Services 32 and Real Estate 34.

Sample valid responses

Table 14 presents the valid responses from each Sector, frequency, valid percentage, and cumulative percentage.

Table 14. Valid Responses Per Sector

Sector	Frequency	Valid Percentage	Cumulative Percentage	% Returned of expected Sample size
Banks	87	50.9	50.9	85%
Diversified financial	35	20.5	71.3	74%
Insurance	24	14.0	85.4	94%
Real Estate	25	14.6	100.0	73%
Total	171	100.0		

Source: Author's survey

As shown in Table 14, the valid responses are 171 formed 81% from the distributed questionnaires. As shown, the largest percentage is the number of respondents from Banks, where it has the largest number of employees.

Demographic characteristics of respondents

Table 15 presents the demographic characteristics of respondents in the financial sector.

Table 15. Demographic characteristics of respondents

Variable	available alternatives	Frequency	Percentage %
Career position	Manager	57	33.3
	Head of section	51	29.8
	Employee	63	36.8
	Total	**171**	**100.0**
Education Level	PHD	10	5.8
	MASTER	45	26.3
	BACLORE	112	65.5
	DEPLOMA	4	2.3
	Total	**171**	**100.0**
Specialization	Accounting	109	63.7
	Business Administration	22	12.9
	Economy	8	4.7
	Engineering	15	8.8
	Other	17	9.9
	Total	**171**	**100.0**
Functional degree	Private / First	53	31.0
	Second / third	37	21.6
	Fourth / Fifth	26	15.2
	Sixth / Seventh	10	5.8
	Other degree	45	26.3
	Total	**171**	**100.0**
Number of experience years	More than 10 years	113	66.1
	Between 5 and 10 years	32	18.7
	between 3 and 4 years	15	8.8
	Less than 3 years	11	6.4
	Total	**171**	**100.0**
Professional certificates obtained	CPA	7	4.1
	ACPA	6	3.5
	JCPA	17	9.9
	Other	7	4.1
	without	134	78.4
	Total	**171**	**100.0**
Gender	Male	139	81.3
	Female	32	18.7
	Total	**171**	**100.0**
Age	More than 50	44	25.7
	Between 30 to 50	99	57.9
	Less than 30	28	16.4
	Total	**171**	**100.0**

Source: Author's survey

Table 15 shows the demographic characteristics of respondents from the financial sector, First of all, the **career positions** of respondents show that the sample consisted of 57 managers with a percentage of 33.3%, 51 head of section with 29.8%, and 63 Employees with 36.8%. The table also indicates regarding **education level** that most of the respondents are holders of bachelor's degrees 112 with a percentage of 65.5% while about 26.3% and 5.8% of respondents have a master and doctorate degree respectively. As for the **scientific specializations** of the sample, the above table shows that they are concentrated in the field of accounting by 109 with a percentage of 63.7%, followed by the Business Administration 12.9%, Engineering 15%, Economy 8%, and lastly, 17% represents other specializations.

The above table also indicates the **functional degree**, it is notable that the number of respondents who hold a Private/First 53 with a percentage of 31% constituted the largest number of the sample, followed by the Second/third 37 with 21.6%, Fourth/Fifth 26 with 15.2%, Sixth/Seventh 10 with 5.8. And as for **practical experience**, the above table shows that the majority of the respondents are experienced, as the number of samples with experience of More than 10 years reached 113 with a percentage of 66.1%. Where experience of (Between 5 and 10 years) 32 with a percentage of 18.7%. Which enriches the answers of the questionnaire, as these employees have more work experience, this increases the credibility and accuracy of their answers to the questionnaire.

It is noted from above that the respondents have sufficient qualifications and experience, which enhances their ability to understand and assimilate to answer the questionnaire and thus increase the degree of reliability of these answers and the possibility of reliance on them to support the results of the study. On the other hand, it is noticed that there is a lack of a **professional certificate** such as (CPA, JCPA, CMA) as 78.4% of the respondents do not hold professional certificates. Regarding the **gender** it is notable that the majority of the respondents are male with the percentage of (81.3%) this indicates the Jordanian culture prefers to hire the male rather than the female. which means that there is discrimination against females and lack of opportunities to fill jobs in companies. Finally, it is notable that the **Age** majority of the respondents are between 30-50 are 99 with a percentage of 57.9% this indicates that the majority of Jordanian society is mostly youth people.

5.4. Normality test

The normality is an important test before starting the analysis data, to know if the data is distributed normally. Otherwise, it will lead to incorrect results. Therefore, if the normality assumptions meet the parametric testing has to be conducted (DAS - IMON 2016). Coefficients of skewness and kurtosis are one of the types of tests for normality (DAS - IMON 2016). Skewness measures the symmetry or asymmetry in the data (DAS - IMON 2016). The range of skewness to consider normal distribution is between -2 and +2 (GEORGE - MALLERY 2010, ANDY 2000).

Kurtosis measures the "tailedness" of the distribution. In other words, it is flatness or peakedness of distribution (DECARLO 1997), if the range of kurtosis is between ±2.58 the data is considered normal distribution (FIDELL ET AL. 2007). In the following Table 16 the Normality test of culture, corporate governance, and corporate performance.

Table 16. Skewness and Kurtosis test of Culture, corporate governance, and corporate performance variables

Variable	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
LPDI	-1.016	0.186	0.583	0.369
HPDI	1.393	0.186	1.572	0.369
LUAI	0.012	0.186	-0.374	0.369
HUAI	-1.049	0.186	1.012	0.369
LTO	-0.746	0.186	0.312	0.369
Individuality	0.637	0.186	-0.620	0.369
Collectivist	-0.631	0.186	0.817	0.369
FEM	0.406	0.186	-0.806	0.369
MAS	-0.564	0.186	-0.552	0.369
Indulgence	0.202	0.186	-0.987	0.369
Restraint	-0.214	0.186	-1.107	0.369
ACN	104	-0.193	0.237	-1.691
ACM	104	0.118	0.237	-1.688
GCN	104	1.097	0.237	-0.021
GCM	104	1.010	0.237	1.542
ITN	104	1.071	0.237	1.827
ITM	104	1.469	0.237	1.812
BON	104	0.460	0.237	-0.734
INDB	104	-1.810	0.237	1.366
NCEOD	104	1.753	0.237	1.127
LO	104	-0.231	0.237	-0.287
FO	104	1.445	0.237	1.381
GO	104	1.992	0.237	1.212
ROE	104	-0.279	0.237	0.057
ROA	104	-1.371	0.237	1.657

Source: Author's survey

As shown in the above Table, the skewness and the Kurtosis values of each cultural corporate governance and corporate performance variables fall within the range ±1.96, is ±2.58 which means that that data is normally distributed.

5.5. Descriptive Statistics Analysis

This section presents the descriptive analysis for the all variables (independent variables: culture HCL, corporate governance CG, and dependent variable corporate performance CP included (Minimum, Maximum, Means, and standard deviations). The descriptive analysis shown in Tables 17, 18 for culture variables and Table 19 for corporate governance, and corporate performance.

Descriptive Analysis of Culture variable

Table 17 presents the descriptive analysis of culture variables. The Likert scales is used from 1 to 5 to indicate the weight given by the respondent to the questions of the questionnaire:1 strongly disagree; 2 disagree; 3 neutral; 4 agree; 5 strongly agree, the average of responses is three.

Table 17. Descriptive Statistics of culture

Variable	Minimum	Maximum	Mean	Std. Deviation
LPDI	1.00	5.00	3.7193	.88501
HPDI	1.50	5.00	2.7690	.72660
LUAI	1.33	5.00	2.8460	.83176
HUAI	1.25	5.00	3.6988	.56680
LTO	1.00	5.00	3.7661	.91561
Individuality	1.00	5.00	2.6667	1.13241
Collectivist	1.67	5.00	4.0097	.67585
FEM	1.00	5.00	2.8947	1.13268
MAS	1.00	5.00	3.6023	1.08183
Indulgence	1.00	4.50	2.7047	.97870
Restraint	1.00	5.00	3.5439	1.09905

Source: Author's survey

As shown in Table 17, it is noted that the means of responses for each (Low Power Distance LPDI, High Uncertainty avoidance HUAI, Long term orientation LTO, Collectivism COLL, Masculinity MAS, and Restraint Rest are greater than the average (Three) in terms of (Agree and Strongly Agree). therefore it can be concluded that Jordan is characterized by LPDI, HUAI, LTO, COLL, MAS, and Rest culture. Where the biggest mean is 4 for Collectivism COLL. Therefore, it is concluded that the cultural dimensions that characterize Jordan are:

Cultural dimensions characteristics in Jordan	
Low Power Distance	LPDI
High Uncertainty avoidance	HUAI
Long term orientation	LTO
Collectivism	COLL
Masculinity	MAS
Restraint	Rest

According to the results of HUAI, COLL, and REST dimensions are similar to the Hofstede scores for Jordan, and (ALKAILANI 2012; SABRI 2012, AL-HARSH 2008, HALBOUNI ET AL. 2014; AFANEH ET AL. 2014). While, MAS, LPDI, LTO are not similar to Hofstede's scores for Jordan where Jordan is moderate Feminine FEM, HPDI, and short-term orientation. But this results consistent with (ALKAILANI 2012; SABRI 2012) regarding MAS, LPDI. And consistent with (AL-HARSH 2008) regarding MAS.

Looking at these results, it is included some explanations and perceptions. Firstly, Jordan is **(LPDI)** culture, this means that people don't accept a hierarchical arrangement that reflects the equalities in organizations, and there is no decentralization. Also, LPDI cultures Take into account flexibility and caution (HOFSTEDE 2005). This result was confirmed by (ALKAILANI 2012; SABRI 2012) but inconsistent with (AL-HARSH 2008). Furthermore, in LPDI cultures the people feel younger and strong and people do not care about power (ALKAILANI ET AL. 2012). This is clear in the Jordanian society where most of them are young where the median age is (23.8) in 2020. This was confirmed by (ALKAILANI ET AL. 2012; SABRI 2012) that indicated young employees are characterized by the ability to disagree with their bosses, and their opinion is taken in decisions. Further, (HOFSTEDE 2005) indicated that education impact on power distance and it is notable that the education in Jordan is a high degree. This confirmed by the USAID agency that the education system in Jordan is considered the best one of Arab systems. Where large amounts are spent on education in Jordan, at a rate of 13% of the government budget (Ministry of Finance, 2019). In addition, Jordanian workers are characterized by skillful and well-educated. In addition to the experience that has been gained through the work outside Jordan. And over (HOFSTEDE 2005) indicated that the HPD cultures have unskillful workers and this contradicts what it is in Jordan recently. Thus, these reasons may explain that Jordan has LPDI culture that found in this research.

Secondly, Jordan is a **Masculinity** culture this means there is huge discrimination between males and females. People focus on achievement and they care about success and men tend to be insistent. These results are consistent with (AFANEH ET AL. 2014; SABRI 2012; AL-HARSH 2008). In other words, Jordan prefers to give a role to males at the expense of females, this result is confirmed by (ALRASHEED 1994). It is noted that there has been an improvement in the gender inequality index over the past years in Jordan. However, there is little interest in women's participation in work, and this indicates the existence of social and cultural burdens facing women. These facts are consistent with some of the results of statistics issued by the Department of General Statistics, where although the results showed that the number of males formed 50.6% from society compared to a percentage 49.4% of females in 2020, which means that they are close proportions, However, the percentage of males employed reached a percentage of 85% versus 15% of females, which means that there is discrimination against females and a lack of opportunities to fill jobs in companies. These reasons may explain that Jordan has MAS culture that found in this research.

Thirdly, Jordan culture found **long-term orientation**, this means that Jordan's society is tends to plan for the future. Depending on traditions, tending for saving and be interested in investment (HOFSTEDE 2011). This result is inconsistent with HOFSTEDE (1980, 1997) where the Arab countries were classified as a short-term orientation. As mentioned before that the Jordan culture is LPDI that Jordanians are a youthful community and they participate in decision making. Besides Jordan has a high-level education among Arab countries. This may lead them to tend to achieve the targets carefully. And over, Jordanian society promotes healthy and strong growth, and focuses efforts on modern education as a way to prepare for the future. Furthermore, (AL-QUDAH ET AL. 2020) found that some Jordanian companies are applying strategic planning and there is a positive correlation between strategic planning and organizational performance. Moreover, (SAWALHA 2011) found that 80% of companies in the banking, insurance, industry, and services sectors implement strategic planning. These reasons may explain that Jordan has LTO culture that found in this research.

It can be concluded that Jordan is considered a new version as a developing culture, since culture is considered as a social phenomenon that could be adapted toward the needs of the individual (mental, physical) (AFANEH ET AL. 2014). This was confirmed by (ALKAILANI - KUMAR 2016) that Jordan is interested as one of the developing countries in rebuilding itself and in establishing an internal culture to enter the world of competition. More importantly, SABRI 2012) pointed out that (BERGER - LUCKMAN 1966) argued that people may be exposed to unconventional sources of intellectual brainwashing or upbringing Social that may influence their traditions. These reasons can explain the new results of this study regarding LPDI and LTO.

Further, From the results above, Jordan is **HUAI** society, where people care to shape their life and rules, they have faith in experts and efficiency, and people-oriented to prepare, this due to they believe there is no more chance to order to face the problems (ALKAILANI ET AL. 2012). Furthermore, people reserve inelastic codes of belief and behavior, and are biased toward unconventional behavior. Furthermore, people work hard and tend to be busy, precision in time is the norm, and people may struggle the innovation. This is confirmed by (SABRI 2012) who indicated that the managers in Jordan tend to prefer HUAI to save the company during the unstable time. Where instructions are put in place to handle ambiguity and evade unwanted actions. However, the respondents 'answers, revealed that the Jordanian culture tends to LUAI, where the mean of LUAI is 2.8. This is confirmed by (ALKAILANI ET AL. 2016).

Jordan is a **collectivist** this is confirmed by (AL-HARSH 2008, SABRI 2012, ALKAILANI ET AL. 2012, HALBOUNI ET AL. 2014, AFANEH ET AL. 2014), and Hofstede's findings. Where the individual belongs to and is loyal to a "group". Besides the family relationship between the employee and his manager. And the great loyalty to jobs, As a result of the employers attempt to protect them.

Finally, Jordan has a **Restraint** culture, where controlling the satisfaction of needs and constrained it through social norms (HOFSTEDE 2010). In other words, the restraint society cancels meeting needs and cares about strict social standards (OLIVEIRA 2016). In addition, tend to be pessimistic. This is evident in the HUAI orientation where the people prefer the current situation and don't want to challenge the unknown. Furthermore, people do not care about leisure time and control their satisfaction. However, this may due to that their actions are constrained by their norms and customs. This result is consistent with World Happiness Report Index that showed that Jordan retreated to the 90th position globally, and 10th in the Arab world, compared to the previous period. In following Table 18 presents the descriptive analysis of culture per sector.

Table 18. Descriptive Statistics of culture per sector

Sector		LPDI	LTO	COLL	MAS	Rest	HUAI
Banks	Mean	3.7356	3.8678	3.9885	3.7241	3.3391	3.6236
	Std. Deviation	.89520	.92120	.70151	1.03080	1.10626	.61930
Diversified	Mean	3.7071	3.6786	3.9905	3.3429	3.8714	3.8286
	Std. Deviation	.85209	.79190	.72979	1.08310	.82554	.43628
Insurance	Mean	3.5938	3.7292	4.1667	3.6667	3.7083	3.9271
	Std. Deviation	1.0601	1.0857	.59790	1.20386	1.05209	.34166
Real Estate	Mean	3.8000	3.5700	3.9600	3.4800	2.7200	3.5600
	Std. Deviation	.73951	.88835	.58784	1.12250	1.10943	.63443
Total	Mean	3.7193	3.7661	4.0097	3.6023	3.4094	3.6988
	Std. Deviation	.88501	.91561	.67585	1.08183	1.09905	.56680

Source: Author’s survey

As shown in Table 18, all the means of responses per sector are greater than the average Three with values excess on 3.5 in terms of agree and strongly agree. Regarding LPDI the largest mean is 3.8 that related to real estate sector. While the lowest mean related to insurance sector 3.59 with the largest standard deviation 1.06, which means that the responses of insurance sector are the largest dispersion from other sectors.

Regarding LTO the largest mean is 3.86 that related to bank sector. While the lowest mean related to real estate sector 3.57. The largest standard deviation 1.085 related to insurance sector which means that the responses of insurance sector are the largest dispersion from other sectors. Regarding COLL It is clear that the means of collectivism dimension in all sectors is close to 4, which means that this dimension constitutes the most important dimension among the other dimensions. Where the largest mean is 4.16 that related to insurance sector. Regarding MAS the largest mean is 3.72 that related to bank sector. The standard deviations from the mean for the four sectors are around 1. The largest standard deviation 1.20 related to insurance sector which means that the responses of insurance sector are the largest dispersion from other sectors.

Regarding Rest the largest mean is 3.87 that related to diversified sector. While the lowest mean is 2.7 that related to real estate sector with 2.7 less than the average 3. This means that their responses are against the restraint dimension. But even this the overall average is still above the average of responses that is 3. The largest standard deviation 1.109 related to real estate sector which means that the responses of this sector are the largest dispersion from other sectors. Regarding HUAI the largest mean is 3.92 that related to insurance sector. While the lowest mean is 3.56 related to real estate sector. The standard deviations from mean for the four sectors for this dimension are less than 1 with average 0.56 which means that the responses of this dimension have the lowest dispersion for all sectors.

In summary, MAS and LTO posted the largest mean in the banks. While LPDI posted the largest mean in the real estate sector, REST recorded the largest mean in the diversified financial services. As for COLL and HUAI, posted the largest mean in the insurance sector. It is notable that the COLL dimension posted the largest mean in the four sectors.

Descriptive Analysis of corporate governance and corporate performance

Table 19 below presents the descriptive statistics of the DV (CP) and the IV (CG) for the financial sectors. The Descriptive Statistics of CG, ROE, ROA per sector in Appendix 7.

Table 19. Descriptive Analysis of corporate governance and corporate performance

Variable	N	Minimum	Maximum	Mean	Std. Deviation
ACN	624	.000	1.000	.69872	.459183
ACM	624	.000	1.000	.58494	.493128
GCN	624	.000	1.000	.40224	.490744
GCM	624	.000	1.000	.18109	.385401
ITN	624	.000	1.000	.06250	.242256
ITM	624	.000	1.000	.02083	.142941
BON	624	4.000	13.000	7.82212	2.264690
INDB	624	.000	1.000	.90239	.132469
NCEOD	624	.000	1.000	.90705	.290593
LO	624	.000	1.000	.60051	.204178
FO	624	.000	.859	.03248	.088682
GO	624	.000	.056	.00049	.004042
ROE	624	-.771	.657	.01202	.121769
ROA	624	-.541	.407	-.00014	.064140

Source: Author's own, 2021

- **Corporate performance**

As shown in table 19, in general, the minimum ROE is -77.1% and the maximum 65.7% with mean 1.2% for all sample. Where the ROE of banks, diversified financial services, insurance, and real estate on average 9%, -1.5%, 3.3%, -1.4% respectively. It is notable that the bank sector is recorded as the biggest ROE. Regarding the ROA, in general, the minimum -54.1% and the maximum is 40.7% with mean -0.014% for all sample. Where the ROA of banks, diversified financial services, insurance, and real estate on average 1.1%, -1.3%, 1.5%, -0.35% respectively. It is notable that the bank and the insurance have a positive ROA.

- **Corporate governance variable**

The above table shows the statistics for CG variables, regarding Audit Committee members **ACN** and, Audit Committee meetings **ACM**, in general, the results show that on average 69.87%, 58.49% of the companies in the financial sector are committed to rules and the requirements of the Corporate Governance Code 2009 and the Corporate Governance Instructions for the listed companies 2017. Where the banks, diversified financial services, insurance, and real estate are committed on average 98%, 58%, 97%, 47% respectively for ACN, and 98%, 38%, 94%, 33% respectively for ACM (see appendix 7). Where the codes stipulated that the Audit Committee must consist of non-executive board members of no less than three and the audit committee must meet periodically not less than four meetings per year. Therefore, it is notable that most of the banking and insurance companies are committed to the rules while a large number of diversified financial services and real estate are not committed to the rules.

Regarding Governance Committee Members **GCN** and Governance Committee Meetings **GCM** the results show that on average 40.22%, 18.10% of the companies in the financial sector are committed to the requirements of the Corporate Governance Code mentioned above. Where the banks, diversified financial services, insurance, and real estate are committed on average 96.87%, 34.37%, 28.26%, 26.77% respectively for GCN, and 48.95%, 10.417%, 15.94%, 12.12% respectively for GCM. Where the codes stipulated that the Governance Committee must consist of non-executive members of no less than three, the Governance committee must meet periodically, not less than two meetings per year. It is notable that most of the banking is committed to the rules regarding the GCN. While a large number of insurance, diversified financial services, and real estate companies are not committed to the rules. Furthermore, most of the sectors are not committed to the rules regarding the GCM. For IT Committee members **ITN,** and IT Committee meetings **ITM** the results show that on average 6%, 2% of the companies in the financial sector are committed to the requirements of the Corporate Governance Code mentioned above. Where the banks, diversified financial services, insurance, and real estate are committed on average 37.5%, 0.00%, 2.17%, 0.00% respectively for ITN, and 12.5%, 0.00%, 7.25, 0.00% respectively for ITM. Where the provisions of Article (7) of the Information and Technology Governance Instructions stipulated that the Board must form an Information Technology Committee of 3 members and this committee must meet on a quarterly basis. It is notable that the bank sector has the biggest mean following by the insurance sector with a low mean, while the diversified financial services and real estate sectors are not committed to this rule. Therefore, it is notable that all sectors are not committed to the rules of ITN and ITM except the banking sectors with a slight commit. The reason for non-compliance by these sectors with the instructions of this committee may be due that these instructions were recently implemented and are not binding, and that the government focused on applying these instructions in banks rather than other sectors. This requires that this committee must be given attention in the other sectors in the future.

From the foregoing, it may be inferred that in recent years there is no interest in holding frequent meetings of committees, especially in the diversified financial services the real estate sectors, and this may negatively affect the mission of BOD during the implementation of their tasks. Whereas, these committees may provide some useful recommendations to BOD that contribute to improving the company's conditions. This requires that the frequent meetings of committees must be given attention in the financial sector in the future. Furthermore, the above table shows the statistics for board size **BON**, in general, the results show that the mean board size is 7 members, the minimum is 4 and the maximum is 13 for the overall sample of the financial sectors. This result indicates that the companies of the financial sector somewhat are committed to the requirements of the CG Code, Where the banks, diversified financial services, insurance, and real estate are committed on average 10, 6, 8, 6 members respectively. Where the codes stipulated that the BOD of the bank must have at least 11 members and for the insurance sector must be formed of no less than seven members, and for the diversified financial services the real estate sectors the BOD members shall not be less than 5 persons and not more than 13. It is notable that most of the banking and insurance sectors are committed to the rules regarding the BON. While the diversified financial services, and real estate companies are not committed to the rules of the required limit 5. Where the minimum of BON is 4 in some companies.

Regarding Board Independence **INDB** in general the results show that on average 90% of the companies in the financial sector are committed to the requirements of the Corporate Governance Code mentioned above. Where the banks, diversified financial services, insurance, and real estate are committed on average 99%, 86%, 93%, 87% respectively. Where the codes stipulated that at least one-third of the BOD must be independent members. It is notable that the BOD in the banking and insurance sector is more independent than the diversified financial services, and real estate companies. However, the recent percentage of the non-executive members in the financial sector particularly in the banking and insurance sector is increased compared with the percentage in Jordanian companies in the previous years 24% (MARASHDEH 2014), and it is bigger compared to other countries (e. g. 37% in Egyptian companies (MOHAMED ET AL. 2013); 47% in South African companies (MEYER, DE WET ET AL. 2013; 58% in Indian companies (MOHAN - CHANDRAMOHAN 2018). According to (OECD, 2004) the BOD should include non-executive members. Which mean more independent board and guarantee shareholders 'rights, and reducing the agency problems, besides maximizing the fortune of shareholders (MARASHDEH 2014, MAHER - ANDERSSON 2000, HARFORD ET AL. 2008, CORNETT ET AL. 2008).

According to Non-CEO duality **NCEOD** in general, the results show that on average 91% of the companies in the financial sector are committed to the requirements of the Corporate Governance Code mentioned above. Where the banks, diversified financial services, insurance, and real estate are committed on average 95.83%, 91.14%, 100%, 81.31% respectively. Where the codes stipulated that it is not permissible to combine between the position of Chairman and any other executive position in the Company. This means that the Chairman has power on the board. Furthermore, these results indicated that the Jordanian companies transfer from family businesses where the chairman was the same CEO where the previous studies indicated that the Jordanian companies were characterized by family-owned businesses (MARASHDEH 2014). Furthermore, it is notable that the NCEOD in the insurance sector is completely committed to the rules than banking, diversified financial services, and real estate companies. However, the recent percentage of NCEOD in the financial sector particularly in the insurance sector is better comparing with the percentage in Jordanian companies in the previous years (CEO duality 66%, (MARASHDEH 2014); Non-CEO duality 76% in the banking sector (AL-MANASEER ET AL. 2012). Further, it is better compared to other countries e. g. CEO duality with 78% in Indian companies (MOHAN - CHANDRAMOHAN 2018); Non-CEO duality 34% in Egyptian companies (MOHAMED ET AL. 2013).

Largest OWS (**LO**) was measured by all the ownership ratios that are owned by shareholders who own 5% or more. In general, the results show that the mean of LO is 60% of the companies in the financial sector. This indicates that the OWS of most companies in the study sample consists of major shareholders who own 5% or more of their shares. Where the banks, diversified financial services, insurance, and real estate register 65%, 56%, 68%, 56% respectively. Where the maximum value is 100%, which was represented by the sector banks, and the minimum value is 0.00, which was recorded in diversified financial service and real estate sectors. The recent percentage of LO is larger than the percentage in Jordanian companies in the previous years where the LO was 43% (MARASHDEH 2014). Therefore, it is inferred that the OWS of most Jordanian companies is concentrated in the hands of major shareholders and the small investors do not constitute a large weight in these companies. Furthermore, it is notable a low percentage for government OWS **GO** on average where the mean is 0.05% of the companies in the financial sector. Where the banks, diversified financial services, insurance and real estate are register 0.23%, 0.012%, 0.036%, 0.007% respectively. The recent percentage of GO is lower than the percentage in Jordanian companies in the previous years where the GO was 8% (MARASHDEH 2014). This indicates that the government does not invest in private sector companies and gives the priority to the private sector for investment and management of the financial sector companies. This is in line with Jordan's orientation to privatize companies inside Jordan since the 1990s, in line with global trends.

It is notable a low percentage for foreign ownership **FO** on average where the mean is 3% of the companies in the financial sector. Where the banks, diversified financial services, insurance, and real estate register 6%, 0.9%, 5%, 2% respectively. Where the maximum value is 85.9% which was represented by the Euro Arab insurance group company in the insurance sector, and the minimum value is 0.00 for all the sectors. The recent percentage of FO is lower than the percentage in Jordanian companies in the previous years where the FO was 7% (MARASHDEH 2014). This indicates that the proportion of investment in Jordanian financial sector companies is declining, which means that the foreign investor is not attracted to investment in Jordan, which requires the Jordanian government to pay attention to encouraging and stimulating foreign investment.

5.6. Frequencies of Culture questions

This section presents the frequencies of the sub-questions for each dimension of the culture (Appendix 6). The Likert scales is used from 1 to 5 to indicate the weight given by the respondent to the questions of the questionnaire: 1 strongly disagree; 2 disagree; 3 neutral; 4 agree; 5 strongly agree.

1. Frequencies of power distance index PDI

Table 20 presents frequencies of the first culture dimension power distance PDI Questions1-8.

Table 20. Frequencies of power distance PDI

Q. No.	Question	1	2	3	4	5
LPDI						
Q1	The management gives me flexibility in decision-making.	5	21	17	98	30
Q2	The management gives me more independence	5	23	22	98	23
Q3	The management gives me a greater mandate in the powers	6	19	37	89	20
Q4	I can discuss my officials easily about my work	2	15	25	83	46
HPDI						
Q5	I cannot make decisions without consulting the administrator / direct manager.	5	48	93	11	14
Q6	I feel that there is a divergence in the administrative centres between the employee and the official	7	68	76	9	11
Q7	The Management exercises control over the activities and organization work.	3	46	98	16	8
Q8	The management does not give confidence and independence to others.	12	81	51	17	10

Source: author's survey

- **Low power distance LPDI**

Table 20 shows that the majority of the respondents' answers agreed that "the management gives the flexibility in decision-making" with frequencies 98 of agree while 30 respondents strongly agree. Furthermore, there are 98, 23 respondents among agree and strongly agree that “the management gives more independence”, while there are 23 respondents are disagree. 89 respondents agree that “the management gives a greater mandate in the powers”. While there are 37 respondents recorded a neutral response. The fourth question "I can discuss my officials easily about my work" recorded the bigger frequencies among the sub-questions of LPDI with 129 frequencies distributed between 83, 46 among agree and strongly agree.

- **High power distance HPDI**

Table 20 shows that the respondents' answers recorded that “I cannot make decisions without consulting the administrator / direct manager” with frequencies 93 of neutral. While 48 respondents disagree. Furthermore, there are 76, 68 respondents among neutral and disagree that “I feel that there is a divergence in the administrative centers between the employee and the official”. 98 respondents are recorded neutral responses with 46 disagree that “the Management exercises control over the activities and organization work”. The important note is the majority of the respondents' answers recorded disagree with the largest frequencies 81 of disagree that “the management does not give confidence and independence to others”.

2. Frequencies of Uncertainty avoidance UAI

Table 21 presents frequencies of the second culture dimension uncertainty avoidance UAI Questions 8-15.

Table 21. Frequencies of Uncertainty avoidance UAI

Q. No.	Question	1	2	3	4	5
HUAI						
Q9	There are working rules and written procedures within my organization.	1	3	16	85	66
Q10	I prefer the current/existing situation and don't want to challenge the unknown.	2	3	81	62	23
Q11	My organization rejects ideas and suggestions submitted by employees.	2	4	103	43	19
Q12	Management within my organization don't care about time and time management.	2	5	88	51	25
LUAI						
Q13	The employees within my organization have a spirit of adventure and risk-taking.	11	61	50	37	12
Q14	My organization applies the ideas and suggestions submitted by the employees.	12	70	41	38	10
Q15	I have the ability to deal with everything new and unknown.	18	58	48	21	26

Source: author’s survey

- **High Uncertainty avoidance HUAI**

As shown in Table 21, most of the respondents recorded the largest frequencies with 151 Responses distributed between 85, 66 among agree and strongly agree that “there are working rules and written procedures within my organization”. While 62, 23 respondents agree and strongly agree regarding “I prefer the current/existing situation and don't want to challenge the unknown”. On the other hand 81 respondents recorded neutral responses. 103 respondents recorded neutral that “My organization rejects ideas and suggestions submitted by employees”. While there are 43, 19 respondents agree and strongly agree. Further, 51, 25 responses agree and strongly agree that “management within my organization doesn't care about time and time management”. While 88 respondents were neutral.

- **Low Uncertainty avoidance LUAI**

Table 21 shows that the majority of respondents recorded neutral, disagree, and strongly disagree for the questions of LUAI, where there are 61, 11 among disagree and strongly disagree that "the employees within my organization have a spirit of adventure and risk-taking, while 41 respondents recorded neutral responses. Furthermore, 70, 12 respondents disagree ad strongly disagree that My organization applies the ideas and suggestions submitted by the employees while 41 respondents recorded neutral responses. In the same line, the 58, 18 respondents disagree and strongly disagree that "I have the ability to deal with everything new and unknown", while 48 respondents' recorded neutral responses.

3. Frequencies of Long-term orientation LTO

Table 22 presents frequencies of the third culture dimension Long-term orientation LTO Questions 16-19.

Table 22. Frequencies of Long-term orientation LTO

Q. No.	Question	1	2	3	4	5
Q16	My organization has strategic and long-term planning programs	10	30	17	69	45
Q17	The company strives to work hard for future success.	7	15	17	82	50
Q18	The company is working to create a kind of stability in the work environment	10	25	23	80	33
Q19	The company constantly strives to save money.	2	17	19	84	49

Source: author's survey

Table 22 shows that the majority of the respondent's Consensus that the Jordanian culture are a long-term orientation, and this is evident in the respondents 'answers, agree and strongly agree of the questions, where 69, 45 respondents among agree and strongly agree that "My organization has strategic and long-term planning programs". In the same line, they recorded 82, 50 respondents among agree and strongly agree that "The company strives to work hard for future success". Further, 80, 33 respondents agree and strongly agree that "The Company is working to create a kind of stability in the work environment". And over there are 84, 49 respondents among agree and strongly agree that "The company constantly strives to save money".

4. Frequencies of Individualism vs. Collectivism IDV

Table 23 presents frequencies of the Fourth culture dimension Individualism vs. Collectivism IDV Questions 20-23.

Table 23. Frequencies of Individualism vs. Collectivism IDV

Q. No.	Question	1	2	3	4	5
Collectivism						
Q20	I prefer teamwork that does not require isolation and solitude.	0	8	13	97	53
Q21	I prefer teamwork that requires social relationships.	0	11	23	87	50
Q22	The organization encourages employees within my organization to work in one team.	4	9	40	72	46
Individualism						
Q23	I prefer individual work more than teamwork.	16	85	24	32	14

Source: author's survey

Table 23 shows that the majority of the respondent's Consensus that the Jordanian culture are collectivism, and this is evident in the overwhelming majority of the respondents' answers among agree and strongly agree of the questions, where 150 responses distributed between 97, 53 among agree and strongly agree that “I prefer teamwork that does not require isolation and solitude”. In the same line there are 87, 50 responses among agree and strongly agree that “I prefer teamwork that requires social relationships”. And over there are 72, 46 responses among agree and strongly agree that “the organization encourages employees within my organization to work in one team”. On the other hand, the majority of respondents are not preferred individual work with 85 disagree responses.

5. Frequencies of Masculinity vs. Femininity MAS

Table 24 presents frequencies of the fifth culture dimension Masculinity vs. Femininity MAS Questions 24-25.

Table 24. Frequencies of Masculinity vs. Femininity MAS

Q. No.	Question	1	2	3	4	5
Femininity						
Q24	Organization and management give women greater roles in the areas of senior leadership.	11	67	41	33	19
Masculinity						
Q25	Organization and management give women fewer roles in the areas of senior leadership and control.	5	30	27	75	34

Source: author’s survey

Table 24 shows that the majority of the respondent's Consensus that the Jordanian culture is trended to be Masculine, and this is evident in the overwhelming majority of the respondents' answers among agree and strongly agree of the questions, where 109 responses distributed between 75, 34 among agree and strongly agree that “Organization and management give women fewer roles in the areas of senior leadership and control”. On the other hand, there are 78 responses distributed between 67, 11 among disagree and strongly disagree, besides 41 neutral responses that “Organization and management give women greater roles in the areas of senior leadership and control”.

6. Frequencies of Indulgence vs. Restraint IND

Table 25 presents frequencies of the sixth culture dimension Indulgence vs. Restraint IND Questions 26-29.

Table 25. Frequencies of Indulgence vs. Restraint IND

Q. No.	Question	1	2	3	4	5
Indulgence						
Q26	The workplace environment allows staff to have some breaks to meet and satisfy human needs	16	70	21	58	6
Q27	The workplace environment allows staff time to have activities and events that allow the employee to have the gratification of basic and natural human desires related to enjoying life and having fun	21	73	34	40	3
Restraint						
Q28	The workplace environment does not allow staff to have some breaks to meet and satisfy human needs	4	42	24	70	31
Q29	The workplace environment does not allow the staff to have the gratification of basic and natural human desires related to enjoying life and having fun	3	34	28	68	38

Source: author’s survey

Table 25 shows that the majority of the respondent's agreed that the Jordanian culture is trended to be restraint, where 101 responses distributed between 70, 31 respondents among agree and strongly agree that "The workplace environment does not allow staff to have some breaks to meet and satisfy human needs". Furthermore, there are 106 responses distributed between 68, 38 among agree and strongly agree that "The workplace environment sometimes does not allow employee to have the gratification of basic and natural human desires related to enjoying life. While, there are 86 responses distributed between 70, 16 among disagree and strongly disagree that "the workplace environment allows staff to have some breaks to meet and satisfy human needs". And over 94 responses distributed between 73, 21 among disagree and strongly disagree that "The workplace environment allows staff sometimes to have activities and events that allow the employee to have the gratification of basic and natural human desires related to enjoying life.

5.7. Pearson correlation test

A correlation test was conducted to identify the existence of a correlation between the variables. The study uses the Pearson correlation coefficient. Where the Pearson correlation coefficient ranges between ±1 if the value is -1 mean there is a negative linear relationship and if the value is 1 mean there is a positive linear relationship. If the coefficient value is lower than 0.75 (modest correlation) this means there is no problem (OLIVEIRA 2016). The results of the Pearson coefficient between the variables show that the coefficient value of each variable is lower than 0.75 (modest correlation) which means there is no problem. Where the highest coefficients are LDPI and GCM with 0.230, LTO and GCM with 0.223, Rest and NCEOD with 0.229, REST, and LO with 0.265.

5.8. Regression Analysis and Testing hypotheses

This section covers the empirical results of Models of the study and testing the hypotheses to determine the impact of each predictor HCL, CG on the dependent variable CP. Regression analysis was used to investigate the impact of CG and culture HCL on CP in the Jordan context. For this purpose, the study uses the following models that was constructed before in Chapter 4.

The First Model M1: Measures the individual impact of corporate governance CG on corporate performance CP that presented in section 5.8.1. M1 covers the first main hypothesis **H01**. ROE, ROA were tested in two separate models. The sub-hypotheses of first main hypothesis as follows:

- **$H_0$1**: There is no significant relationship between corporate governance CG and corporate performance CP in Jordan context
  - **$H_0$1a**: There is no significant relationship between corporate governance CG and ROE in Jordan context
  - **$H_0$1b**: There is no significant relationship between corporate governance CG and ROA in Jordan context

$$CP = \alpha + \beta 1\ (ACN) + \beta 2(ACM) + \beta 3(GCN) + \beta 4(GCM) + \beta 5(ITN) + \beta 6(ITM)+ \beta 7\ (BON)+ \beta 8(INDB) + \beta 9(NCEOD) + \beta 10(LO) + \beta 11(FO) + \beta 12\ (GO) +\epsilon$$

The Second Model M2: Measures the individual impact of Hofstede's cultural dimensions HCL on corporate performance CP without the presence of corporate governance CG that presented in section 5.8.2. M2 covers the second main hypothesis **H02**. ROE, ROA were tested in two separate models. The sub-hypotheses of second main hypothesis as follows:

- **H02**: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP in Jordan context
- **H02a:** There is no significant relationship between Hofstede's cultural dimensions HCL and ROE in Jordan context
- **H02b:** There is no significant relationship between Hofstede's cultural dimensions HCL and ROA in Jordan context

$$CP = \alpha + \beta 1(LPDI) + \beta 2(LTO) + \beta 3\ (COLL) + \beta 4(MAS) + \beta 5\ (REST) + \beta 6\ (HUAI)+ \epsilon$$

The Third Model M3: Measures the impact of Hofstede's cultural dimensions HCL with the presence of corporate governance CG on corporate performance CP that presented in section 5.8.3. M3 covers the tested hypothesis **H03**. ROE, ROA were tested in two separate models. The third sub-hypotheses as follows:

- **H03**: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP with the presence of corporate governance CG in Jordan context
- **H03a:** There is no significant relationship between Hofstede's cultural dimensions HCL and ROE with the presence of corporate governance CG in Jordan context
- **H03b:** There is no significant relationship between Hofstede's cultural dimensions HCL and ROA with the presence of corporate governance CG in Jordan context

$CP = \alpha + \beta1(ACN) + \beta2(ACM) + \beta3(GCN) + \beta4(GCM) + \beta5(ITN) + \beta6(ITM)+ \beta7\ (BON)+ \beta8(INDB) + \beta9(NCEOD) + \beta10(LO)+ \beta11(FO)+ \beta12(GO)+ \beta13(LPDI)+ \beta14(LTO) + \beta15(COLL) + \beta16(MAS) + \beta17(REST) + \beta18(HUAI)+ €$

The Fourth Model M4: Measures the impact of interaction between the CG and HCL CG*HCL on the CP, that represented in section 5.8.4. M4 covers the fourth main hypothesis **H04**. ROE, ROA were tested in two separate models. The sub-hypotheses off the fourth main hypothesis as follows:

- **H04**: There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and corporate performance CP in Jordan context
- **H04a**: There is no significant relationship between interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and ROE in Jordan context
- **H04b**: There is no significant relationship between interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and ROA in Jordan context

$CP = \alpha +\beta1\ (CG) + \beta2\ (HCL) + \beta3\ (GC*HCL) + €$

Following Table 26 summarizes the models of study. And Figure 22 shows the flowchart of data analysis

Table 26 Models of study

Model	Measures	Equation
Model 1	Measure impact of CG on CP	CP = α + CG +€
Model 2	Measure impact of HCL on CP	CP = α + HCL +€
Model 3	Measure impact of CG and HCL on CP	CP = α +CG+HCL+€
Model 4	Measure impact of (CG*HCL) on CP	CP =α +CG+ HCL+ GC*HCL+ €

Source: Author's own, 2021

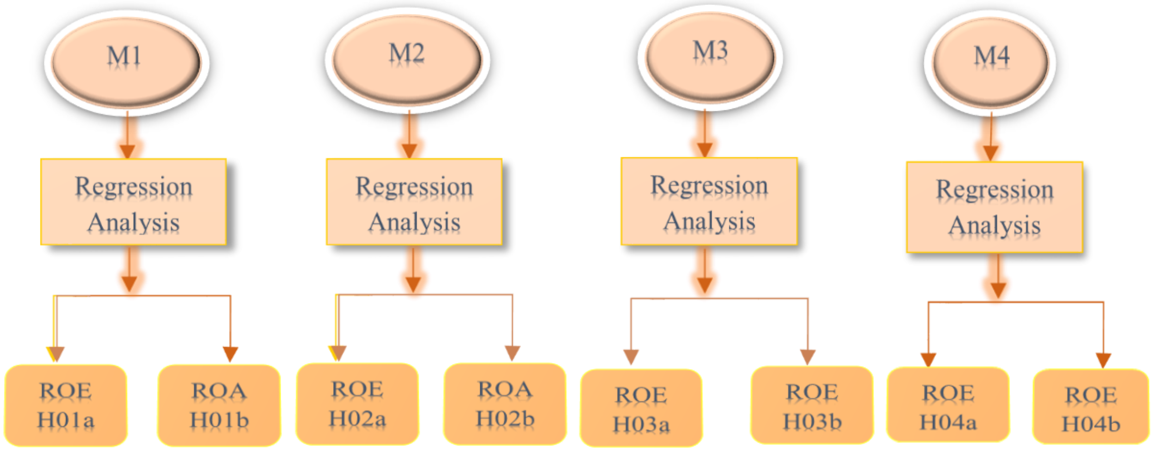


Figure 22. Flowchart of Data analysis of models
Source: Author's own, 2021

First of all the researcher highlighted the important explanations regarding the outputs of the model

The results of model regression are presented separately into 4 sections according to research questions, to facilitate the understanding of findings (CG and CP; HCL and CP; CG, HCL and CP; the interaction of CG and HCL, and CP). (The original tables of the regression models are presented in appendices). Each regression model shows first the model of summary of R, R^2, besides the Durbin-Watson. Second, the F ratio in ANOVA test that defines the fitting of the regression model (a good fit for the data). Thirdly, The unstandardized coefficients B and (t, Sig) of each predictor variable. The unstandardized coefficient B indicates how much change in (dependent variable) (the amount is B) is predicted to occur per unit change in that independent variable when all other predictors (IVs) are held constant. Sig. (P-value) for each predictor used to test hypotheses. P-value expresses the level of statistical significance, if the p-value < 0.1 this means statistically significant that leads to rejecting the null hypothesis and accepting the alternative hypothesis. The developed hypotheses were tested by using Sig. (P-value) for each predictor. The study adopted four main hypotheses, each main hypothesis contains sub-hypotheses according to the dimensions of each variable. The results have been adopted at a significant level of 0.1, compatibility with some studies that adopted this level in their results.

To validate the empirical results, the researcher conducted some robustness tests

The value of Durbin-Watson was calculated to identify the existence of autocorrelation between variables of the model that can be effected on the precision of the results, in other words, the variable should be Independence. The value of Durbin-Watson ranges between 0-4, whenever the value is closer to 2, this means there is no autocorrelation; if the value is closer to 0 this means there is a positive autocorrelation, while if the value is closer to 4, this means a negative autocorrelation. The multicollinearity test was conducted within each model, which is known as the phenomenon of (Multicollinearity), if the values of (Tolerance) are close to 0 and the values of VIF is close to 10 then there is a problem with correlation (NETER ET AL. 1996; HAIR ET AL. 1995). According to (RINGLE ET AL. 2015) the maximum level of VIF is 5. The multicollinearity test was conducted within each model of regression and before. The VIF test results were shown in the original tables of regression models in appendices, the maximum VIF is less than 5 the maximum level of VIF. Therefore, there are no multicollinearity problems. When conducted the interaction between the CG and HCL, the multicollinearity problems have been eliminated to avoid any high correlation between the CG and HCL by centering the variables (modification of the variables relative to their mean) following (OLIVEIRA 2016) and the methodology adopted by (CRONBACH 1987). Regarding the cultural dimensions that were included in the regression models are the cultural dimensions that characterize Jordan which were deduced from the questionnaire answers. Therefore, the cultural dimensions that were adopted in the models are: Low Power Distance LPDI; High Uncertainty avoidance HUAI; Long term orientation LTO; Collectivism COLL; Masculinity MAS, Restraint REST. Finally, to facilitate the presentation of the research results, the discussion of the results was presented directly after each model according to their arranged in the research, and according to the research questions.

5.8.1. The Regression analysis results of Model 1 the individual impact of corporate governance CG on the corporate performance ROE - ROA

Table 27 presents Regression analysis results of Model 1 the individual impact CG on corporate performance ROE and ROA. This model covers the first main hypothesis $\mathbf{H_01}$. ROE, ROA were tested in two separate models. This hypothesis constitutes of two sub-main hypotheses (H01a, H01b) for ROE, ROA, each hypothesis includes sub-hypotheses for each CG dimensions. H01a is presented in section 1, and H01b is presented in section 2.

Table 27. The Regression analysis results of Model 1 the individual impact of corporate governance CG on corporate performance ROE – ROA

Dependent variables	Independent variables	Unstandardized Coefficient B	t-statistic	Sig	Collinearity	
					Tolerance	VIF
Corporate performance /ROE	(Constant)	-.019	-.405	.686		
	ACN	-.002	-.097	.923	.456	2.193
	ACM	.053	2.337**	.022	.334	2.990
	GCN	.058	2.122**	.037	.334	2.991
	GCM	.033	1.115	.268	.516	1.940
	ITN	.040	.680	.498	.325	3.082
	ITM	-.049	-.512	.610	.540	1.851
	BON	.006	1.724*	.088	.439	2.279
	INDB	-.104	-2.216**	.029	.669	1.495
	NCEOD	-.057	-2.745***	.007	.741	1.349
	LO	.050	1.806*	.074	.794	1.260
	FO	-.031	-.458	.648	.872	1.147
	GO	-3.549	-2.003**	.048	.894	1.118
	R	.725				
	R-square	.525				
	F-statistics	8.394700				
	F (Sig)	.000				
	Durbin-Watson	1.831271				
Corporate performance /ROA	(Constant)	-.008	-.292	.771		
	ACN	-.008	-.653	.515	.456	2.193
	ACM	.029	2.198**	.030	.334	2.990
	GCN	-.001	-.046	.964	.334	2.991
	GCM	.027	1.535	.128	.516	1.940
	ITN	-.026	-.752	.454	.325	3.082
	ITM	-.026	-.467	.642	.540	1.851
	BON	.003	1.597	.114	.439	2.279
	INDB	-.041	-1.485	.141	.669	1.495
	NCEOD	-.031	-2.524**	.013	.741	1.349
	LO	.018	1.094	.277	.794	1.260
	FO	-.008	-.195	.846	.872	1.147
	GO	-.851	-.819	.415	.894	1.118
	R	.528				
	R-square	.279				
	F-statistics	2.930502				
	F (Sig)	.002				
	Durbin-Watson	1.863213				

Return on Equity ROE; Return on Assets ROA; Audit Committee Members ACN; Audit Committee Meeting ACM; Governance Committee Meeting GCM; Governance Committee Members GCN; Information Technology Management Committee Members ITN; Information Technology; Management Committee Meeting ITM; Board Size BON; Independent of Board of Directors INDB; Non CEO Duality NCEOD; Largest Ownership LO; Foreign Ownership FO; Government Ownership GO
*Statistically significant at the 0.10 level, ** Statistically significant at the 0.05 level, *** Statistically significant at the 0.01 level

Source: Author's survey

1. The Regression analysis results of Model 1 the impact of corporate governance CG on the corporate performance ROE

Table 27 shows the results of the regressions analysis of model 1 consist of DV ROE and the IV corporate governance CG (Appendix 8). The R 0.725 measures the level quality of prediction of the dependent variable ROE, R square the explanatory power of the model is 0.525. In other words, the percentage of variance in dependent variables that explained by the independent variables. Which means CG significantly affects the ROE. Therefore, the model explains 52.5% of the change that occurs in ROE.

The ANOVA test (F ratio) measures the fitness of data. The F-statistics is 8.395 at a significant level .000. This means that the explanatory power of the model is statistically significant at the level of significance .000, PV < 0.01. This indicated the regression model is a good fit for the data. Which means the CG predicts statistically and significantly the dependent variable ROE, in other words, that the existence of the CG impact significantly on ROE. The maximum VIF is less than 5 the maximum level of VIF. Further, the value of Durbin-Watson is 1.831, close to 2 which means that there is no autocorrelation between the variables of the model.

Testing of hypotheses

This section tests the first main hypothesis H01, First sub-hypothesis H01a based on the P. value (Sig) of each CG dimensions.

- ***$H_0$1****: There is no significant relationship between corporate governance CG and corporate performance CP in Jordan context*
  - ***$H_0$1a*****:** *There is no significant relationship between corporate governance CG and corporate performance ROE in Jordan context*

$H_0$1a1**: (ACN),** ***$H_0$1a2*****: (ACM),** ***$H_0$1a3*****: (GCN),** ***$H_0$1a4*****: (GCM),** ***$H_0$1a5*****: (ITN),** ***$H_0$1a6*****: (ITM),** ***$H_0$1a7*****: (BON),** ***$H_0$1a8*****: (INDB),** ***$H_0$1a9*****: (NCEOD),** ***$H_0$1a10*****: (LO),** ***$H_0$1a11*****: (FO),** ***$H_0$1a12*****: (GO)**

As shown in Table 27, P. value (Sig.) of each ACM, GCN, INDB, NCEOD, GO, BON, LO are 0.022, 0.037, 0.029, 0.007, 0.048, 0.088, 0.074 respectively which is lower than the significance at 0.01, 0.05, 0.1 level. This means that the alternative hypothesis is accepted and the null hypothesis is rejected for these CG dimensions. Thus, the improved hypotheses become:

H1a2*: There is significant relationship between corporate governance ACM and ROE in Jordan context*

H1a3*: There is significant relationship between corporate governance GCN and ROE in Jordan context*

H1a7*: There is significant relationship between corporate governance BON and ROE in Jordan context*

H1a8*: There is significant relationship between corporate governance INDB and ROE in Jordan context*

H1a9*: There is significant relationship between corporate governance NCEOD and ROE in Jordan context*

H1a10*: There is significant relationship between corporate governance LO and ROE in Jordan context*

H1a12*: There is significant relationship between corporate governance GO and ROE in Jordan context*

On another hand, regarding the P. value (Sig.) of other CG dimensions ACN, GCM, ITN, ITM, FO are larger than the significance at 0.1 level. Therefore, the null hypothesis is accepted and the alternative hypothesis is rejected.

Finally, the equation to Predict model 1 ***ROE*** from ***Corporate governance*** is:

ROE=* -0.019 + *(-0.002* X *ACN*) + (*0.053* X *ACM) + (0.058* X *GCN) + (0.033* X *GCM) + (0.040* X *ITN) + (-0.049* X *ITM) + (0.006* X *BON) + (-0.104* X *INDB) + (-0.057* X *NCEOD) + (0.050* X *LO) + (-0.031* X *FO) + (-3.549* X *GO) + Є

This multiple regression model is used to predict ROE from Corporate governance. That indicated the variables statistically significantly predicted ROE are *ACM, GCN, INDB, NCEOD, GO, BON, LO* these variables added statistically significantly to the prediction. Except *ACN, GCM, ITN, ITM, FO*, where the F 8.395 and PV 0.000 < 0.01, R 0.725 and R^2 0.525.

For additional results, the study examined the impact of the combine of CG dimensions (Jointly Impact) on ROE. The results of the regressions analysis show that the jointly CG significantly affect the ROE. Where R square is 0.355. And F-statistics is 56.024 at a significant level .000, PV < 0.01.

2. The Regression analysis results of Model 1 the impact of corporate governance CG on the corporate performance ROA

Table 27 shows the results of the regressions analysis of model 1 consist of DV ROA and the IV corporate governance CG (Appendix 9). The R 0.528, R^2 0.279 is the percentage of variance in dependent variables ROA that is explained by the independent variables. Which means CG affects ROA. Therefore, the model explains 27.9% of the change that occurs in ROA.

The F-statistics is (2.931) at a significant level .002. This means that the explanatory power of the model is statistically significant at the level of significance .002, PV < 0.01. This indicated the regression model is a good fit for the data. Which means the CG predicts statistically and significantly the dependent variable ROA, in other words, the existence of the CG impact on ROA. The value of Durbin-Watson is 1.863 which means that there is no autocorrelation between the variables of the model.

Testing of hypotheses

This section tests the first main hypothesis H01, second sub-hypothesis H01b based on the P. value (Sig) of each CG dimensions.

- ***$H_0$1****: There is no significant relationship between corporate governance CG and corporate performance CP in Jordan context*
- ***$H_0$1b*****:** There is no significant relationship between corporate governance CG and corporate performance ROA in Jordan context

***$H_0$1b1*: (ACN), *$H_0$1b2*: (ACM), *$H_0$1b3*: (GCN), *$H_0$1b4*: (GCM), *$H_0$1b5*: (ITN), *$H_0$1b6*: (ITM), *$H_0$1b7*: (BON), *$H_0$1b8*: (INDB), *$H_0$1b9*: (NCEOD), *$H_0$1b10*: (LO), *$H_0$1b11*: (FO), *$H_0$1b12*: (GO)**

As shown in Table 27, P. value (Sig.) of both ACM, NCEOD are 0.03, 0.013 respectively which is lower than the significance at 0.05 level. This means that the alternative hypothesis is accepted and the null hypothesis is rejected for these CG dimensions. Thus, the improved hypotheses become:

H1b2*: There is significant relationship between corporate governance ACM and ROA in Jordan context*

H1b9*: There is significant relationship between corporate governance NCEOD and ROA in Jordan context*

On another hand, regarding the P. value (Sig.) of other CG dimensions ACN, GCN, GCM, ITN, ITM, BON, INDB, LO, FO, GO are larger than the significance at 0.1 level. Therefore, the null hypothesis is accepted and the alternative hypothesis is rejected.

Finally, the equation to Predict model 1 ***ROA*** from ***Corporate governance*** is:

ROA*= -0.008 + *(-0.008 X ACN) + (0.029 X ACM) + (-0.001 X GCN) + (0.027 X GCM) + (-0.026 X ITN) + (-0.026 X ITM) + (0.003 X BON) + (-0.041 X INDB) + (-0.031 X NCEOD) + (0.018 X LO) + (-0.008 X FO) + (-0.851 X GO) + Є

This multiple regression model is used to predict ROA from Corporate governance. Which indicated the variables statistically significantly predicted ROA are ACM, NCEOD these variables added statistically significantly to the prediction. Except ACN, GCN, GCM, ITN, ITM, BON, INDB, LO, FO, GO, where the F 2.931 and PV 0.002 < 0.01, R 0.528 and R^2 0.279.

3. Discussion results of Model 1 the impact of corporate governance CG on the corporate performance ROE - ROA

Table 27 presents the results of the regressions analysis of the impact of CG on CP model 1, the results show that there is a significant statistical impact of CG on ROE and ROA. Where PV < 0.01, this result is consistent with most of the studies (MASOUD - ALDAAS 2014; MARASHDEH 2014; BUALLAY ET AL. 2017; AHMED-HAMDAN 2015; AL-MANASEER ET AL. 2012). The results show there is significant relationship between corporate governance CG in terms of ACM, GCN, INDB, NCEOD, GO, BON, LO and ROE. While there is no significant relationship between ACN, GCM, ITN, ITM, FO and ROE. Furthermore, there is a significant relationship between CG in terms of ACM, NCEOD and ROA. While there is no significant relationship between ACN, GCN, GCM, ITN, ITM, BON, INDB, LO, FO, GO and ROA. Regarding the explanation of the results of the CG dimensions. First, the study presents the variables of BOD, namely; Non-CEO duality NCEOD, Number of board members BON, Independence of BOD INDB), and Board committees BC, later the study present the explanation of the result of the ownership structures OWS as follows:

- **Board committees BC**

ACM, GCN, and ROE present a positive and significant coefficient, where the P. value 0.022, 0.037 and β =0.053, .058, $p < 0.05$. These results are inconsistent with the first hypothesis ***$H_0$1a2***, ***$H_0$1a3***. On the other hand, the results show that the coefficients of remaining dimensions ACN, GCM, ITN, ITM are insignificant with ROE where the P. value is larger than 0.1. This result is consistent with the first hypothesis ***$H_0$1a1***, ***$H_0$1a4***, ***$H_0$1a5, $H_0$1a6.***

Regarding the ROA the results show that ACM and ROA present a positive and significant coefficient, where the P. value 0.03, and β = 0.029, $p < 0.05$. These results are inconsistent with the first hypothesis ***$H_0$1b2***:.On the other hand, the results show that the coefficients of remaining dimensions ACN, GCN, GCM, ITN, ITM are insignificant with ROA where the P. value is larger than 0.1. This result is consistent with the first hypothesis ***$H_0$1b1***, ***$H_0$1b3***, ***$H_0$1b4***, ***$H_0$1b5***, ***$H_0$1b6.***

The results above show there is a positive relationship between the Audit Committee meetings ACM and ROE, ROA. And there is a positive relationship between governance committee members GCN and ROE, This means these committees are useful and the communication is well between the members that help in the exchange of views to take beneficial decisions in the interest of the company. However, although this positive relationship the results show that most companies except banks are not committed to the rules of ACM, GCN. This means that the authorities should impose strict instructions to force companies to adhere to the formation of the required committees.

While, there is no relationship between the Audit Committee members ACN, governance committee meetings GCM, and ROE, ROA. This is due to the lack of good CG practices in the BOD that are implemented in countries with a high level of CG. This is evidenced by the lack of commitment of most companies of diversified financial services and real estate companies to the rules of ACN, GCM. In addition, despite the existence of these committees in some companies, they may not perform their work successfully. This is due to, the members of the committees do not have the expertise and the required skills, where each committee has a specific specialization that stipulated by the Jordanian codes of CG, Furthermore, the reason for the absence of this relationship could be the characteristics of BOD, such as gender, educational level, and nationality. Regarding the IT Committee members ITN and IT Committee meetings ITM the results show that all sectors are not committed to these rules except the banking sector. The interpretation of this result that these instructions were implemented recently just in the banking sector and are not binding to other sectors.

Based on the above the authorities should be focusing on the formation of these committees in the financial sector in the future. Since the existence of an audit committee is considered one of the most important controlling tasks Of BOD, that guarantee control on the company's actions (FAMA - JENSEN 1983). Moreover, the board committees are considered the secondary control tool to support accountability and safeguard shareholders' rights from the perspective of agency theory. Besides, Board committees play an essential factor in improving the efficiency of the company boards. Since the presence of a specific committee in the board would provide it with a more objective means (SIMPSON 1987). So if it is implemented successfully, this helps the members to take responsibility and protect shareholders. In addition, board committees are a monitoring tool to ensure responsibility and good management (CADBURY REPORT 1992).

The above findings are consistent or inconsistent with the empirical studies as shown in the flowing Table 28.

Table 28. Hypotheses Results Conclusion

Variable	Current study		Previous studies	
	ROE	ROA	ROE	ROA
	$H_0$1a	$H_0$1b		
ACN	No significant	No significant	Swamy 2011; Bauer et al. 2010 positive	Swamy 2011; Bauer et al. 2010 positive
			Yameen et al. 2019; MoIlah - Talukdar 2007 negative	Yameen et al. 2019; MoIlah - Talukdar 2007; Bozec 2005 negative
				Ghabayen 2012; Mohd 2011; Wei 2007; Matari et al. 2012 No significant
			Swamy 2011 Bauer et al. 2010 Positive	Swamy 2011; Bauer et al. 2010 Positive
ACM	Positive	Positive	Hoque et al. 2013 positive	Hoque et al. 2013 positive
				Matari and et al. 2012 No significant
GCN	Positive	No significant	No studies	No studies*
GCM	No significant	No significant	No studies	No studies*
ITN	No significant	No significant	No studies	No studies*
ITM	No significant	No significant	No studies	No studies*

Source: Author's own, 2021 *to the best of the researcher's knowledge

- **Number of board members BON**

BON and ROE present a positive and significant coefficient, where the P. value 0.088 and β =0.006, $p < 0.1$. This result does not support the first hypothesis ***$H_0$1a7***. This result is consistent with (AHMED - HAMDAN 2015). While inconsistent with (MARASHDEH 2014; MASOUD - ALDAAS 2014; MOHAMED ET AL. 2013; CHANDRAMOHAN 2018) who indicated that there is no relationship between BON and ROE, and inconsistent with (AL-MANASEER ET AL. 2012; YAMEEN ET AL. 2019) who indicted there is a negative relationship between (BON) and ROE. Also, the results show that BON is insignificant with ROA where the P. value is larger than 0.1. This result supports the first hypothesis ***$H_0$1b7***. This result is consistent with (AL-MANASEER ET AL. 2012; MARASHDEH 2014; MASOUD – ALDAAS 2014; MOHAMED ET AL. 2013). But inconsistent with (AHMED - HAMDAN 2015) who indicated that there is a positive relationship between BON and ROA. And inconsistent with (YAMEEN ET AL. 2019) who indicated that there is a negative relationship between BON and ROA.

The literature has shown controversy about the ideal board size, some studies have shown that a small board is better, while others have shown that larger boards are better. According to agency theory the larger the board, the greater the agency's problem, and the board convert to more emblematic. AL-MANASEER ET AL. (2012) indicated that if the BOD is large, it means more diversified experiences and increases the available resources, however, it may suffer from some problems as it may cause problems in coordination, control, and decision-making process. (KHOLIEF 2008) explained that with the large size board the coordination is less so the harmony may not be achieved which reduces decision-making efficiency, which increases agency problems and reduces the capability of directors to observe the management avoiding wasting time to make decisions (AL-MANASEER ET AL. 2012). Therefore, a large board size reflects a weak CG which leads to ignoring the interests of the owners and then the decline in the company's performance (HERMALIN - WEISBACH 2001). On the other hand, there are studies that confirmed that the large size of DOD has a critical role in monitoring CP. The large board size leads to connecting to external environments and obtaining important resources. Furthermore, the larger board size could be limiting the dominance of the CEO. As a result, strengthen CG and improves CP (WANG 2007). (SALEM ET AL. 2016) showed that the members of the board gain huge knowledge in decision-making and supervision when the board has a large size. Moreover, the large size of the board may cause effective monitoring and more stringent decisions (HARFORD ET AL. 2008).

The results of this research show that there is a positive and significant relationship between BON and CP. it is notable that the previous studies indicated that most of the emerging markets are characterized by the largest OWS, that Jordan is considered one of them. (MARASHDEH 2014) indicated that most Jordanian companies have the largest OWS which most of them formed from families, which leads to existing some inexperienced and unskilled members that can reduce the power of the board and firm performance. However, the results of this research show that there is a positive relationship between the BON and CP, the explanation may be due to that the members of the board are interested in their companies, and they seek to make decisions in the best interest of the company. This reflects the new trends and changes in the attitudes of BOD towards the interest of the company this is clear in the separation between the CEO and chairman and the increasing of the independence in most of the companies. However, there is an absence of commitment to this rule in diversified financial services and real estate sectors. This reflects the weakness of the significance of the positive relationship that was recorded at 0.1. Which indicates although the BOD attempt to make good decisions there are some obstacles that hinder them, especially the chairman, in terms of making the right decisions in the interest of the company. Furthermore, the rules stated that the maximum of BON is 13 for all sectors where the minimum is 11 for the banks and 7 for the insurance, and 5 for the other sectors.

Remarkably, most of the financial sector adhere to the recommendation of (JENSEN 1993) regarding the BON that should be 8-9 members with 10 as the maximum number to enhance the CP. This is clear in the banks and insurance sectors that are committed to the rules of BON, which reflected positively on their performance. However, the results show there are some diversified financial services, and real estate companies are not committed to the rules of the minimum numbers of the BON. Where the minimum of BON is 4 in some companies. Therefore, the authorities should impose strict instructions to force companies to adhere to the required numbers of BON.

- **Independence of BOD INDB**

INDB and ROE present a negative and significant coefficient, where the P. value 0.029 and $\beta = -.104$, $p<0.05$. The results do not support the first hypothesis $H_0 1a8$. Also, the results show that INDB is insignificant with ROA where the P. value is larger than 0.1. This result supports the first hypothesis $H_0 1b8$. This result is consistent with (MARASHDEH 2014), but inconsistent with (AHMED - HAMDAN 2015; YAMEEN ET AL. 2019, MOHAMED ET AL. 2013; AL-MANASEER ET AL. 2012). However, the independence of BOD INDB of the financial sector companies in Jordan recorded a high percentage with an average 90%, Despite this high percentage of the INDB compared with previous years, the result show there is a negative relationship between the INDB and CP.

This result is inconsistent with the agency theory that supports independence and assumes that non-executive members have vital experience and skills, and the ability to control managers. Where independent members are considered an effective control mechanism and guarantee the rights of shareholders, as the result, making successful decisions that improve the company's performance (SHLEIFER - VISHNY 1997; MAHER - ANDERSSON 2000, AL-MANASEER ET AL. 2012; HARFORD ET AL. 2008, CORNETT ET AL. 2008). Most studies support these results that found that INDB impact positively on performance (ALMOSTAFA 2017; AHMED - HAMDAN 2015; YAMEEN ET AL. 2019; MOHAMED ET AL. 2013; AL-MANASEER ET AL. 2012). (AL-MANASEER ET AL. 2012; RAVINA - SAPIENZA 2009) found the outsider members related positively with bank performance. While (SHAH AND ET AL. 2009) found no significant relationship between Board independence and earnings management in Pakistan.

Indeed, the outsider members are expected to have the consultative skills that could enhance the tactical and strategic decisions. Despite the average percentage of the INDB of the companies is 90%, the result shows there is a negative relationship between the INDB and CP. Therefore, this negative result between independence INDB and CP could be explained that external members are not chosen according to the rules of Jordanian codes of CG, which stipulated the BOD must be qualified and has sufficient knowledge and experience of administrative matters and be familiar with the legislation, rights, and duties of BOD. In addition, it could be there is no cooperation between the non-executive members and the rest of the members, especially with the CEO, in setting policies and formulating strategic decisions. Furthermore, the independent members may exploit their positions towards their desired own goal, especially that most of them are members of other companies and do not commit to full-time with the company. Which reduces their knowledge of daily operations. With the possibility that they will be biased towards achieving the interests of a particular company at the expense of another company. More importantly, the BOD are allocated bonuses, while they are not held accountable for any failure in their duties. This requires the concerned authorities to ensure that companies adhere to these instructions when selecting non-executive members. As well as they should be held accountable for any failure in their duties by imposing fines.

- **Non-CEO duality NCEOD**

Non-CEO duality NCEOD presents a negative and significant coefficient with ROE and ROA. Where the P. value 0.007, 0.013, and $\beta = -.057, -.031, p<0.05$, the results do not support the first hypotheses $\boldsymbol{H_01a9}$, $\boldsymbol{H_01b9}$. This result is consistent with (MARASHDEH 2014, FECHNER - DALTON 1991; MOHAMED ET AL. 2013) who confirmed that combination between the CEO and CM has a positive relationship with ROE, ROA, but inconsistent with (AHMED - HAMDAN 2015; MASOUD - ALDAAS 2014; AL-MANASEER ET AL. 2012) who indicated that separation between the CM and the CEO has no significant impact on ROE, ROA. And inconsistent with (CHANDRAMOHAN 2018) who indicated that there is a negative relationship between the CEO duality and ROE.

The results show that most companies have Non-CEO duality NCEOD. Where 91% of the companies in the financial sector are committed to the separation between the CEO and CM. Despite this high percentage compared with previous years, the results show there is a negative relationship between the NCEOD and CP. These results contradict the agency theory, which supports the separation between the CEO and CM, and preferred the separation in the large firms, to increase the independence that eliminates the agency problems by avoiding (ineffective observing) that is represented by the same person. Thus increases CP (JENSEN 1993). On the other hand, this result is consistent with the duality supporters, and stewardship theory that proposes that that CEO duality is suitable in small companies where it provides managers with cohesive control, and useful to shareholders and reduces organization costs and enable flexibility (DONALDSON 1990) and provides better leadership and better decisions that enhance performance (FECHNER - DALTON 1991).

Indeed, the separation is considered a good practice that leads to high independence from the BOD and strikes a balance between powers, enhancing the ability of the board to make decisions separately from the management, and raising accountability (OECD 2004). Furthermore, the separation reduces the chance of opportunities for exploitation by managers in the interest of their personal benefits. Most importantly, most investors prefer a company with non-duality. While that CEO duality means poor CG (LARCKER ET AL. 2007; AL-MANASEER ET AL. 2012). And it impairs the CEO's ability to effectively control. This will raise the struggle between the manager and the agent, and impact adversely on company performance. However, the supporter of the combination argues that the combination between the CEO and CM is useful in conveying the manager's expertise to the board which enhances the decision making and then improves the performance of the company (BRICKLEY ET AL. 1997).

In Jordan's context as emerging markets 91% of the companies in the financial sector are committed to the separation between the CEO and CM. This percentage is better compared with the percentage in Jordanian companies in the previous years CEO duality 66% (non- Duality 33%), (MARASHDEH 2014); Non-CEO duality 76% in the banking sector (AL-MANASEER ET AL. 2012). And it is better when compared to other countries. Which reflects that Jordanian company is on its way out of the family-owned companies where the chairman was the same CEO as the previous studies indicated. However, the result of this study shows that separation has a negative and significant relationship with CP, despite the noticeable increase in the percentage of companies commitment to separation compared to the previous period, this means that Jordanian companies adhere to the separation rules outwardly and not on the ground, where the combination is applied implicitly. Besides Jordan is an emerging country and most of its companies are small and operate in a simple business environment than those complex companies available in the West countries. Therefore, duality may be considered better in such circumstances, especially in light of the fact that most of the companies' resources in Jordan are limited. From the point of view of duality supporters, it provides better leadership and better decisions to achieve the interests of the company and enhance performance (FECHNER - DALTON 1991). Therefore, this negative result of the separation may be explained that the CEO may act as the CM by making decisions for the company, which indicates that there is weak oversight of the CM on directors and the managers.

Anywise, Jordan is striving to develop and enter the competitive world and to change owned-family business type, this is cleared in the high commitment of companies to separation, and high independence in BOD. So according to OECD that advocates separation to reach high independence and enhance the ability of BOD to make decisions besides most investors do not prefer the company with duality since it leads to poor CG which impacts adversely on CP. Therefore, the concerned authorities must urge companies to implement the separation in accordance with the principles of CG, especially in large and complex companies, and give CM sufficient authority to exercise their powers to control the members of BOD and management. As well as to avoid making decisions that serve the personal benefits of managers. More importantly, to achieve perfect leadership that helps in setting good instructions and enhancing the CP. Particularly, in light of the recommendation of the Jordanian CG codes to separate the CEO from CM in accordance with the principles of CG.

- **Largest ownership LO**

LO and ROE present a positive and significant coefficient, where the P. value 0.074 and (β =.058, $p < 0.1$. This result does not support the first hypothesis $\boldsymbol{H_0 1a10}$. And consistent with

(MASOUD - ALDAAS 2014; WU - CUI 2002; ZAKARIA AND ET AL. 2014; AMIN - HAMDAN 2018) who find positive and significant relationship. But not consistent with (MARASHDEH 2014; AHMED - HAMDAN 2015) who found there is a negative relationship between the LO and ROE. And (BUALLAY ET AL. 2017) who found there is no relationship. Also, the results show that (LO) is insignificant with ROA where the P. value is larger than 0.1. This result supports the first hypothesis ***$H_0$1b10***. This result is consistent with (AHMED - HAMDAN 2015; BUALLAY ET AL. 2017; AYMEN'S 2014; KING - SANTOR 2008). But inconsistent with (MARASHDEH 2014; WU - CUI 2002; ZAKARIA AND ET AL. 2014).

There are studies indicating that LO negatively correlated with CP (ABU-SERDANEH ET AL. 2010; MARASHDEH 2014, AHMED - HAMDAN 2015). Furthermore, LO reported a negative relationship with CP in developed countries such as Germany (LEHMANN - WEIGAND 2000) and British companies (MUDAMBI - NICLOSIA 1998). Anywise, there are some studies indicating that there is a positive correlation between the LO and the CP such as in Mexican listed companies (REYNA ET AL. 2012) and US companies (HILL - SNELL 1989). However, some studies confirmed there is no relationship such as Australian banks (SALIM ET AL. 2016), Saudi companies (BUALLAY ET AL. 2017), Egyptian companies (MOHAMED ET AL. 2013), and Tunisian companies (AYMEN'S 2014).

Jordan is a developing country characterized by concentrated ownership (Largest OWS). The result of the current study confirmed that most companies have the largest OWS with an average 60%. However, there is a positive relationship between LO and CP. This result compatibility with (SHLEIFER - VISHNY 1997) who stated that in emerging markets, LO represent a critical tool of CG as these countries are characterized by weak CG. Furthermore, this result compatibility with (JENSEN'S - MECKLING'S 1976; SHLEFER - VISHNY 1986; BERLE - MEANS 1932; ZECKHAUSER - POUND 1990) that indicated LO is an effective tool to guarantee the disciplined of managers and have the power to make the decisions and monitor the company. Thus, eliminating the agency costs and increases CP. Also, (FAMA - JENSEN 1983) demonstrated that LO have the power to make company decisions and the desire to monitor the company. On the other hand, this result is inconsistent with (BEBCHUK 1999) who indicated that LO are depleting the company's resources. And inconsistent with (DEMSTITZ 1983) who explained that LO prefer their own interests, which undermines the company's performance. However, the positive relationship of LO with CP in Jordanian companies means that LO have an effective role in CG and seek to effective control, feel the responsibility, and bear risks and costs, and this prompts them to make decisions that positively affect the company and reduce agency costs, thus more profits. This result could also mean a low in favoritism among LO. Moreover, this result is consistent with the tendency of the companies in Jordan to reduce family-owned companies, and this is evident in the increase in the independence and the separation between the CM and CEO. Anywise, the positive relationship is considered modest at a significant level 0.1, which indicates that there are some obstacles. These obstacles may be the presence of some major shareholders seeking to achieve some of their personal interests (BEBCHUK 1999). Besides, the lack of adherence to the rules of CG, which reflects poor CG.

- **Foreign ownership FO**

The results show there is no relationship between FO and ROE, ROA, where the P. value is larger than 0.1. This result supports the first hypotheses ***$H_0$1a11***, ***$H_0$1b11***. This result is inconsistent with (YAMEEN ET AL. 2019; MARASHDEH 2014; AL-MANASEER ET AL. 2012) who indicated there is a positive relationship between FO and CP. The explanation of this result is may be due to the low participation of foreigners in the financial sector companies in Jordan, This clears in the low percentage with average 3%. This percentage is lower than the percentage in the previous years 7%.

This means the investment of foreigners in Jordanian companies of financial sectors is declining, which reflects that the foreign investors are not attracted to investment in Jordan. This may be due to the current political and economic conditions in the region, particularly, after receiving refugees from various Arab countries. These reasons may affect negatively the decisions of foreign investors towards investment in Jordan. Where Jordan is considered an emerging market characterized by weak governance, these CG tools play role in the preferences of foreign investors such as independence members and the audit committee. Furthermore, Jordan suffering from the lack of sufficient local sources of funding, in addition to other obstacles that impede foreign investment, such as weak infrastructure, However, foreign investment plays a critical role in economic growth in developing countries. And they prefer to invest in such countries (DEMIRHAN - MASCA 2008).

Therefore, the concerned authorities must encourage and restore the confidence of foreign investors since they have a good CG culture and the ability to monitor the company due to their presence outside the framework of the environment of the company, which enhances the application of CG and the performance (Yung et al., 2008). Besides, FO in emerging countries have advantages rather than disadvantages, where FO is associated with more competitive national banking systems (MANASEER ET AL. 2012). Many actions could be taken to solve these problems and attract foreign investors, particularly, Jordan has advantages that can attract foreign investment such as stability in the political circumstances, a safe atmosphere, besides good financial and monetary strategies. Furthermore, Jordan had worked to provide the appropriate legislative environment for foreign investment, the suggested actions could be by improving the technology system, where Jordan has made remarkable progress in its technological level compared with other Arab countries. And improving the level of CG implementation effectively particularly rules of separation and independence and the formation of the required committees.

- **Government ownership GO**

GO and ROE present a negative and significant coefficient, where the P. value 0.048 respectively and $\beta = -3.549$, $p<0.05$. This result does not support the first hypothesis $\boldsymbol{H_0 1a12}$. And consistent with (TAUFIL-MOHD ET AL. 2013; RAHMAN - REJAB'S 2013, 2014; HABASH 2013; MARASHDEH 2014). Also, the results show that GO is insignificant with ROA where the P. value is larger than 0.1. This result supports the first hypothesis $\boldsymbol{H_0 1a12}$. And inconsistent with (ZAKARIA ET AL. 2014; QUANG - XIN 2014; NOR ET AL. 2010). It was mentioned previously that there are several reasons that stimulate the government to own shares in the company, often the substrate reason is political goals or as a response to market failure or financial crises. (AL-ADWAN ET AL. 2017; AL-BASSAM ET AL. 2015) indicated that GO has a positive impact on the implementation of CG in Jordanian companies. The positive influence of GO on CG may be explained that the government members on the BOD adhering to regulations to avoid accountability. However, the influence of the GO on the CG may differ within countries according to the difference in the nature of the interests of the government's members.

Some studies have reported the importance of GO particularly in the large portion of the company's shares that encourages it to control the company efficiently, which reduces agency costs, and thus positively affects performance (BOSS 1991). Furthermore, (ABDULSAMAD ET AL. 2016; BOSS 1991; NOR ET AL. 2010, RASLI ET AL. 2013; QUANG - XIN 2014) found that GO related positively to CP. On the other hand, studies show that (GO) has a negative impact on performance (MARASHDEH 2014; TAUFIL-MOHD ET AL. 2013; RAHMAN - REJAB'S 2013).

In the Jordan context, the results of the current study show GO is negative and significantly related to CP, this can be explained by the low percentage of the GO in Jordanian companies. Another explanation is that despite the small percentage of GO in financial sector companies 0.05%, government representatives may interfere mainly in the decisions of BOD, and they may have their personal interests or have a good relationship with the CEO, and as a result, there is a negative impact GO on performance. As the government quality may determine the impact of GO as well as the track direction in the country (LA PORTA ET AL. 1999). Furthermore, the GO may motivate managers to achieve their personal benefits such as using company resources (assets) for political aims. This means that the government focuses on endeavor political goals rather than economic goals and thus and weakens the ability of decision-makers to increase income (SHLEIFER - VISHNY 1994). This leads to agency problems such as constraints on the budget, and increased fraud and thus reduced profitability. This is consistent with the agency GO theory that indicated the government increases the agency problem and may negatively affect the company's performance since government politicians focus on their own objectives and do not care about profit maximization. Furthermore, consistent with (XU ET AL. 2005) who found the elimination of GO in china’s companies led to the application of more effective CG tools and eliminated agency problems. However, In the Jordan context, the local studies on GO are very rare. (MARASHDEH 2014) indicated that GO influences negatively and insignificant on CP. While, (AL- RAWASHDEH 2007) found that GO doesn't affect the CP. (AL-ADWAN ET AL. 2017; AL-BASSAM ET AL. 2015) indicated that GO has a positive impact on the implementation of CG in Jordanian companies. This requires further future studies to determine the nature of the impact of GO on CP.

5.8.2. The Regression analysis results of Model 2 the individual impact of Hofstede's cultural dimensions HCL on the corporate performance ROE, ROA

Table 29 presents the Regression analysis results of Model 2 the individual impact of Hofstede's cultural dimensions HCL on corporate performance ROE, ROA without the presence of corporate governance CG. This model covers the second main hypothesis **$H_0$2**. ROE, ROA were tested in two separate models. This hypothesis constitutes of two sub-main hypotheses (H02a, H02b) for ROE and ROA, each hypothesis includes sub-hypotheses for each HCL dimensions. H02a is presented in section1, and H02b is presented in section 2.

Table 29. The Regression analysis results of Model 2 the individual impact of Hofstede's cultural dimensions HCL on corporate performance ROE, ROA without presence CG

Dependent variables	Independent variables	Unstandardized Coefficients B	t-statistic	Sig	Collinearity statistic	
					Tolerance	VIF
Corporate performance /ROE	(Constant)	.079	1.318	.190		
	LPDI	-.010	-1.073	.286	.598	1.671
	LTO	-.002	-.255	.799	.605	1.654
	COLL	.012	1.140	.257	.842	1.188
	MAS	-.011	-1.755*	.082	.982	1.018
	REST	.012	1.883*	.063	.921	1.086
	HUAI	-.020	-2.021**	.046	.964	1.037
	R	.326				
	R-square	.106				
	F-statistics	1.917367				
	F (Sig)	.086				
	Durbin-	1.350071				
Corporate performance /ROA	(Constant)	.045	1.555	.123		
	LPDI	.001	.244	.808	.598	1.671
	LTO	-.005	-1.183	.240	.605	1.654
	COLL	.001	.249	.804	.842	1.188
	MAS	-.005	-1.646	.103	.982	1.018
	REST	.003	1.088	.279	.921	1.086
	HUAI	-.008	-1.629	.107	.964	1.037
	R	.264				
	R-square	.07				
	F-statistics	1.207569				
	F (Sig)	.309				
	Durbin-	1.623226				

Return on Equity ROE; Return on Assets ROA; Low Power distance index LPDI; Long-term orientation LTO; Collectivism COLL; Masculinity MAS; Restraint REST; High Uncertainty avoidance Index HUAI
*Statistically significant at the 0.10 level
** Statistically significant at the 0.05 level
*** Statistically significant at the 0.01 level

Source: Author's Survey

1. The Regression analysis results of Model 2 the impact individual impact of Hofstede's cultural dimensions HCL on the corporate performance ROE without presence CG

Table 29 shows the results of the regressions analysis of model 2 consist of DV ROE and the IV cultural dimensions HCL (Appendix 10). The R 0.326, R square 0.106 is the percentage of variance in dependent variables that is explained by the independent variables. Which means HCL affect the ROE. Therefore, the model explains 10.6% of the change that occurs in the dependent variable ROE. The F-statistics is 1.92 at a significant level .086. This means that the explanatory power of the model is statistically significant at the level of significance .086, PV < 0.1. This indicated the regression model is a good fit for the data. Which means the HCL predicts statistically and significantly the dependent variable ROE, in other words, that the existence of the HCL impact significantly on ROE. The value of Durbin-Watson is 1.350, close to 2 which means that there is no autocorrelation between the variables of the model.

Testing of hypotheses

This section tests the second main hypothesis H02, First sub-hypothesis H02a based on the P. value (Sig) of each HCL dimensions.

- ➢ **H_02**: *There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP in Jordan context*
- ▪ **H_02a**: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance ROE In Jordan context

***H_02a1:* (LPDI)*, H_02a2:* (LTO)*, H_02a3:* (COLL)*, H_02a4:* (MAS)*, H_02a5:* (REST)*, H_02a6:* (HUAI)**

As shown in Table 29, P. value (Sig.) of each MAS, REST, HUAI are .082, .063, .046 respectively which is lower than the significance at 0.05, 0.1 level. This means that the alternative hypothesis is accepted and the null hypothesis is rejected for these HCL dimensions. Thus, the improved hypotheses become:

H2a4: *There is significant relationship between MAS and ROE in Jordan context*

H2a5: *There is significant relationship between REST and ROE in Jordan context*

H2a6: *There is significant relationship between HUAI and ROE in Jordan context*

On the other hand, regarding the P. value (Sig.) of other HCL dimensions LPDI, LTO, COLL are larger than the significance at 0.1 level Therefore, the null hypothesis is accepted and the alternative hypothesis is rejected.

Finally, the equation to Predict model 2 ***ROE*** from ***cultural dimensions*** is:

ROE=* 0.079 *+ (-0.01 X LPDI) + (-0.002 X LTO) + (0.012 X COLL + (-0.011 X MAS) + (0.012 X REST) + (-0.020 X HUAI) + €

This multiple regression model is used to predict ROE from cultural dimensions. That indicated the variables statistically significantly predicted ROE are *MAS, REST, HUAI* these variables added statistically significantly to the prediction. Except *LPDI, LTO, COLL,* where the F 1.92 and PV 0.086 < 0.1, R 0.326 and R^2 0.106.

2. The Regression analysis results of Model 2 the impact individual impact of Hofstede's cultural dimensions HCL on the corporate performance ROA without presence CG

Table 29 shows the results of the regressions analysis of model 2 consist of DV ROA and the IV cultural dimensions HCL (Appendix 11). The R 0.264, R square 0.07 is the percentage of variance in dependent variables that is explained by the independent variables. Which is too small this means HCL does NOT affect the ROA. Therefore, the model does not explain the change that occurs in the dependent variable ROA. The F-statistics is 1.21 at a significant level .309. This means that the explanatory power of the model is NOT statistically significant at the level of significance .309, PV > 0.1. Which means the HCL does not predict statistically and significantly the dependent variable ROA, in other words, the existence of the HCL does not impact significantly on ROA. The value of Durbin-Watson is 1.623, close to 2 which means that there is no autocorrelation between the variables of the model.

Testing of hypotheses

This section tests the second main hypothesis H02, second sub-hypothesis H02b based on the P. value (Sig) of each HCL dimensions.

- ➢ **H_02**: *There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP in Jordan context*
- ▪ **H_02b**: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance ROA in Jordan context

H02b1: (LPDI), H02b2: (LTO), H02b3: (COLL), H02b4: (MAS), H02b5: (REST), H02b6: (HUAI)

As shown in Table 29, P. value (Sig.) of each LPDI, LTO, COLL, MAS, REST, HUAI are .808, .240, .804, .103, .279, .107 respectively which is larger than the significance at 0.1 level. This means that the alternative hypothesis is rejected and the null hypothesis is accepted.

Finally, the equation to Predict model 2 ***ROA*** from ***cultural dimensions*** is:

ROA= 0.045 + .001 X LPDI) + (-.005 X LTO) + (.001 X COLL + -.005 X MAS) + (.003 X REST) + (-.008 X HUAI) + Є

This multiple regression model is used to predict ROA from cultural dimensions. That indicated the HCL variables do not predict statistically and significantly ROA, where the F 1.21 and PV 0.309 > 0.1, R 0.264 and R^2 0.07.

3. Discussion results of Model 2 the individual impact of Hofstede's cultural dimensions HCL on the corporate performance ROE - ROA

Table 29 shows the results of the regressions analysis of model 2 the individual impact of Hofstede's cultural dimensions HCL on the corporate performance CP without the presence of CG. The results show that the P. value (Sig.) of each MAS, REST, HUAI are lower than the significance at 0.05, 0.1 level. This means there is a significant relationship between MAS, REST, HUAI and corporate performance ROE. These results are inconsistent with the second hypothesis ***H02a4***, ***H02a5, H02a6***. Where the MAS and HUAI have a negative relationship with ROE, while REST has a positive relationship. On another hand, the P. value (Sig.) of other HCL dimensions LPDI, LTO, COLL are larger than the significance at 0.1 level Therefore, there is no significant relationship between these dimensions and ROE. These results are consistent with the second hypothesis ***H02a1, H02a2, H02a3.***

Furthermore, the results show that the P. value (Sig.) of each LPDI, LTO, COLL, MAS, REST, HUAI are .808, .240, .804, .103, .279, .107 respectively which is larger than the significance at 0.1 level. This means that there is no significant relationship between these dimensions and ROA. These results are consistent with the second hypothesis ***H02b1, H02b2, H02b3, H02b4, H02b5, H02b6.***

The results of the current study are somewhat consistent with some studies and at the same time differ from other studies, the results were explained per each cultural dimension as follows. Jordan society tends to be **Masculine** in leadership and control (SABRI 2012; AL-HARSH 2008) this reflected that Arab countries include Jordan give males greater roles in leadership and control rather than females. The results of the current study show that masculinity negatively affects ROE. These results are consistent with (IRFAN 2016) who shows there is a positive relationship between femininity and performance in Sri Lanka that means the MAS is affecting negatively the performance, this compatible with the Jordan context, where the results show that MAS is correlated negatively with ROE, while there is no relationship with ROA. This was confirmed by (MARTINS - LOPES 2016) who indicated that high and low masculinity did not impact on profitability. Moreover, this result could consistent with (OLIVEIRA 2016) who indicated that the High MAS has a negative impact on dividends with the presence CG in the developed countries while it is not significant in the developing countries. Further, the result is inconsistent with (ZHENG - ASHRAF 2014) who found that Low MAS pay lower dividends. The result of dividends could conform to profitability since dividends are considered as an indicator of good CG. Further, it is used as evidence of the company's performance (BAE ET AL. 2010), in other words, larger dividends mean more profits. Thus, high dividends influence positively on corporate performance (MUREKEFU - OUMA 2012).

The negative impact of MAS on ROE result, can be explained that females may be more committed, and accountable than males, so females may have a positive impact on profitability (HASSAN ET AL. 2015; ADLER 2001) as well the presence of women on the BOD improves governance and performance (HASSAN ET AL. 2015). However, although the Jordanian society is somewhat masculine, and women are primarily responsible for home activities and raising children according to norms and traditions. It is notable, the number of females is close to number of males, as well as there are many females who have obtained a high level of education in various disciplines in addition to the presence of women in some high and government positions, and their presence in Parliament, which indicates that Jordanian society is already in a transformational stage. Therefore, the concerned authorities must give females better opportunities in the future to involve them in leadership and business.

Jordan society oriented to **HUAI** (AL-HARSH 2008; AFANEH ET AL. 2014; SABRI 2012), the result shows that there is a negative relationship between HUAI and ROE in financial sectors in Jordanian companies. This may be explained that the people in HUAI cultures people maintain inelastic codes of belief and behavior, and are intolerant toward unconventional behavior. Furthermore, people work hard and are busy, time is money, and people struggle the innovation. Where the respondents' in the financial sector in Jordan revealed that they do not prefer new ideas and prefer the current situation, anyway there are some respondents who have some spirit of adventure and risk. Therefore, it is necessary to encourage and motivate them, by rewarding them, as a result, reduce uncertainty cases, which will reflect positively on the profitability of the company. Further, in this culture, the managers in times of unsteadiness try to keep business rather than increase profitability. In addition, employees are not rewarded in most companies in Jordan, which increases the state of uncertainty and the employee feels insignificant in the company, which increases the conflict between employees which reflects negatively on CP. The previous reasons may explain the negative relationship between HUAI and ROE. This result is consistent with (IRFAN 2016) who found LUAI is contributing to the success of organization performance. And (MARTINS - LOPES 2016) indicated that countries with LUAI have higher profitability. Further, (GRIFFIN ET AL. 2014) indicated there is a negative relationship between UAI and ROA.

Furthermore, the result somewhat is consistent with (BAE ET AL. 2012; ZHENG - ASHRAF 2014) who indicated that in HUAI cultures, managers tend to save money rather than distribute it to face mysterious circumstances, thus HUAI has a negative impact on dividends. The result of dividends could conform to profitability since dividends are considered an indicator of good CG. And the larger dividends mean more profits. Thus, it can be concluded that HUAI in the Jordan context has low ROE. However, in Jordan's context, HUAI, is not correlated with ROA.

Jordan has a **Restraint** culture. The satisfaction of needs is constrained by social norms (HOFSTEDE 2010). And they do not care about leisure time. The management does not allow the employee to satisfy the basic and natural human desires related to the enjoyment of life and pleasure. This is confirmed by the majority of respondents' answers in the financial sector. As well, the World Happiness Report Index showed that Jordan retreated to the 90th position globally and 10th in the Arab world. However, REST is correlated positively with ROE in Jordan context. This result is inconsistent with (MARTINS - LOPES 2016) who indicated that the countries with higher Indulgence have higher profitability (ROE, ROA). However, in Jordan context, the REST affects positively. This can be explained due to most Jordanians are young, and are well-educated and highly skilled, Furthermore, they have a spirit of adventure and a love of work, participate in decision-making, this will reflect positively on the CP despite they are living in a restraint culture. In addition to Jordan's focus on the aspect of modern education as a means of preparing for the future. This helps them achieve the goals carefully.

On the other hand, the results show that there is no significant relationship between LPDI, LTO, COLL and ROE. The absence of this relationship may explain the fact that there are several factors that may influence the effects of these cultural dimensions on CP. The results of this study are somewhat consistent with some studies and at the same time differ from other studies, the results have explained later per each dimension separately.

Firstly, regarding **LPDI,** Jordan is LPDI culture this result is confirmed by (ALKAILANI 2012; SABRI 2012). This means there are no hierarchical and there are equalities in the companies.

Furthermore, the people feel younger and strong. This is clear in the majority of younger in Jordan where their opinions are taken in decisions. More, importantly, Jordanian workers are characterized by skilful and well-educated which impacts on power distance. However, the results show there is no relationship between LPDI and ROE, ROA. These results are inconsistent with (IRFAN 2016) who indicated there is a negative relationship between HPDI and organization performance in Sri Lanka, while (BOUBAKRI ET AL. 2017) show that there is a positive relationship between HPDI cultures and banks performance through the financial crisis. (MARTINS - LOPES 2016) show that countries with LPDI have higher profitability.

The explanation of the absence of relationship may be due to the presence of noticeable corruption and personal interest opportunities. Besides the huge difference in salaries between employees and the high management, especially the BOD, in addition to the presence of some opponents of decentralization who prefer a hierarchy. This is evident in the answers of some respondents, where they showed that they could not take decisions without consulting the direct manager. Secondly, According to **LTO**, Jordanian society cares about the future, tends to plan for future, and is interested in investment. In addition, Jordanian culture is LPDI and most Jordanians are young and participate in decision-making. Alongside Jordan's efforts focused on modern education as a means to prepare for future. This helps them achieve the goals carefully. Moreover, (SAWALHA 2011) showed that 80% of companies in (banking, insurance, industrial, and services) sectors implement strategic planning. Further, (AL-QUDAH ET AL. 2020) indicated there is a positive relationship between strategic planning and performance. However, the results of this study showed that there is no relationship between LTO and CP.

These results are inconsistent with (MARTINS - LOPES 2016) who indicated that the countries with low LTO have higher profitability. Further, (BAE ET AL. 2012; ZHENG - ASHRAF 2014) indicated that a high degree of LTO cultures correlated negatively with dividend policies. High LTO cultures pay low dividends, the result of dividends could conform to profitability since dividends are one of the good CG indicators, thus, High LTO influences negatively on CP. Furthermore, (BRAUER 2013; SHI - VEENSTRA, 2015) indicated that Short-term orientation focuses on maximizing short-term returns. Nevertheless, the results of this study showed that there is no relationship between LTO and CP ROE, ROA.

The interpretation of the absence of a relationship in Jordan context may be due to the fact that companies preparing strategic plans, but do not implement these plans on the ground or these plans may be ineffective since it is not prepared by the specialist. and may not be based on scientific foundations, as management scholars have asserted that to achieve the goals and successful plans, it should be developed based on a Positive attitude, Team Work, Knowledge, Hard Work, Spiritual or clear aim. Furthermore, there is a lack of participation of the high management and BOD in the strategic planning, and not caring about technology and the research development. This was confirmed by (ALDEHAYYAT ET AL. 2013) who indicated that the outsider participates in the strategic planning in the Jordanian companies without participating from the high management and internal siders of BOD.

Thirdly, **COLL,** Jordan is a collective society, this confirmed by (HOFSTEDE 1984, 2001, 2010; ALKAILANI ET AL. 2012; AL-HARSH 2008; AFANEH ET AL. 2014; SABRI 2012). In a collective society, the individuals belong to a "group". And the great loyalty to jobs. Furthermore, people communicate with others by forming committees and public meetings. The results of this study show that there is no relationship between COLL and ROE, ROA. This result is inconsistent with (IRFAN 2016; BOUBAKRI ET AL. 2017; Breuer and et al., 2018) who showed there is a positive relationship between COLL societies and performance. While (MARTINS - LOPES 2016) indicated that Individualism has no impact on profitability.

In my view, the absence of a relationship could be interpreted due to that despite the existence of a family relationship in the company - which may be less in the private sector than in the public sector- there is a possibility of a lack of understanding and poor communication between management and workers besides the weakness in the decision-making process. Furthermore, the presence of people who do not like to work within a single team this evident in some of the respondents' answers. The previous factors may reduce the positive impact of COLL on CP. Therefore, in the light of the positive impact of COLL on CP, it would be useful if the companies use motivating factors such as raising the level of awareness and understanding among the employees and encouraging the idea of teamwork within one team, in addition making well-thought-out decisions. The following Table 30 shows the empirical results of the impact of Hofstede's cultural dimensions HCL on the CP compared to the other studies.

Table 30. The empirical the results of the impact of Hofstede's cultural dimensions HCL on the CP compared to the other studies

Variables	Empirical Results - current study	Empirical results – other studies	Empirical studies
LPDI	Not Sig	Negative, CP (HPDI)	IRFAN 2016
		Positive, CP (HPDI) (In crisis)	BOUBAKRI ET AL. 2017
		Positive, CP (LPDI)	MARTINS – LOPES 2016
HUAI	Not Sig	Not significant, Dividends, in Emerging market, Negative in Developed countries	OLIVEIRA 2016
		Negative, ROA, (UAI)	GRIFFIN ET AL. 2014
		Negative, dividends, (HUAI)	BAE ET AL. 2012
		Negative, (Moderate low UAI)	IRFAN 2016
		Positive, (In crisis)	BOUBAKRI ET AL. 2017
		Positive, CP, (LUAI)	MARTINS - LOPES 2016
		lower dividends, (HUAI)	ZHENG - ASHRAF 2014
LTO	Not Sig	Negative, dividend, (High LTO)	BAE ET AL. 2012
		lower dividends, (High LTO)	ZHENG - ASHRAF 2014
		Positive, CP, (Low LTO)	MARTINS - LOPES 2016
COLL	Not Sig	Positive, CP, COLL	IRFAN 2016
		Negative, CP, Individual (In crisis)	BOUBAKRI ET AL. 2017 BREUER ET AL. 2018
MAS	Not Sig	Not significant, in Emerging market, Negative in Developed countries	OLIVEIRA 2016
		Positive, (Femininity)	IRFAN 2016
		lower dividends, Low MAS	ZHENG - ASHRAF 2014
REST	Not Sig	Not significant, in Emerging market (Indulgence)	OLIVEIRA 2016
		Positive, in Developed countries (Indulgence)	OLIVEIRA 2016
		Positive, CP, (High indulgence)	MARTINS - LOPES 2016

Return on Equity ROE; Return on Assets ROA; Corporate performance CP; Low Power distance index LPDI; Long-term orientation LTO; Collectivism COLL; Masculinity MAS; Restraint REST; High Uncertainty avoidance Index HUAI; corporate social performance CSP; corporate financial performance CFP.

Source: Author's own, 2021

5.8.3. The Regression analysis results of Model 3 the impact of corporate governance CG and Hofstede's cultural dimensions HCL on ROE, ROA

Table 31 presents the results of Model 3 the impact of CG and HCL on ROE, ROA. This model covers the Third main hypothesis H03. This hypothesis constitutes of two sub-main hypotheses (H03a, H03b) for ROE and ROA, each hypothesis includes sub-hypotheses for each HCL dimensions. H03a is presented in section 1, and H03b is presented in section 2.

Table 31. The Regression analysis results of Model 3 impact of CG and HCL on ROE, ROA

Dependent variables	Independent variables		Unstandardized Coefficient B	t-statistic	Sig	Collinearity statistic	
						Tolerance	VIF
Corporate Performance/ ROE	Corporate Governance/ CG	Constant	-.015	-.204	.839		
		ACN	-.001	-.059	.953	.424	2.35
		ACM	.047	1.950*	.054	.300	3.33
		GCN	.053	1.869*	.065	.319	3.13
		GCM	.038	1.231	.222	.480	2.08
		ITN	.057	.916	.362	.295	3.39
		ITM	-.096	-.943	.348	.487	2.05
		BON	.007	1.913*	.059	.411	2.43
		INDB	-.104	-2.088**	.040	.601	1.66
		NCEOD	-.059	-2.678**	.009	.676	1.47
		LO	.049	1.670*	.099	.736	1.35
		FO	-.027	-.382	.704	.829	1.20
		GO	-3.509	-1.903*	.060	.846	1.18
	Hofstede's cultural /HCL	LPDI	.006	.740	.462	.505	1.98
		LTO	-.002	-.240	.811	.573	1.74
		COLL	.004	.386	.701	.687	1.45
		MAS	-.008	-1.656	.101	.905	1.10
		REST	.001	.280	.780	.754	1.32
		HUAI	-.003	-.383	.703	.849	1.17
	R		.739				
	R-square		.546				
	F-statistics		5.673787				
	F (Sig)		.000				
Corporate performance/ ROA	Corporate Governance/C G	Constant	.021	.507	.614		
		ACN	-.010	-.780	.438	.424	2.35
		ACM	.029	2.050**	.043	.300	3.33
		GCN	-.006	-.355	.724	.319	3.13
		GCM	.027	1.491	.140	.480	2.08
		ITN	-.010	-.286	.776	.295	3.39
		ITM	-.055	-.945	.347	.487	2.05
		BON	.004	2.123**	.037	.411	2.43
		INDB	-.052	-1.806*	.074	.601	1.66
		NCEOD	-.034	-2.654***	.010	.676	1.47
		LO	.023	1.357	.179	.736	1.35
		FO	-.010	-.259	.797	.829	1.20
		GO	-.745	-.701	.485	.846	1.18
	Hofstede's cultural /HCL	LPDI	.007	1.708*	.091	.505	1.98
		LTO	-.006	-1.402	.164	.573	1.74
		COLL	-.002	-.309	.758	.687	1.45
		MAS	-.004	-1.550	.125	.905	1.10
		REST	-.002	-.500	.618	.754	1.32
		HUAI	-.002	-.320	.750	.849	1.17
	R		.577				
	R-square		.333				
	F-statistics		2.356886				
	F (Sig)		.005				

Return on Equity ROE; Return on Assets ROA; Audit Committee Members ACN; Audit Committee Meeting ACM; Governance Committee Meeting GCM; Governance Committee Members GCN; Information Technology Committee Members ITN; Information Technology Committee Meeting ITM; Board Size BON; Independent of BOD INDB; Non CEO Duality NCEOD; Largest Ownership LO; Foreign Ownership FO; Government Ownership GO; Low Power distance LPDI; Long-term orientation LTO; Collectivism COLL; Masculinity MAS; Restraint REST; High Uncertainty avoidance HUAI;*Statistically significant at the 0.10 level, ** Statistically significant at the 0.05 level, *** Statistically significant at the 0.01 level

Source: Author's own, 2021

1. The Regression analysis results of Model 3 the impact of corporate governance CG and Hofstede's cultural dimensions HCL on corporate performance ROE

Table 31 shows the results of the regressions analysis of model 3 consist of DV ROE, and the independent variables HCL with the presence of independent variables CG. (Appendix 12). The R 0.739, R square 0.546 is the percentage of variance in dependent variables explained by the independent variables. This means CG and HLC affect ROE. Therefore, the model explains 54.6% of the change that occurs in the dependent variable ROE. The F-statistics is 5.674 at a significant level .000. This means that the explanatory power of the model is statistically significant at the level of significance .000, PV < 0.01. This indicated the regression model is a good fit for the data. This means the CG and HCL predict statistically and significantly the dependent variable ROE, in other words, that the presence of the CG and the HCL impact on ROE. The value of Durbin-Watson is 1.711 close to 2 which means that there is no autocorrelation between the variables of the model.

Testing of hypotheses

This section tests the Third main hypothesis H03, First sub-hypothesis H03a based on the P. value (Sig) of each HCL dimensions.

- **H03**: *There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP with the presence of corporate governance CG in Jordan context*
- **H03a**: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance ROE with the presence of corporate governance CG in Jordan context

H03a1: LPDI, H03a2: HUAI, H03a3: LTO, H03a4: COLL, H03a5: MAS, H03a6: REST

As shown in Table 31, the P. value (Sig.) of the culture dimensions LPDI, LTO, COLL, MAS, REST, HUAI are 0.462, 0.811, .701, 0.101, 0.780, 0.703 respectively which is larger than the significance at 0.1 level. This means that these cultural dimensions do not predict statistically and significantly the dependent variable ROE, in other words, there is no relationship between the cultural dimensions HCL and ROE with the presence of corporate governance. Therefore, the alternative hypothesis is rejected and the null hypothesis is accepted for these HCL dimensions. However, the results show that there is a relationship between CG and CP (ROE).

Finally, the equation to Predict model 3 ***ROE*** from ***Corporate governance CG and Hofstede's cultural dimensions HCL*** is:

ROE= -0.015+ (-0.001 X ACN) + (0.047 X ACM) + 0.053 X GCN) + (0.038 X GCM) + (0.057 X ITN) + (-0.096 X ITM) + (0.007 X BON) + (-0.104 X INDB) + (-0.059 X NCEOD) + (0.049 X LO)+ (-0.027 X FO)+ (-3.509 X GO)+ (0.006 X LPDI)+ (-0.002 X LTO)+ (0.004X COLL+ (-0.008 X MAS)+ (0.001X REST + (-0.003 X HUAI) + Є

This multiple regression model is used to predict ROE from Corporate governance CG and Hofstede's cultural dimensions HCL. This model indicated that the cultural variables are NOT statistically and significantly predicted ROE where the PV is larger than the significance at 0.1 level, while the CG variables ACM, GCN, BON, LO, GO, INDB, NCEOD are 0.054, 0.065, 0.059, 0.099, 0.06, 0.04, 0.009 respectively is lower than the significance at .01, 0.05, 0.1 level are statistically significantly predicted ROE. Where the F 5.674 and PV 0.000 < 0.01, R 0.739 and R^2 0.546.

2. The Regression analysis results of Model 3 the impact of corporate governance CG and Hofstede's cultural dimensions HCL on corporate performance ROA

Table 31 shows the results of the regressions analysis of model 3 consist of DV ROA, the independent variables CG, and the independent variables HCL. (Appendix 13). The R 0.577, R square 0.333 is the percentage of variance in dependent variables that is explained by the independent variables. Which means CG and HLC affect ROA. Therefore, the model explains 33.3% of the change that occurs in the dependent variable ROA.

The F-statistics is 2.357 at a significant level .005. This means that the explanatory power of the model is statistically significant at the level of significance .005, PV < 0.01. This indicated the regression model is a good fit for the data. Which means the CG and HCL predict statistically and significantly the dependent variable ROA, in other words, the existence of the CG and the HCL impact on ROA. The value of Durbin-Watson is 1.651 close to 2 which means that there is no autocorrelation between the variables of the model.

Testing of hypotheses

This section tests the Third main hypothesis H03, second sub-hypothesis H03b based on the P. value (Sig) of each HCL dimensions.

- **$H_0$3**: *There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance CP with the presence of corporate governance CG in Jordan context*
- **$H_0$3b**: There is no significant relationship between Hofstede's cultural dimensions HCL and corporate performance ROA with the presence of corporate governance CG in Jordan context

***$H_0$3b1:* LPDI, *$H_0$3b2:* HUAI, *$H_0$3b3:* LTO, *$H_0$3b4:* COLL, *$H_0$3b5:* MAS, *$H_0$3b6:* REST**

As shown in Table 31, P. value (Sig.) of the culture dimensions LTO, COLL, MAS, REST, HUAI are 0.164, 0.758, 0.125, 0.618, 0.750 respectively which is larger than the significance at 0.1 level. This means that these cultural dimensions do not predict statistically and significantly the dependent variable ROA, in other words, there is no relationship between these cultural dimensions HCL and ROA with the presence of corporate governance CG. Therefore, the alternative hypothesis is rejected and the null hypothesis is accepted for these HCL dimensions. However, the results show that there is a relationship between CG and CP (ROA).

While the P. Value (Sig) of LPDI is 0.091 which is lower than the significance at 0.1 level. This means there is a statistically and significant relationship between LPDI and ROA with the presence of corporate governance CG. Therefore, the alternative hypothesis is accepted and the null hypothesis is rejected for these HCL dimensions. Thus, the improved hypothesis becomes:

H3b1: *There is significant relationship between LPDI and ROA with the presence of corporate governance CG in Jordan context*

Finally, the equation to Predict model 3 ***ROA*** from ***Corporate governance CG and Hofstede's cultural dimensions HCL*** is:

ROA*= 0.021+ *(-0.010* X *ACN*) + (*0.029* X *ACM) + (-0.006* X *GCN) + (0.027* X *GCM) + (-0.010* X *ITN) + (-0.055* X *ITM) + (0.004* X *BON) + (-0.052* X *INDB) + (-0.034* X *NCEOD) + (0.023* X *LO)+ (-0.01* X *FO)+ (-0.745* X *GO)+ (0.007 X LPDI)+ (-0.006 X LTO)+ (-0.002 X COLL+ (-0.004 X MAS)+ (-0.002 X REST + (-0.002 X HUAI) + Є

This multiple regression model is used to predict ROA from corporate governance CG and Hofstede's cultural dimensions HCL. This model indicated that the cultural variables are NOT statistically significantly predicted ROA except LPDI where P. value .091 is lower than the significance at 0.1 level, and the CG variables ACM, BON, NCEOD, INDB are 0.043, 0.037, 0.01, 0.074 respectively that is lower than the significance at 0.05, 0.1 level are statistically significantly predicted ROA. Where the F 2.357 and PV 0.005 < 0.01, R 0.577 and R^2 0.333.

3. Discussion results of Model 3 the impact of Hofstede's cultural dimensions HCL on the corporate performance ROE-ROA with presence CG

Table 31 shows the results of the regressions analysis of model 3 the impact of Hofstede's cultural dimensions HCL on ROE, ROA with the presence of corporate governance CG. The results show that the P. value (Sig.) of cultural dimensions are larger than the significance at 0.1 level. This means that these cultural dimensions do not predict statistically and significantly ROA and ROE, in other words, there is no relationship between the cultural dimensions of HCL and ROA, ROE with the presence of corporate governance. These results are consistent with the ***H03a1***, ***H03a2, H03a3, H03a4, H03a5, H03a6, H03b2, H03b3, H03b4, H03b5, H03b6***. While the P. Value (Sig) of LPDI is 0.091 which is lower than the significance at 0.1 level. This means there is a positive statistical and significant relationship between LPDI and ROA with the presence of CG. This result is consistent with the ***H03b1***. However, the results show that there is a relationship between CG and ROE, ROA.

The results of the current study are somewhat consistent with some studies and differ from other studies. The results are consistent with (OLIVEIRA 2016) who found there is no significant relationship between the UAI, MAS, and indulgence and the dividends in the Emerging markets. Furthermore, consistent with (BAE ET AL. 2012) who found there is an insignificant negative relationship between MAS and dividends with the presence of CG. While, the results are inconsistent with (BAE ET AL. 2012) who found there is a significant negative relationship between HUAI, LTO, and dividends with the presence of CG, these results of dividends can conform to profitability since Dividends are used as evidence of the company's performance (BAE ET AL. 2010). Also the results are inconsistent with (GRIFFIN ET AL. 2014) who found a negative relationship between HUAI and CP.

It has been mentioned previously that no governance systems can be analyzed without concern for the cultural environment in which these systems are integrated (LICHT 2014). Whereas, good CG is affected by the national culture. Where culture is considered a substitute for good CG due to the influence of national culture on investors and their agents (GRIFFIN ET AL. 2014). Indeed, national cultures play a role in the evolution of systems of CG (LICHT 2001). Moreover, the dimensions of cultural value are closely related to social norms of governance. Therefore, cultural trends may affect CG systems (LICHT ET AL. 2007). Where culture consists of a set of behaviors, values, and customs that are transmitted (OLIVEIRA 2016).

In the Jordan context, the presence of corporate governance reduces the impact of the cultural dimensions that weaken the relationship between the cultural dimensions and CP. This means that CG in Jordan is still weak particularly, in the diversified financial services and real estate. Despite the progress in adherence to corporate governance principles. This can be explained to the nature of the systems that govern Jordanian markets as emerging markets and the nature of weak corporate governance in these markets, in addition, Jordan is distinguished by being in the stage of development, the previous reasons may play a role in reducing the effects of culture. Where, cultural characteristics have limited importance in emerging countries so corporate governance must play an important in these markets (OLIVEIRA 2016). Furthermore, the reason may be due to the weakness of some CG mechanisms in some companies, particularly the diversified financial services and real estate that are not committed to the rules and the requirements of the Corporate Governance Code such as the rules of members and meetings of Audit, Governance, and IT Committees, board size BON, Board Independence INDB, and the separation between the position of Chairman and CEO.

More importantly, the reason for this weak relationship, poor governance in some companies, which reduces the influence of culture, where some business owners still prefer to run their own companies in the form of family companies. Therefore, Jordanian social customs and traditions may influence and weaken the tools of CG. Failure to implement these mechanisms according to the rules or commitment to them with not applying them on the ground may have a negative impact on the mission of BOD during the implementation of tasks. Whereas, these mechanisms may provide useful recommendations to BOD that contribute to improving the company's conditions and reducing the agency problems. Therefore, Jordan must pay attention to good corporate governance mechanisms and focus on applying these mechanisms on the ground in the future to allow culture to play an important role in the development of CG systems, as a result, impact positively on CP.

In summary, the culture dimensions with the presence of CG lead to having no relationship between culture and CP, which confirms that the presence of CG reduces the impact of culture in the Jordanian context. However, there is the additional explanatory power of HCL dimensions in explaining the variances in CP with the presence of CG. Given the importance of culture and its relationship with CG, and in light of the lack of local studies in this regard, future studies must be conducted to study the effect of culture on CG in the Jordanian context.

5.8.4. The Regression analysis result of Model 4 the impact of the interaction of corporate governance CG and Hofstede's cultural dimensions HCL (CG*HCL) on the corporate performance ROE, ROA

This model examines the impact of the interaction of each of the six cultural dimensions with the CG dimensions by using Regression analysis, each cultural dimension conducted in a separate model, in the sub-models 4a (1-6), 4b (1-6), the interaction variables (CG*LPDI), (CG*HUAI), (CG*LTO), (CG*COLL), (CG*MAS), (CG*REST) were tested in a separated regression model, each model consist of CG, culture dimension, and the interaction variable. To create the interaction between the CG and HCL. First to avoid the multicollinearity problems the researcher modification the variables relative to their mean (center the variables) (OLIVEIRA 2016; CRONBACH 1987). Then multiplying the center CG with the center cultural dimensions CG*HCL. When conducting the regression model for each cultural dimension the results showed that the board size BON has high collinearity, therefore, it was excluded from each sub-model to obtain more accurate results.

Table 32, 33 presents the Regression analysis result of Model 4. This model covers the Fourth main hypothesis **$H_0$4**. ROE, ROA were tested in two separate models. This hypothesis constitutes of two sub-main hypotheses (H04a, H04b) for ROE and ROA, each hypothesis includes sub-hypotheses for each HCL dimensions. H04a is presented in section1, and H04b is presented in section 2.

The fourth main hypothesis as follows:

- **$H_0$4**: There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and corporate performance CP in Jordan context
- **$H_0$4a**: There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and ROE in Jordan context
- **$H_0$4b**: There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and ROA in Jordan context

1. The Regression analysis result of Model 4 the impact of CG*HCL on the Corporate performance ROE

Table 32 presents the Regression analysis result of Model 4 the impact of interaction of corporate governance and Hofstede's cultural dimensions CG*HCL on ROE.

Table 32. The Regression analysis result of Model 4 the impact of CG*HCL on the Corporate performance ROE

Variables	Model 4a1 ROE		Model 4a2 ROE		Model 4a3 ROE		Model 4a4 ROE		Model 4a5 ROE		Model 4a6 ROE	
	sig T-test	B	sig T-test	B	sig T-test	B	sig T-test	B	sig T-test	B	sig T-test	B
LPDI	0.50	0.004										
CG* LPDI	0.03**	0.021										
HUAI			0.44	-0.006								
CG* HUAI			0.04**	0.020								
LTO					0.98	0.000						
CG* LTO					0.02**	0.023						
COLL							0.63	0.004				
CG* COLL							0.05*	0.018				
MAS									0.16	-0.007		
CG* MAS									0.13	.014		
REST											0.95	0.00
CG* REST											0.04**	0.02
F-statistics	8.051		7.916		8.091		7.904		7.871		7.908	
Sig F-test	0.000		0.000		0.000		0.000		0.000		0.000	
R-squared	0.538		0.533		0.539		0.533		0.532		0.533	
Return on Equity ROE; Return on Assets ROA; Corporate governance CG; Low Power distance index LPDI; Long-term orientation LTO; Collectivism COLL; Masculinity MAS; Restraint REST; High Uncertainty avoidance Index HUAI; *Statistically significant at the 0.10 level, ** Statistically significant at the 0.05 level, *** Statistically significant at the 0.01 level												

Source: Author's Survey

Table 32 shows the results of the regressions analysis of model 4 the impact of the interaction of corporate governance CG and Hofstede's cultural dimensions HCL (CG*HCL) on the Corporate performance ROE.

The ANOVA test (F ratio) measures the fitness of data. The (sig of F- test) for each model (4a1-4a6) is 0.000. This means that the explanatory power of each model is statistically significant at the level of significance .000, PV < 0.01. This indicated the regression model is a good fit for the data. Which means the CG*HCL predict statistically and significantly the dependent variable ROE, in other words, that the CG*HCL impact on ROE. Regarding the cultural dimensions LPDI, HUAI, LTO, COLL, MAS, REST the P. value are larger than the significance at 0.1 level which mean there is no relationship between these dimensions and ROE, these results are similar to the results of model 3, which indicated there is no relationship between the HCL dimensions and ROE with the presence of CG

Testing of hypotheses

This section tests the Fourth main hypothesis H04, First sub-hypothesis H04a based on the P. value (Sig) of each HCL dimensions.

- **H04**: *There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL, and corporate performance CP in Jordan context*

- **$H_0$4a**: There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG* HCL, and corporate performance ROE in Jordan context

H04a1: CG*LPDI), H04a2: (CG*HUAI), H04a3: (CG*LTO), H04a4: (CG*COLL), H04a5: **(CG*MAS),** ***$H_0$4a6:*** **(CG*REST)**

As shown in Table 32 the P. value (Sig.) of interaction between CG and HCL namely, CG*LPDI, CG *HUAI, CG *LTO, CG *COLL, CG *REST are 0.03, 0.04, 0.02, 0.05, 0.04 which means are lower than the significance at 0.05, 0.1 level. This means the interaction between these dimensions and the CG predict statistically and significantly the dependent variable ROE, in other words, this interaction impact on ROE. Therefore, the alternative hypothesis is accepted and the null hypothesis is rejected. Thus, the improved hypotheses become:

H4a1: *There is significant relationship between CG*LPDI and ROE in Jordan context*

H4a2: *There is significant relationship between CG*HUAI, and ROE in Jordan context*

H4a3: *There is significant relationship between CG*LTO, and ROE in Jordan context*

H4a4: *There is significant relationship between CG*COLL, and ROE in Jordan context*

H4a6: *There is significant relationship between CG*REST, and ROE in Jordan context*

On the other hand, the P. value (Sig.) of CG*MAS is (0.13), is larger than the significance at 0.1 level. Therefore, the alternative hypothesis is rejected and the null hypothesis is accepted.

2. The Regression analysis result of Model 4 the impact of CG* HCL on the corporate performance ROA

Table 33 presents the Regression analysis result of Model 4 the impact of interaction of corporate governance and Hofstede's cultural dimensions CG*HCL on the Corporate performance ROA.

Table 33. The Regression analysis result of Model 4 the impact of CG*HCL on the corporate performance ROA

Variables	Model 4b1 ROA		Model 4b2 ROA		Model 4b3 ROA		Model 4b4 ROA		Model 4b5 ROA		Model 4b6 ROA	
	sig T-test	B	sig T-test	B	sig T-test	B	sig T-test	B	sig T-test	B	sig T-test	B
LPDI	0.43	0.003										
CG* LPDI	0.06*	0.011										
HUAI			0.32	-0.005								
CG*HUAI			0.12	0.009								
LTO					0.26	-0.004						
CG*LTO					0.03 **	0.013						
COLL							0.78	-0.001				
CG*COLL							0.095*	0.009				
MAS									.16	-0.004		
CG*MAS									0.045 **	0.011		
REST											0.25	-0.003
CG*REST											0.065 *	0.011
F-statistics	2.857		2.730		2.977		2.710		3.034		2.877	
Sig F- test	0.002		0.003		0.001		0.003		0.001		0.002	
R-squared	0.292		0.283		0.301		0.281		0.305		0.294	

Return on Equity ROE; Return on Assets ROA; Corporate governance CG; Low Power distance index LPDI; Long-term orientation LTO; Collectivism COLL; Masculinity MAS; Restraint REST; High Uncertainty avoidance Index HUAI;
*Statistically significant at the 0.10 level, ** Statistically significant at the 0.05 level, *** Statistically significant at the 0.01 level

Source: Author's Survey

Table 33 shows the results of the regressions analysis of model 4 the impact of the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL on the Corporate performance ROA.

The ANOVA test (F ratio) measures the fitness of data. The (sig of F- test) for each model (4b1-4b6) is lower than the significance at 0.01 level. This means that the explanatory power of each model is statistically and significant, this indicated the regression model is a good fit for the data. Which means the CG*HCL predict statistically and significantly the dependent variable ROA, in other words, the CG*HCL impact on ROA. Regarding the cultural dimensions LPDI, HUAI, LTO, COLL, MAS, REST the P. value are larger than the significance at 0.1 level which mean there is no relationship between these dimensions and ROA, these results are similar to the results of model 3, which indicated there is no relationship between the HCL dimensions and ROA with the presence of CG.

Testing of hypotheses

This section tests the Fourth main hypothesis H04, second sub-hypothesis H04b based on the P. value (Sig) of each HCL dimensions.

- **H04**: *There is no significant relationship between the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL,, and corporate performance CP in Jordan context*
- **$H_0$4b**: There is no significant relationship between the **interaction of** corporate governance and Hofstede's cultural dimensions CG* HCL, and corporate performance ROA in Jordan context

***H04b1:* (CG*LPDI), *H04b2:* (CG*HUAI), *H04b3:* (CG*LTO), *H04b4:* (CG*COLL), *H04b5:* (CG*MAS), *H04b6:* (CG*REST)**

As shown in Table 33 the P. value (Sig.) of interaction between CG and HCL namely,

CG*LPDI, CG*LTO, CG*COLL, CG*MAS, CG*REST are 0.06, 0.03, 0.095, 0.045, 0.065 which means are lower than the significance at level 0.05, 0.1. This means the interaction between these dimensions and the CG predict statistically and significantly the dependent variable ROA, in other words, this interaction impact on ROA. Therefore, the alternative hypothesis is accepted and the null hypothesis is rejected. Thus, the improved hypotheses become:

H4b1: *There is significant relationship between CG*LPDI, and ROA in Jordan context*

H4b3: *There is significant relationship between CG*LTO, and ROA in Jordan context*

H4b4: *There is significant relationship between CG*COLL, and ROA in Jordan context*

H4b5: *There is significant relationship between CG*MAS, and ROA in Jordan context*

H4b6: *There is significant relationship between CG*REST, and ROA in Jordan context*

On the other hand, the P. value (Sig.) of HUAI*CG is 0.12, is larger than the significance at 0.1 level. Therefore, the alternative hypothesis is rejected and the null hypothesis is accepted.

3. Discussion results of Model 4 the impact of interaction of corporate governance and Hofstede's cultural dimensions CG*HCL on the Corporate performance ROE - ROA

Tables 32, 33 show the results of the regressions analysis of model 4 consists of dependent variables ROE, ROA, and the interaction of corporate governance and Hofstede's cultural dimensions CG*HCL with the presence of independent variables HCL and independent variables CG. Regarding the results of the regressions analysis of model 4 consist of DV ROE, the results show that (sig of F- test) for each sub-model (4a1-4a6) is 0.000 at the level of significance .000, PV < 0.01. This indicated the regression model is a good fit for the data. This means the CG*HCL predict statistically and significantly the dependent variable ROE, in other words, that the CG*HCL impact on ROE.

The P. value (Sig.) of the interaction variables CG*LPDI, CG *HUAI, CG *LTO, CG *COLL, CG *REST are lower than the significance at 0.05, 0.1 level. This means the interaction between these dimensions and the CG predict statistically and significantly the dependent variable ROE, in other words, these interaction variables impact on ROE. Where the coefficients beta show there is a positive and significant relationship between CG*LPDI, CG *HUAI, CG *LTO, CG *COLL, CG *REST, and corporate performance ROE. These results are inconsistent with the fourth hypothesis ***$H_0$4a1, $H_0$4a2, $H_0$4a3, $H_0$4a4, $H_0$4a6.*** On the other hand, the P. value of CG*MAS is (0.126) larger than the significance at 0.1 level. Therefore there is no significant relationship between CG*MAS and ROE. This result is inconsistent with the fifth hypothesis ***$H_0$4a5.***

Regarding the results of the regressions analysis of model 4 consists of DV ROA. Further, the results show that the (F Sig.) for each sub-model (4b1- 4b6) is lower than the significance at 0.01 level. This means that the explanatory power of each model is statistically and significant, this indicated the regression model is a good fit for the data. Which means the CG*HCL predict statistically and significantly the dependent variable ROA, in other words, that the CG*HCL impact on ROA. The P. value (Sig.) of the interaction variables CG*LPDI, CG *LTO, CG *COLL, CG*MAS, CG *REST are lower than the significance at level 0.05, 0.1. This means the interaction variables predict statistically and significantly the dependent variable ROA, in other words, these interaction variables impact on ROA. Where the coefficients beta show there is a positive and significant relationship between CG*LPDI, CG *LTO, CG *COLL, CG *MAS, CG *REST, and corporate performance ROA. These results are inconsistent with the fourth hypothesis ***$H_0$4b1, $H_0$4b3, $H_0$4b4, $H_0$4b5, $H_0$4b6.*** While, the p. value of CG *HUAI is (0.115) larger than the significance at 0.1 level. Therefore there is no significant relationship between CG *HUAI and ROA. This result is inconsistent with the second hypothesis ***$H_0$4b2.***

Regarding the cultural dimensions LPDI, HUAI, LTO, COLL, MAS, REST are keeping their insignificant. Where the results show there is no relationship between these dimensions and ROE, ROA, these results are similar to the results of model 3, expect LPDI where there is a statistically and significantly relationship between LPDI and ROA with the presence of corporate governance. The results of current study are somewhat consistent with some studies and differ from other studies. A Comparison was conducted of the current empirical results with the other studies (See Table 34). The results have explained per each interaction variable as follows:

CG*LPDI

The results show that there is a positive and significant relationship between CG*LPDI and CP ROE, ROA at levels 0.05, 0.10 respectively. These results are inconsistent with the ***$H_0$4a1, $H_0$4b1.*** This means if the CG is good the CP is positively correlated with LPDI, previously the results show in models 2, 3 that there is no relationship between LPDI and CP. However, the coefficient of CG*LPDI is positive and significant with CP. This indicates that the LPDI culture in the Jordan context has a higher CP if the corporate governance of companies is good. As a good CG reducing the agency problems. It is notable that the LPDI does not have an impact on CP whether individual or with the presence of CG, while CG*LPGI has a positive impact on CP, which means that LPDI can be positive on CP if the CG is good. It is worth saying, there are no studies that investigated the impact of CG*PDI on corporate performance CP whether in the Jordan context or globally. Therefore, future studies must be conducted in this regard to enrich the literature.

CG *HUAI

The results show there is a positive and significant relationship between CG*HUAI and CP ROE at level 0.05. This result is inconsistent with the $H_0$4a2. While the results show there is no significant relationship between CG*HUAI and CP ROA. This result is consistent with the $H_0$4b2. This means if the CG is good the ROE is positively correlated with HUAI. Previously the results show in model 2 that there is a negative relationship between HUAI and ROE without the presence of CG. While model 3 show there is no relationship between HUAI and CP with the presence of CG. Nevertheless, the coefficient of CG*HUAI is positive and significant with ROE.

Indeed in HUAI cultures the companies prefer substitute CG practices by focusing on information exchange and monitoring between insiders, which weakens CG and thus CP. However, the results show in the Jordan context that there is a positive relationship between CG*HUAI and ROE, which means that HUAI can be positive on ROE if the CG is good. Regarding the previous studies of the interaction between the CG and HUAI, there is a lack of studies in this regard, (GRIFFIN ET AL. 2014) indicated there is a positive correlation between the interaction of CG in terms of transparent disclosure and HUAI with ROA. While there is a negative interaction between CG in terms of corporate policy and HUAI with ROA. Furthermore, this result could be consistent with (Bae et al., 2010) who found CG*HUAI has a positive impact on dividends, that means in countries with HUAI, and good CG, especially countries that are characterized by higher protection for investors, companies tend to pay more dividends, into the face of ambiguous circumstances. While (OLIVEIRA 2016) indicated that CG*HUAI has no impact on dividends. The result of dividends could conform to profitability since dividends are one of the good CG indicators, and are used as evidence of the company's performance (BAE ET AL. 2010), further, dividend payout influence positively on corporate performance (MUREKEFU - OUMA 2012). In the Jordan context, the high HUAI have high CP ROE when the CG is good.

CG*LTO

The results show there is a positive and significant relationship between CG*LTO and CP ROE, ROA at level 0.05. These results are inconsistent with the ***$H_0$4a3 $H_0$4b3***. This means if the CG is good the CP is positively correlated with LTO, previously the results show in models 2, 3 that there is no relationship between LTO and CP whether without or with the presence of CG. However, the coefficient of CG*LTO is positive and significant. This indicates that the LTO culture in the Jordan context has a higher CP if the corporate governance of companies is good. It is notable that the LTO does not have an impact on CP, whether individual or with the presence of CG, while CG*LTO has a positive impact on CP, which means that LTO can be positive if the CG is good. Regarding the previous studies of the interaction variable CG*LTO, there is a lack of studies in this regard. However, this result is consistent somewhat with (SHI - VEENSTRA 2015) found there is a positive interaction between corporate social performance CSP and high long-term orientation. This is confirmed by (HALKOS - SKOULOUDIS 2016, 2017) who pointed out that Long-term orientation LTO influences positively on CSR index. Since CSR refers to responsibility toward society, and CSP is considered as an extension of CSR concept that focuses on the actual results (CARROLL 2018) as well as CSR is joining in the CG mechanisms (VERMA - KUMAR 2012). Therefore, LTO cultures have good corporate governance leads to an increase the corporate performance.

CG*COLL

The results show there is a positive and significant relationship between CG*COLL and CP ROE, ROA at level 0.1. These results are inconsistent with the ***$H_0$4a4, $H_0$4b4***. This means if the CG is good the CP is positively correlated with COLL, previously the results show in models 2, 3, that there is no relationship between COLL and CP whether without or with the presence of CG. However, the coefficient of CG*COLL is positive and significant with CP. This indicates that the COLL culture in the Jordan context has a higher CP if the corporate governance of companies is good. It is notable that the COLL does not have an impact on CP, whether individual or with the presence of CG, while CG*COLL has a positive impact on CP, which means that COLL can be positive if the CG is good,

Regarding the previous studies of the interaction variable CG*COLL, there is a lack of studies in this regard. (GRIFFIN ET AL. 2014) found that the positive correlation between CG in terms of (corporate policy) and CP is weaker in individualistic cultures. This result contrasts the Anglo-American model that emphasizes individual values, which aligns the interests between management and owners, thus motivating management to increase performance. (SHI - VEENSTRA 2015) Found the interaction of corporate social performance CSP with individualism as a moderating variable negatively influences corporate financial performance CFP. Since in high individualistic countries if the companies have high CSP the governing legality will be low levels, CSP is considered an extension of the corporate social responsibility CSR concept as well as CSR joining in the Corporate Governance mechanisms (VERMA - KUMAR 2012). This leads to predict that the interaction of individualistic cultures with corporate governance negatively influences corporate performance. This is consistent with the result of this study that shows there is a positive relationship between CG*COLL and CP.

CG*MAS

The results show there is a positive and significant relationship between CG*MAS and CP ROA at level 0.05. This result is inconsistent with the ***$H_0$4b5.*** While the results show there is no significant relationship between CG*MAS and ROE. This result is consistent with the ***$H_0$4a5***. This means if the CG is good the ROA is positively correlated with MAS, previously the results show in model 2 that there is a negative relationship between MAS and CP without the presence of CG. While model 3 show there is no relationship between MAS and CP with the presence of CG. However, the coefficient of CG*MAS is positive and significant with ROA. This indicates that MAS culture in the Jordan context has a higher CP if the corporate governance of companies is good. It is notable that the MAS has no impact on CP with the presence of CG, while CG*MAS has a positive impact on CP ROA, which means that MAS can be positive if the CG is good. This result could consistent with (OLIVEIRA 2016; BAE ET AL. 2012) who found in high MAS cultures pay more dividends when CG is better. Since dividends are one of the good CG indicators and influence positively on corporate performance (MUREKEFU - OUMA 2012). Therefore, the result of dividends could conform to profitability, thus it can be concluded that high MAS in Jordan context have high CP ROE when the CG is good.

CG*REST

The results show there is a positive and significant relationship between CG*REST and CP ROE, ROA at levels 0.05, 0.10. These results are inconsistent with the ***$H_0$4a6, $H_0$4b6***. This means if the CG is good the CP is positively correlated with REST, previously the results show in model 2 that there is a positive relationship between REST and CP without the presence of CG. While model 3 shows there is no relationship between REST and CP with the presence of CG. However, the coefficient of CG*REST is positive and significant with CP. This indicates that the REST culture in the Jordan context has a higher CP if the corporate governance of companies is good. It is notable that the REST has no impact on CP with the presence of CG, while the individual impact of REST without the presence of CG or CG*REST has a positive impact on CP ROA, which means that REST can be positive on the CP whether individual or with the interaction with CG. This result is somewhat consistent with (SHI - VEENSTRA, 2015) who indicate there is a negative interaction between corporate social performance CSP and indulgence that negatively influences corporate financial performance CFP. In high indulgent cultures, if the companies have high CSP the governing legality will be low levels. Because the stakeholders don't prefer CSP since it is costing and minimizing the value of investments. Since CSP is considered an extension of the corporate social responsibility CSR concept that focuses on the actual results (CARROLL 2018) as well as CSR joining in the Corporate Governance mechanisms (VERMA - KUMAR 2012). Therefore, the interaction between CG and indulgence will negatively influence CP. This mean that the interaction between CG and REST will positively influence CP.

Furthermore, the result could consistent with (OLIVEIRA 2016) who found there is a negative correlation between dividend payout and indulgence IND when governance quality is better, in other words, the interaction of indulgence IND and CG, impact negatively on dividends because good CG reduces the influence of agents and directors, thus high IND cultures and high CG decreases the dividend payout ratio, so, decrease CP. Since dividend payout positively correlated with CP (MUREKEFU - OUMA 2012). Therefore, REST culture has a positive correlation with CP when the CG is good, in other words, the CG*REST impact positively on CP. In any case, the results of this study show that REST is positively correlated to CP in the Jordan context, without the presence of CG, or with CG*REST. This means that a restrictive environment REST motivates Jordanian workers to work well, and stimulates them to fulfill their duties to the company, which enhances CP.

In the light of the above it is notable that the interaction of most of the cultural dimensions with CG (CG*HCL), except (MAS with regard to ROE) and (UAI with regard to ROA), are correlated positively with CP at a significant level of 0.1, which means that corporate governance CG is somewhat good in the Jordan context - Although Jordan is characterized by weak CG as an emerging country- this progress in CG is confirmed by the results of the current study, and this is evident by the increase in the adhering to the principles of CG by the most companies, compared to the previous studies. However, it is notable that there is still a weakness in commitment to the principles of CG. The following table 34 shows the empirical results of the interaction variable CG*HCL on the CP compared to the other studies:

Table 34. The empirical results of the interaction variable CG*HCL on the CP compared to the other studies

Variables	Empirical Results - Current Study	Empirical Results – Other Studies	
CG*LPDI	Positive ROE, ROA	-	Not Conducted yet
CG*HUAI	Positive ROE	Positive - Dividends	BAE ET AL. 2012
		Not significant - Dividends	OLIVEIRA 2016
		Positive - ROA	GRIFFIN ET AL. 2014
CG*LTO	Positive ROE, ROA	Positive - CFP (LTO * CSP)	SHI - VEENSTRA 2015
CG *COLL	Positive ROE, ROA	Negative (Individual * CSP)	SHI -VEENSTRA 2015
		Negative - CP	GRIFFIN ET AL. 2014
CG* MAS	Positive ROA	Positive - dividends	OLIVEIRA 2016
			BAE ET AL. 2012
CG * REST	Positive ROE, ROA	Negative - dividends (Indulgence * CG)	OLIVEIRA 2016
		Negative (Indulgence * CSP)	SHI - VEENSTRA 2015
Return on Equity ROE; Return on Assets ROA; Corporate governance CG; Low Power distance index LPDI; Long-term orientation LTO; Collectivism COLL; Masculinity MAS; Restraint REST; High Uncertainty avoidance Index HUAI; corporate social performance CSP; corporate financial performance CFP.			

Source: Author's Survey

Following Figure 23 below shows Illustration and summary of objectives and methods and results of research

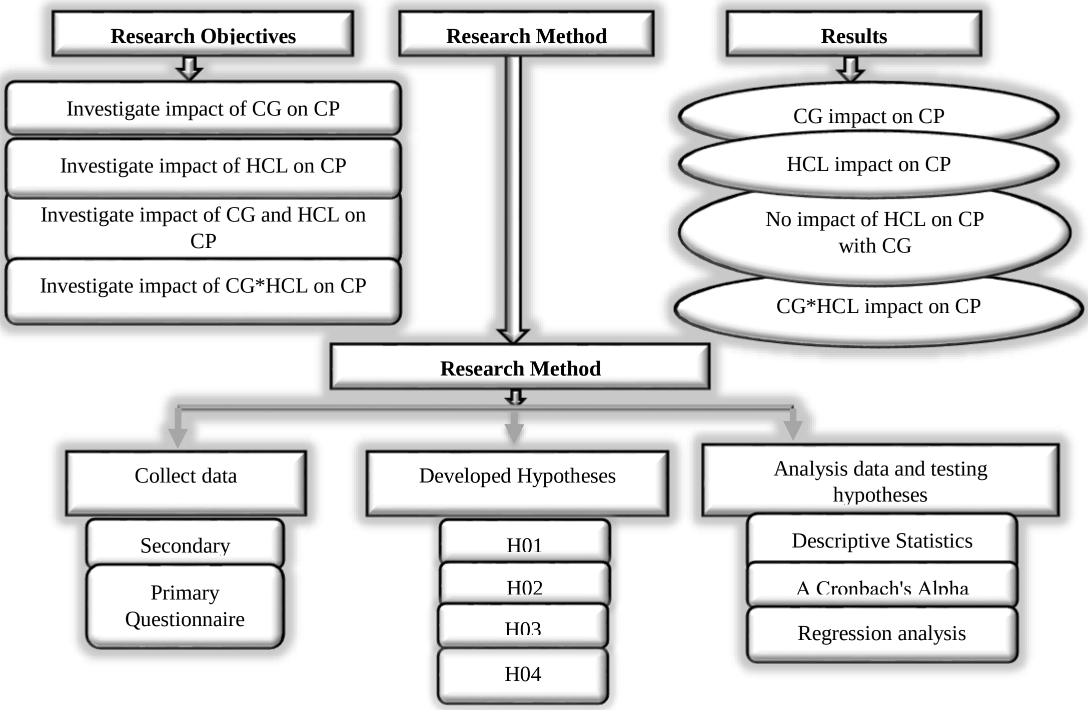


Figure 23. Summary of objectives and methods and results of research
Source: Author's own, 2021

6. CONCLUSION AND RECOMMENDATIONS

6.1. Conclusion and Comparison between the Regression Models

The study aims to examine the impact of culture and corporate governance on the performance of Jordanian companies, Based on the data analysis and the discussion the study concluded that there is a significant impact of corporate governance on CP Model 1. However, the result shows that there is a discrepancy in the level of implementation of CG principles in the financial sectors. Where the banks' sector is the most sector committed to implementing the principles of CG and has the highest CP. Model 2 shows there is an impact of HCL (HUAI, MAS, REST) on CP, without the presence of CG. On the other hand Model 3 shows there is no impact of all HCL (LPDI, HUAI, LTO, COLL, MAS, REST) on CP, with the presence of CG. This result indicates that in the Jordan context, the presence of corporate governance CG reduces the impact of the cultural dimensions HCL that weaken the relationship between the HCL and CP. This may due to the nature of the systems that govern Jordanian markets as emerging markets, as well as Jordan being in the stage of development. This reflects that CG in Jordan is still weak particularly, in the diversified financial services and real estate. However, the results indicated that there is an additional explanatory power of HCL dimensions in explaining the variances in CP with the presence of CG.

Furthermore, Model 4 shows there is a positive impact on CP when each cultural dimension interacted with CG, except MAS and HUAI. This means these cultural dimensions can be a positive impact on CP if the CG is good. This reflects that CG is somewhat good - Although poor CG in the Jordan as an emerging country- this progress in CG is confirmed by the results of current study compared with the past time. However, this positive impact is still somewhat modest, since it is at a significant level of 0.1 for some interaction variables. The reasons could be due to the lack of full commitment to the principles of CG as well as there is a discrepancy in the level of implementation of CG principles in the financial sectors. Thus, the relationship between culture and CP may differ depending on the strength of CG in each sector. In addition, the reasons may be due to Jordanian companies still having a conflict of interest, this appears in the negative relationship of the CG dimensions (Independence INDB, and the separation NCEOD) with the CP. Indeed, these conflicts of interest could threaten the governance, cultures, compliance of ethical standards, as a result, leads to corruption.

Anywise, may the presence of motivating controlling factors for example (leverage, company size), could enhance these results, which requires conducting future studies in the same field for looking into such factors. Indeed, to the best of the researcher's knowledge, there are no studies that investigated the impact of the interaction variables CG*HCL on corporate performance CP whether in the Jordan context or globally. Therefore, future studies must be conducted in this regard to enrich the literature.

More important the results show that interaction between culture HCL and corporate governance CG (CG*HCL) has the largest explanatory power in explaining the variances in corporate performance CP in model 4 compared with model 1 (corporate governance) and model 2 (HCL dimensions), where (R^2) in the model 1 the presence of CG alone is 0.525, 0.279 for ROE, ROA respectively, and the (R^2) in the model 2 the presence of HCL alone is .106, 0.07 for ROE, ROA respectively, while (R^2) in Model 4 (4a, 4b) with the presence of interaction variables (CG*HCL) is .538, .533, .539, .533, .532, .533 For ROE, and .292, .283, .301, .281, .305, .294 for ROA (See Table 35). This implies that the explanatory power that explains the variance of CP is greater in Model 4 with the presence of interaction variables (CG*HCL). In the following, Table 35 shows the comparison between the Regression Models. Further, It is worth saying here, that REST is positively correlated to CP in the Jordanian context, whether, without the presence of CG, or with CG*REST. This means that a REST environment motivates

Jordanian workers to loyal to the company, even though they don't have an indulgent environment, which positively affects CP.

Table 35. Comparison between the Regression Models

	Model 1	Model 2	Model 3	Model 4a1	Model 4a2	Model 4a3	Model 4a4	Model 4a5	Model 4a6
	ROE	ROE	ROE	ROE	ROE	ROE	ROE	ROE	ROE
R^2	.525	.106	.546	.538	.533	.539	.533	.532	.533
	Model 1	Model 2	Model 3	Model 4b1	Model 4b2	Model 4b3	Model 4b4	Model 4b5	Model 4b6
	ROA	ROA	ROA	ROA	ROA	ROA	ROA	ROA	ROA
R^2	.279	.07	.333	.292	.283	.301	.281	.305	.294

Source: Author's survey

6.2. Managerial implications

The Jordanian economy has faced many political obstacles recently, which led to a decline in economic growth, where the government was exposed to spending huge expenditures on refugees from Arab countries. These bad political and economic conditions have negatively affected the results of companies, and this is evident by the decrease in the ROE and ROA, for the last five years, which reflected negatively on foreign investment in Jordanian companies. More importantly, the Jordanian environment faces obstacles in the implementation of good CG mechanisms, where there is no full commitment to the principles of CG in the financial sector, for example, failure to adhere to the rules related to committees (Audit, governance, and IT), and lack of separation between the CEO and the CM, besides not adhering to the rules of BOD formations. Which encourages opportunities to exploit the personal interests of some BOD. These problems could be solved by focusing on selecting the BOD based on the scientific and practical experiences and hiring managers with contracts linking their incentives to the company's performance. Besides focusing on selecting the m3mbers of committees, for example, the members of the audit committee must have a scientific qualification or a professional certificate in accounting, finance. The members of IT committee must have experience in the field of Information Technology.

Furthermore, there is a multiplicity of laws and regulations of the governance and a conflicts of some articles in the Jordanian Companies Law, so the concerned authorities should raise the degree of adherence to the principles of CG. With the necessity to focus on professional conduct, accountability, and ethical compliance that could impact on the compliance of CG, Therefore, it should be sitting special principles and establishing a concerned authority for controlling the compliance. And urging the companies to issue reports in this regard. This leads to ensuring effective implementation of CG and thus improving CP since CG is a critical factor in enhancing the effectiveness of performance, and market performance.

It is worth saying here, that Jordanian banks are the most sector are committed to implementing the principles of CG, so it has the highest CP, Also the highest percentage of the Foreign OWS, compared to other sectors. In addition, it has a strong and solid system. Besides, it formed the largest proportion of the financial sector in Jordan. Therefore, the other sectors should follow the banking to increase CP. Furthermore, banking sectors are committed to the ITC information and technology committee rule, where the information and technology sector in Jordan is considered a developed sector and attracts investors. Therefore, it is imperative for companies to focus on applying the rules of ITC committee that are stipulated in the principles of Jordanian governance. Since it has a positive impact by providing quality information that supports decision-making and improving the system of internal audit and control that lead to achieving the goals and increasing value and competitiveness.

With regard to culture, despite Hofstede's asserts that cultures change slowly, some recent studies show that this is not conclusive, as some studies have reached results contrary to Hofstede. This may due to most Arabs countries towards socially Western life. Besides the existence of some cultural motivators, including technology, social media, urbanization, and reliance in labor markets on competition and efficiency, all these factors may reduce the high power distance HPDI. This is what Jordanian culture reached recently, where results showed that Jordan tends to be LPDI. This requires the need to develop special institutions that are conscious and capable of absorbing the outputs of these cultural shifts in the nature of Jordanian society and the Arab in general. As well as, the concerned parties should reduce the remaining controlling parties' culture since Jordan has been shown to tend to be LPDI, this will limit corruption and exploitation of personal interests and thus make correct decisions by BOD. The presence of corporate governance reduces the impact of culture on the corporate performance in the Jordan context that reflects the discrepancy in the implementation of CG in the financial sectors. Therefore, the authorities must focus on raising the degree of commitment to CG principles to reach better results in the future, such as protecting the rights of shareholders and attracting foreign investors, as a result, increasing the profits. Thus increasing the financial stability of Jordan, strengthening the economy, and enhancing the level of living.

Finally, based on the above and in the light that no governance systems can be analyzed without concern for the cultural environment (LICHT 2014). And since good CG is affected by national culture, because the culture is considered a substitute for good CG. In addition, national cultures play a role in the evolution and effect on CG systems. Besides, it is closely related to the social norms of governance (Licht et al., 2007). where culture is a set of behaviors, values that are transmitted (OLIVEIRA 2016), Besides the results of this study, which showed that there is a relationship between culture, CG, and CP, so it is imperative to focus on this aspect in the future by the policymakers in different fields, culturally, socially, politically and economically.

6.3. Recommendations

1. The concerned authorities must raise the commitment of the codes of corporate governance that advocated by the OECD in the financial sector and apply them on the ground to allow culture to play an important role in the development of CG systems.
2. Imposing penalties for violating the principles of corporate governance.
3. Imposing strict instructions to oblige companies to formation Board committees, particularly ITC committees since these committees have a positive impact on the efficacy of the BOD and enhance CP.
4. Authorities should impose strict instructions to force the diversified financial services and real estate companies to adhere to the rules of board size BON.
5. The concerned authorities must force the companies to select the BOD in accordance with codes of CG that should be qualified and has sufficient knowledge, and familiar with the rights, and duties of BOD. And link incentives of the managers to the CP.
6. Companies should reconsider the rule of separation between CEO and CM, and giving the CM sufficient authority to control BOD and managers.
7. Urging the non-executive members to be exist in companies, to knowledge about daily operations, and to participate in formulating strategic decisions.
8. Enhance the mechanisms of governing by BOD in the financial sector to increase their effectiveness, so it should:
    - Adopting a general framework for CG that clarifies the duties, responsibilities, and powers of BOD and shows the mechanism of work and how to evaluate the performance of BOD.
    - Playing an advisory role in the strategic plan or operational matters of the institution, and ensuring the integrity of the financial statements.

- The BOD must be managing the meetings successfully, and good communication with committees and management, and attending to carry out the tasks and responsibilities.
- The executive management, internal control, and committees should provide BOD with sufficient, relevant, reliable, objective, and timely information
- Selection a diverse and appropriate Board members, who have scientific knowledge and practical experience.
- Internal audit should assign, review, and sure adherence to governance rules.

9. Improving the responsibilities, and tasks of BOD in CG codes. By adding a new article for accountability of BOD, and imposed a fine for any negligence in the duties.
10. Prepare a solid strategic plan by specialists and based on scientific foundations (Positive attitude, Team Work, Knowledge, clear aim). Besides, encourage technology and research development.
11. Setting special principles, and a concerned authority for ethical compliance. And urging the companies to issue reports in this regard.
12. Reviewing the company's law, to eliminate the conflicting, and setting new articles to improve the application of CG in Jordan.
13. The Jordanian companies must give females better opportunities in business in the future.
14. Encourage the employees, by improving salaries and rewarding them to reduce uncertainty cases.
15. Raising the awareness and understanding among the employees about teamwork.

6.4. Future studies and suggestions

The results of current research will be useful for policymakers, and it would enrich the literature by presenting important results about the impact of individual and interaction of HCL and CG on CP in the Jordan context, that would be an enriching topic to be studied by academics and researchers in light of lack of local literature in this regard. As well as it would be useful to conduct this research at the level of Arab countries. This will support or refute the results of this research. Also future research could be conducted on other sectors (Industrial, services) (non-financial sector). Furthermore, this research could be applied to the government sector as this sector has begun to apply the principles of governance recently. Further, future research could examine the relationship between culture and expectations of external or internal auditors. More importantly, future studies must be conducted to investigate the relationship between culture and CG particularly, in terms of (Board size, board composition, board committees), this could be enriching the local literature. Future researches could be conducted in the same field of current research by using different proxies of CG, with recommend conducting research about the impact of the ITC committee on CP. Further, using different aspects of BOD characteristics such as (educational level, Gender, practical and scientific experiences, and nationality). Moreover, the researchers can use controlling variables or moderating variables that may influence the nature of the relationship between CG, HCL, and CP.

The researcher suggests a re-assessment of Hofstede cultural dimensions in Arabic countries. Since there are expected changes that may occur in the environment in which individuals live, which may affect their values and thus their behavior and culture. Furthermore, the current research could be conducted by using other models of culture, such as Schwartz's (1994). In addition, it will be useful to employ the seventh cultural dimension (Monumentalism / Modesty) in future studies. An important topic that may be useful the impact of privatization (eliminating government OWS) in Jordanian companies on CP.

Finally, since the world is currently under the Covid pandemic that could be a normal situation in the future, so studies on the impact of Covid on CG, culture, and CP could be an interesting topic in the future.

7. NEW SCIENTIFIC RESULTS

The New results of the current study and the improved hypotheses

The current study reaches new results about the impact of culture and corporate governance on corporate performance in Jordan context as follows:

1. There is a significant and statistical relationship between corporate governance CG and corporate performance CP.

2. There is a relationship between cultural dimensions HCL (HUAI, MAS, REST) and corporate performance CP, without the presence of CG.

3. There is no relationship between the cultural dimensions HCL (LPDI, HUAI, LTO, COLL, MAS, REST) and CP, with the presence of CG. However, the results indicated that there is an additional explanatory power of HCL dimensions in explaining the variances in CP with the presence of CG.

4. There is a positive relationship between the interaction of each cultural dimension with CG (CG*HCL) and corporate performance. This means these cultural dimensions have a positive impact on CP if the CG is good. This positive impact is somewhat modest at a significant level 0.1, due to lack of commitment to CG codes; and the discrepancies in the implementation of CG principles among the companies in financial sectors. Thus, the relationship between culture and CP may differ depending on the strength of CG in each sector. Furthermore, The interaction between culture HCL and CG provides the largest explanatory power in predicting the variances in CP in model 4 compared with model 1 (corporate governance) and model 2 (HCL dimensions).

5. The cultural dimension Restraint (REST) is positively correlated to CP in the Jordan context, whether, without the presence of CG (Model 2), or with CG*REST (Model 4). This means that a restrictive environment (REST) motivates the workers in the companies, even though they don't have an indulgent environment.

6. The study demonstrated through in-depth and detailed literature research and statistical analysis in Jordanian conditions that the performance of financial firms is closely related to good corporate governance and Hofstede cultural variables.

Table 36 below shows the new results and improved hypotheses.

Table 36. New results of the current study and the improved hypotheses

	Accepted / Rejected	New results
H01a		There is no significant relationship between corporate governance (CG) and corporate performance (ROE)
	Rejected	***H01a2***: (ACM), ***H01a3***: (GCN), ***H01a7***: (BON), ***H01a8***: (INDB), ***H01a9***: (NCEOD), ***H01a10***: (LO), ***H01a12***: (GO)
	Accepted	***H01a1:*** (ACN)**,** ***H01a4:*** (GCM)**,** ***H01a5:*** (ITN)**,** ***H01a6:*** (ITM)**,** ***H01a11:*** (FO)
H01b		There is no significant relationship between corporate governance (CG) and corporate performance (ROA)
	Rejected	***H01b2***: (ACM), ***H01b9***: (NCEOD)
	Accepted	***H01b1***: (ACN), ***H01b3***: (GCN), ***H01b4***: (GCM), ***H01b5***: (ITN), ***H01b6***: (ITM), ***H01b7***: (BON), ***H01b8***: (INDB), ***H01b10***: (LO), ***H01b11***: (FO), ***H01b12***: (GO)
H02a		There is no significant relationship between Hofstede cultural dimensions (HCL) and corporate performance (ROE)
	Rejected	***H02a4***: (MAS) ***H02a5***: (REST) ***H02a6***: (HUAI)
	Accepted	***H02a1*** (LPDI) ***H02a2***: (LTO) ***H02a3***: (COLL)
H02b		There is no significant relationship between Hofstede cultural dimensions (HCL) and corporate performance (ROA)
	Accepted	***H02b1***: (LPDI) ***H02b2***: (LTO) ***H02b3***: (COLL) ***H02b4***: (MAS) ***H02b5***: (REST) ***H02b6***: (HUAI)
H03a		There is no significant relationship between Hofstede cultural dimensions (HCL) and corporate performance (ROE) with the presence of corporate governance (CG)
	Accepted	***$H_0$3a1:*** (LPDI) ***$H_0$3a2:*** (HUAI) ***$H_0$3a3:*** (LTO) ***$H_0$3a4:*** (COLL) ***$H_0$3a5:*** (MAS) ***$H_0$3a6:*** (REST)
H03b		There is no significant relationship between Hofstede cultural dimensions (HCL) and corporate performance (ROA) with the presence of corporate governance (CG)
	Accepted	***$H_0$3b2:*** (HUAI) ***$H_0$3b3:*** (LTO) ***$H_0$3b4:*** (COLL) ***$H_0$3b5:*** (MAS) ***$H_0$3b6:*** (REST)
	Rejected	***$H_0$3b1:*** (LPDI)
H04a		There is no significant relationship between (CG*HCL) and corporate performance (ROE)
	Rejected	***H04a1*** (CG*LPDI) ***H04a2:*** (CG*HUAI) ***H04a3:*** (CG*LTO) ***H04a4*** (CG*COLL) ***H04a6:*** (CG*REST)
	Accepted	***H04a5:*** (CG*MAS)
H04b		There is no significant relationship between (CG*LPDI), and corporate performance (ROA)
	Rejected	***H04b1:*** (CG*LPDI) ***H04b3:*** (CG*LTO) ***H04b4:*** (CG*COLL) ***H04b5:*** (CG*MAS) ***H04b6:*** (CG*REST)
	Accepted	***H04b2:*** (CG*HUAI)

Source: Author's survey

8. SUMMARY

This research aims to investigate the impact of culture and CG on CP of Jordanian companies. For this purpose, the financial sector companies listed on ASE were selected. The sample included 105 companies for the period 2013 - 2018. This research investigates the impact of Hofstede's cultural dimensions theory HCL and corporate governance CG on corporate performance CP in the Jordan context. In addition, investigates the impact of mutual (interaction) between CG and HCL on CP. The study covers all the six Of HCL: power distance index PDI; Individualism vs. collectivism IDV; Uncertainty avoidance UAI; Masculinity vs. femininity MAS; Long-term orientation vs. short-term orientation LTO; Indulgence vs. restraint IND. Furthermore, the study uses the CG proxies: Number of board members BON; Independence of BOD INDB; Non-CEO duality NCEOD; Board committees BC, in addition to Ownership structure OWS: largest OWS (LO); Foreign OWS (FO); and government OWS (GO).

More importantly, based on the literature review, the researcher developed the four main hypotheses, each main hypothesis included sub-hypotheses related to the dimensions of each IV (HCL, CG). The research employed Agency theory, and the Hofstede cultural dimensions theory in the theoretical framework of study, for testing the relationship between corporate governance CG, culture HCL, and corporate performance CP, as well as to answer the research questions. Furthermore, chapter 3 presented the reality of CG in Jordan and clarified the methods of corporate governance in Jordan besides the barriers to implantation the good practices of CG, Further, the chapter, clarified the characteristics of culture in Jordan, which helped the researcher in developing the research questions and built the model of the study.

The data was collected from two resources; secondary sources (published articles from social science journals. in addition used available data in the ASE (www.ase.com.jo) that related to the profitability of companies. Besides financial ratios from the Securities Depository Center SDC. Furthermore, used the annual reports that are available on the website of ASE, to collect the data related to the corporate governance dimensions and the ownership structure. Moreover, the researcher used a questionnaire as a primary source to collect data on the cultural dimensions. The questionnaire was distributed to different job positions (Managers, Heads of sections, employees) in a selected sample of the financial sector companies. A statistical analysis by using SPSS was pursued to analyze data such as reliability test (Cronbach's Alpha), Descriptive Statistics, frequencies, Normality test, Multicollinearity test, and Regression analysis.

8.1. Literature review

The researcher overviewed the literature widely from different contexts and presented the most related literature to the topic of the study. The literature was reviewed from the different scientific journals (more than 208 references) that were published in famous sources (Scopus, Emerald, EBSCOhost, Spring), in addition to Arabic and local sources and different websites.

Many studies have been conducted on CG widely in the literature. The findings confirmed that the effective application of CG has a positive effect on CP. Furthermore, the culture has aroused the interest of many researchers in various forms, as they emphasized that intercultural considerations vary among countries. They also indicated that understanding the culture is important to enhance organizational commitment and achieve the objectives. Several local studies have been conducted on the impact of CG on CP of companies in developing markets. However, there are no studies related to the relationship between HCL, CG, and CP. Therefore, the problem of this research presents that there is a lack of literature in the Jordan context in this regard. More importantly, the current research tried to overcome the gap of local literature by covering the financial sector. Besides board committees and use the ITC committee as a new proxy of CG. As well as covering gaps of cultural dimensions, LTO, IND, and PDI in particular with regard to interaction. This research is the first local study is concerned with investigating the (individual and interaction) impact of Hofstede's cultural dimensions and corporate governance on corporate performance of the financial sector companies listed on ASE. Therefore, the contributions of the current research highlighting in its results, which demonstrated the importance of the impact of culture on CP, and the importance of the effective application of governance mechanisms in the company.

8.2. Results

This research employed Hofstede's cultural dimensions to calculate the cultural dimensions in Jordan. The results of the current study show that the Jordanian culture is characterized by LPDI, HUAI, LTO, COLL, MAS, and REST culture. Where the COLL dimension posted the highest mean in the financial sector. These results are consistent with Hofstede's classification of Jordan regarding HUAI; COLL; REST while contradicting regarding MAS; LPDI; LTO. The Interpretation of these new findings may be attributed to Jordan's interest as one of the developing countries in rebuilding itself and in establishing an internal culture to enter the world of competition. Furthermore, the Jordanian workers may be exposed to unusual sources of upbringing Social that may change their traditions (BERGER - LUCKMAN 1966). Regarding the implementation of CG the results show that there is a statistical and significant positive impact of CG on CP. However, the results show that there is a discrepancy in the implementation of CG principles in the financial sectors.

The researcher used the regression model for testing the developed null hypotheses that were constructed to test the impact of HCL and CG on CP. The results show there is a significant impact of CG on CP Model 1. Further, there is a significant relationship between cultural dimensions MAS, REST, HUAI, and ROE Model 2. While Model 3 shows that there is no relationship between the cultural dimensions LPDI, LTO, COLL, MAS, REST, HUAI, and CP with the presence of CG. This indicates the presence of CG reduces the impact of the HCL on CP in the Jordan context. However, the results indicated that there is an additional explanatory power of HCL dimensions in explaining the variances in CP with the presence of CG. Regarding Model 4 the results show there is a positive impact on CP when each cultural dimension interacted with CG. However, this positive impact is a bit modest due to the lack of full commitment to the principles of CG and the discrepancy in implementation of CG principles among the companies in the financial sectors. Thus, the relationship between culture and CP may differ depending on the strength of CG in each sector. More importantly, the results show that model 4 that presented the interaction between culture and CG has the largest R^2 compared with model 1 (corporate governance) and model 2 (HCL dimensions). Which means a bigger additional explanatory power for CP.

8.3 Conclusions and recommendations

The study concluded that there is a significant impact of corporate governance on CP. However, there is a discrepancy in the level of implementation of CG principles among the companies in the financial sectors. Furthermore, there is an individual impact of cultural dimensions HCL (HUAI, MAS, REST) on CP, without the presence of CG. On the other hand, there is no individual impact of the cultural dimensions HCL (LPDI, HUAI, LTO, COLL, MAS, REST) on CP, with the presence of CG. This means the presence of weak CG reduces the impact of HCL that weakens the relationship between the HCL and CP. However, the results indicated that there is an additional explanatory power of HCL dimensions in explaining the variances in CP with the presence of CG. Furthermore, the study concluded that there is a positive impact on CP when each cultural dimension interacted with CG. Moreover, the cultural dimension

REST is positively correlated to CP in the Jordan context, whether, without the presence of CG, or with CG*REST.

The limitations of this study are related to the cultural dimensions, in particular, as there are a gap and shortage in local studies in this regard. However, the results of this research on the impact of the individual or the interaction of culture with CG on CP are somewhat consistent with the results of previous studies although these studies had dealt with different measures of performance such as (dividends, Tobin's Q, and net interest margin, etc..) or it applied the research in different contexts or different sectors. In any case, the comparisons with the previous studies faced a bit difficult due to the scarcity of research applied in this field, whether in the individual impact of culture or its interaction with CG on CP, particular, the interaction, where there is a scarcity of research that dealt with the six dimensions of culture, and even if such researches exist, they used the corporate social performance CSP measures and their interaction with the Hofstede cultural dimensions. Nevertheless, the results of current research can contribute to the literature by providing findings on the impact of culture and CG on CP of Jordanian companies. Where the researcher presented managerial implications, and recommendations, as well as suggested future studies. These results and recommendations are important to financial data users, investors, and policy-makers in Jordan, especially that Jordan is one of the emerging countries that are characterized by a weak governance system.

Finally, the general results of the current study confirm that the CP is closely related to good corporate governance and Hofstede cultural variables. Therefore, more future studies should be conducted, especially in the Jordan context with regard to the impact of the cultural dimensions (individual or interaction with CG), where it is evident that culture has an additional explanation in the variance of CP. Such future studies in this field will contribute to refuting or confirming the findings of the current research.

APPENDICES

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A2. List of Figures

A3. List of Tables

A4: Questionnaire

Mr., Mrs. ....

The student prepares a study to fulfillment a Ph.D. degree in accounting From Hungarian University of Agriculture and Life Sciences. The study under the title: "The Impact of Hofstede's cultural dimensions theory on corporate performance through applying Corporate Governance", an empirical study on a sample of financial sector companies operating in Jordan.

The questions relate to the culture of the Jordanian society, which was formulated on the basis of Hofstede theory .As one of the occupants of positions (manager - head of department - employee) in your company, I hope you will kindly answer the questions of this questionnaire accurately and objectively, as the researcher hopes that your answers will enrich the level of scientific research for this study.

Note: All the information will be treated with the utmost confidentiality.

Thank you for your cooperation and your response.

Houda Aleqedat

hudaeqedat@yahoo.com

Section I: PERSONAL DATA

Please tick (√) in the correct answer box:

1. Career position:

Manager	Head of section	Employee

2. Current Functional Degree:

Private / First	Second / third	Fourth / Fifth	Sixth / Seventh	Other degree (please specify)

3. Highest Education Level Completed:

Ph.D.	Master's Degree M.A.	Bachelor's Degree BA	College/ Diploma	High school and below

4. Specialization:

Accounting	Business Administration	Economy	Engineering	Other (please specify)

5. Years of work experience:

10 years and over	5 to less than 10 years	From 3 to less than 5 years	Less than 3 years

6. Professional certificates obtained:

CPA	ACPA	JCPA	Other (please specify)

7. Gender:

Male	Female

8. Age:

More than 50 years	30 to 50 Years	Less than 30 years

Section II: The Independent Variable (Hofstede Cultural Dimensions):

Please tick (√) in the correct answer box:

The Likert scales have been used from (1) to (5): (1) strongly disagree); (2) disagree; (3) neutral; (4) agree; (5) strongly agree.

Study variables	Item	1	2	3	4	5
PDI						
Low Power Distance	1. The management gives me flexibility in decision-making.					
	2. The management gives me more independence.					
	3. The management gives me a greater mandate in the powers.					
	4. I can discuss my officials easily about my work.					
High Power Distance	5. I cannot make decisions without consulting the administrator / direct manager.					
	6. I feel that there is a divergence in the administrative centers between the employee and the official.					
	7. The Management exercises control over the activities and organization work.					
	8. The management does not give confidence and independence to others.					
UAI						
High Uncertainty Avoidance	9. There are working rules and written procedures within my organization.					
	10. I prefer the current/existing situation and don't want to challenge the unknown.					
	11. My organization rejects ideas and suggestions submitted by employees.					
	12.Management within my organization don't care about time and time management					

Low Uncertainty Avoidance	13.The employees within my organization have a spirit of adventure and risk-taking.					
	14.My organization applies the ideas and suggestions submitted by the employees.					
	15.I have the ability to deal with everything new and unknown.					
LTO						
Long-term orientation vs. short-term orientation	16. My organization has strategic and long-term planning programs.					
	17. The company strives to work hard for future success.					
	18. The company is working to create a kind of stability in the work environment.					
	19. The company constantly strives to save money.					
IDV						
Collectivity	20. I prefer teamwork that does not require isolation and solitude.					
	21. I prefer teamwork that requires social relationships.					
	22. The organization encourages employees within my organization to work in one team.					
Individuality	23. I prefer individual work more than teamwork.					
MAS						
Femininity	24. Organization and management gives women greater roles in the areas of senior leadership and control					
Masculinity	25. Organization and management gives women fewer roles in the areas of senior leadership and control					
IND						
Indulgence	26. The workplace environment allows staff to have some breaks in order to meet and satisfy human needs.					
	27. The workplace environment allows staff sometimes to have activities and events that allow the employee to have the gratification of basic and natural human desires related to enjoying life and having fun.					
Restraint	28. The workplace environment does not allow staff to have some breaks in order to meet and satisfy human needs.					
	29.The workplace environment sometimes does not allow the employee to have the gratification of					

	basic and natural human desires related to enjoying life and having fun					

A5: List of financial sector companies

Company's name	Company's short name	Symbol	Code
Banks		**Insurance**	
Jordan islamic bank	JOIB	Middle east insurance	MEIN
Jordan kuwait bank	JOKB	Al-nisr al-arabi insurance	AAIN
Jordan commercial bank	JCBK	Jordan insurance	JOIN
The housing bank for trade and finance	THBK	Arabia insurance company - jordan	AICJ
Arab jordan investment bank	AJIB	Delta insurance	DICL
Safwa islamic bank	SIBK	Jerusalem insurance	JERY
Bank al etihad	UBSI	The united insurance	UNIN
Arab banking corporation /(jordan)	ABCO	Jordan french insurance	JOFR
Invest bank	INVB	Holy Land Insurance	HOLI
Capital bank of jordan	EXFB	Al-manara insurance plc.co.	ARSI
Societe generale de banque - jordanie	SGBJ	Arab orient insurance company	AOIC
Cairo amman bank	CABK	Al Safwa Insurance Public Limited Company	SFIC
Bank of jordan	BOJX	Arab life & accident insurance	ARIN
Jordan ahli bank	AHLI	Philadelphia insurance	PHIN
Islamic international arab bank	IIAB	Arab union international insurance	AIUI
Arab bank	ARBK	National insurance	NAAI
Diversified financial services		Jordan international insurance	JIJC
National portfolio securities	MHFZ	Euro arab insurance group	AMMI
Jordanian expatriates investment holding	JEIH	The islamic insurance	TIIC
Jordan investment trust	JOIT	The Arab Assurers Insurance	ARAS
Aldaman for investments	DMAN	Arab jordanian insurance group	ARGR
Union investment corporation	UINV	The mediterranean & gulf insurance company-jordan p.l.c	MDGF
Jordan loan guarantee corporation	JLGC	First insurance	FINS
Arab east investment	AEIV	**Real estate**	
Al-amin for investment	AAFI	Alshamekha real.	VFED
United financial investments	UCFI	J d properties	JDPC
Jordan mortgage refinance	JMRC	Taj tourist proj	TAJM
International brokerage & financial markets	IBFM	Resources invest	JOMA
Al-amal financial investments co.	AMAL	Union land dev	ULDC
Al sanabel international for islamic investments (holding) plc. Co.	SANA	Tajcateringhousing	JNTH
Al-bilad securities and investment	BLAD	Spcz.invst.comd	SPIC
First finance	FFCO	Spec.inv jor	SIJC
Jordanian management and consulting company	JOMC	Real estate dv	REDV
Future arab investment company	FUTR	Re es & inv port c	AQAR
Babelon investments co. P.l.c	SALM	East real estate	REAL
International cards company	CARD	Arabian dev co	INMA

Kafa`a for financial & economical investments (p.l.c)	KAFA	Jo realestate	JRCD
Tuhama for financial investments	THMA	Amad realst. Invst	AMAD
First jordan investment company plc	FRST	Ihdathiat co.	IHCO
Dimensions:jordan and emirates commercial investments corporation	JEDI	Emmar inv. Dev.	EMAR
Darat jordan holdings	DARA	Phoenix holdings	PHNX
Sabaek invest company p.l.c	SABK	Methaq	MEET
Alisraa for islamic finance and investment	ISRA	Contempro	COHO
Rumm financial brokerage	RUMI	Noor capital	NCMD
Akary for industries and real estate investments	WOOL	High performance	HIPR
Jordanian co. For developing & financial investment	JDFI	Arab inv. Union	UNAI
Comprehensive multiple project company	INOH	International inv.	JIIG
Jordanian mutual funds management company	FUND	Deera	DERA
Darkom Investment	DRKM	Afaq holding	MANR
		Al-tahdith	THDI
		Professional	PROF
		Shira	SHRA
		Masaken	MSKN
		Amoun int. Inv.	AMON
		Alentkaeya company	ENTK
		Compland dev&inv	ATTA
		Ad-dulayl park	IDMC

A6: Frequencies of Culture questions

Q1 The management gives me flexibility in decision-making

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.9	2.9	2.9
	Disagree	21	12.3	12.3	15.2
	neutral	17	9.9	9.9	25.1
	agree	98	57.3	57.3	82.5
	Strongly Agree	30	17.5	17.5	100.0
	Total	171	100.0	100.0	

Q2 The management gives me more independence.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.9	2.9	2.9
	Disagree	23	13.5	13.5	16.4
	neutral	22	12.9	12.9	29.2
	agree	98	57.3	57.3	86.5
	Strongly Agree	23	13.5	13.5	100.0
	Total	171	100.0	100.0	

Q3 The management gives me a greater mandate in the powers.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.5	3.5	3.5

		Frequency	Percent	Valid Percent	Cumulative Percent
	Disagree	19	11.1	11.1	14.6
	neutral	37	21.6	21.6	36.3
	agree	89	52.0	52.0	88.3
	Strongly Agree	20	11.7	11.7	100.0
	Total	171	100.0	100.0	

Q4 I can discuss my officials easily about my work.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.2	1.2	1.2
	Disagree	15	8.8	8.8	9.9
	neutral	25	14.6	14.6	24.6
	agree	83	48.5	48.5	73.1
	Strongly Agree	46	26.9	26.9	100.0
	Total	171	100.0	100.0	

Q5 I cannot make decisions without consulting the administrator / direct manager.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.9	2.9	2.9
	Disagree	48	28.1	28.1	31.0
	neutral	93	54.4	54.4	85.4
	agree	11	6.4	6.4	91.8
	Strongly Agree	14	8.2	8.2	100.0
	Total	171	100.0	100.0	

Q6 I feel that there is a divergence in the administrative centres between the employee and the official

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	4.1	4.1	4.1
	Disagree	68	39.8	39.8	43.9
	neutral	76	44.4	44.4	88.3
	agree	9	5.3	5.3	93.6
	Strongly Agree	11	6.4	6.4	100.0
	Total	171	100.0	100.0	

Q7 The Management exercises control over the activities and organization work.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.8	1.8	1.8
	Disagree	46	26.9	26.9	28.7
	neutral	98	57.3	57.3	86.0
	agree	16	9.4	9.4	95.3
	Strongly Agree	8	4.7	4.7	100.0
	Total	171	100.0	100.0	

Q8 The management does not give confidence and independence to others.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	7.0	7.0	7.0
	Disagree	81	47.4	47.4	54.4
	neutral	51	29.8	29.8	84.2
	agree	17	9.9	9.9	94.2

		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly Agree	10	5.8	5.8	100.0
	Total	171	100.0	100.0	

Q9 There are working rules and written procedures within my organization.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.6	.6	.6
	Disagree	3	1.8	1.8	2.3
	neutral	16	9.4	9.4	11.7
	agree	85	49.7	49.7	61.4
	Strongly Agree	66	38.6	38.6	100.0
	Total	171	100.0	100.0	

Q10 I prefer the current/existing situation and don't want to challenge the unknown.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.2	1.2	1.2
	Disagree	3	1.8	1.8	2.9
	neutral	81	47.4	47.4	50.3
	agree	62	36.3	36.3	86.5
	Strongly Agree	23	13.5	13.5	100.0
	Total	171	100.0	100.0	

Q11 My organization rejects ideas and suggestions submitted by employees.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.2	1.2	1.2
	Disagree	4	2.3	2.3	3.5
	neutral	103	60.2	60.2	63.7
	agree	43	25.1	25.1	88.9
	Strongly Agree	19	11.1	11.1	100.0
	Total	171	100.0	100.0	

Q12 Management within my organization don't care about time and time management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.2	1.2	1.2
	Disagree	5	2.9	2.9	4.1
	neutral	88	51.5	51.5	55.6
	agree	51	29.8	29.8	85.4
	Strongly Agree	25	14.6	14.6	100.0
	Total	171	100.0	100.0	

Q13 The employees within my organization have a spirit of adventure and risk-taking

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	6.4	6.4	6.4
	Disagree	61	35.7	35.7	42.1
	neutral	50	29.2	29.2	71.3
	agree	37	21.6	21.6	93.0
	Strongly Agree	12	7.0	7.0	100.0
	Total	171	100.0	100.0	

Q14 My organization applies the ideas and suggestions submitted by the employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	7.0	7.0	7.0
	Disagree	70	40.9	40.9	48.0
	neutral	41	24.0	24.0	71.9
	agree	38	22.2	22.2	94.2
	Strongly Agree	10	5.8	5.8	100.0
	Total	171	100.0	100.0	

Q15 I have the ability to deal with everything new and unknown.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	18	10.5	10.5	10.5
	Disagree	58	33.9	33.9	44.4
	neutral	48	28.1	28.1	72.5
	agree	21	12.3	12.3	84.8
	Strongly Agree	26	15.2	15.2	100.0
	Total	171	100.0	100.0	

Q16 My organization has strategic and long-term planning programs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	5.8	5.8	5.8
	Disagree	30	17.5	17.5	23.4
	neutral	17	9.9	9.9	33.3
	agree	69	40.4	40.4	73.7
	Strongly Agree	45	26.3	26.3	100.0
	Total	171	100.0	100.0	

Q17 The company strives to work hard for future success.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	4.1	4.1	4.1
	Disagree	15	8.8	8.8	12.9
	neutral	17	9.9	9.9	22.8
	agree	82	48.0	48.0	70.8
	Strongly Agree	50	29.2	29.2	100.0
	Total	171	100.0	100.0	

Q18 The company is working to create a kind of stability in the work environment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	5.8	5.8	5.8
	Disagree	25	14.6	14.6	20.5
	neutral	23	13.5	13.5	33.9
	agree	80	46.8	46.8	80.7
	Strongly Agree	33	19.3	19.3	100.0
	Total	171	100.0	100.0	

Q19 The company constantly strives to save money.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.2	1.2	1.2

	Disagree	17	9.9	9.9	11.1
	neutral	19	11.1	11.1	22.2
	agree	84	49.1	49.1	71.3
	Strongly Agree	49	28.7	28.7	100.0
	Total	171	100.0	100.0	

Q20 I prefer teamwork that does not require isolation and solitude.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	4.7	4.7	4.7
	neutral	13	7.6	7.6	12.3
	agree	97	56.7	56.7	69.0
	Strongly Agree	53	31.0	31.0	100.0
	Total	171	100.0	100.0	

Q21 I prefer teamwork that requires social relationships.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	11	6.4	6.4	6.4
	neutral	23	13.5	13.5	19.9
	agree	87	50.9	50.9	70.8
	Strongly Agree	50	29.2	29.2	100.0
	Total	171	100.0	100.0	

Q22 The organization encourages employees within my organization to work in one team.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	2.3	2.3	2.3
	Disagree	9	5.3	5.3	7.6
	neutral	40	23.4	23.4	31.0
	agree	72	42.1	42.1	73.1
	Strongly Agree	46	26.9	26.9	100.0
	Total	171	100.0	100.0	

Q23 I prefer individual work more than teamwork.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	9.4	9.4	9.4
	Disagree	85	49.7	49.7	59.1
	neutral	24	14.0	14.0	73.1
	agree	32	18.7	18.7	91.8
	Strongly Agree	14	8.2	8.2	100.0
	Total	171	100.0	100.0	

Q24 Organization and management gives women greater roles in the areas of senior leadership and control.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	6.4	6.4	6.4
	Disagree	67	39.2	39.2	45.6
	neutral	41	24.0	24.0	69.6
	agree	33	19.3	19.3	88.9
	Strongly Agree	19	11.1	11.1	100.0

	Total	171	100.0	100.0	

Q25 Organization and management gives women fewer roles in the areas of senior leadership and control

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.9	2.9	2.9
	Disagree	30	17.5	17.5	20.5
	neutral	27	15.8	15.8	36.3
	agree	75	43.9	43.9	80.1
	Strongly Agree	34	19.9	19.9	100.0
	Total	171	100.0	100.0	

Q26 The workplace environment allows staff to have some breaks in order to meet and satisfy human needs.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	9.4	9.4	9.4
	Disagree	70	40.9	40.9	50.3
	neutral	21	12.3	12.3	62.6
	agree	58	33.9	33.9	96.5
	Strongly Agree	6	3.5	3.5	100.0
	Total	171	100.0	100.0	

Q27 The workplace environment allows staff sometimes to have activities and events that allow the employee to have the gratification of basic and natural human desires related to enjoying life and having fun.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	12.3	12.3	12.3
	Disagree	73	42.7	42.7	55.0
	neutral	34	19.9	19.9	74.9
	agree	40	23.4	23.4	98.2
	Strongly Agree	3	1.8	1.8	100.0
	Total	171	100.0	100.0	

Q28 The workplace environment does not allow staff to have some breaks in order to meet and satisfy human needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.9	2.9	2.9
	Disagree	57	33.3	33.3	36.3
	neutral	14	8.2	8.2	44.4
	agree	65	38.0	38.0	82.5
	Strongly Agree	30	17.5	17.5	100.0
	Total	171	100.0	100.0	

Q29 The workplace environment sometimes does not allow the employee to have the gratification of basic and natural human desires related to enjoying life and having fun.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.9	2.9	2.9
	Disagree	42	24.6	24.6	27.5
	neutral	24	14.0	14.0	41.5
	agree	66	38.6	38.6	80.1

	Strongly Agree	34	19.9	19.9	100.0
	Total	171	100.0	100.0	

A7: Descriptive Statistics of corporate governance per sector

Report

Sector		ACN	ACM	GCN	GCM	ITN	ITM	BON	INDB	NCEOD	LO	FO	GO
Banks	Mean	.98958	.98958	.96875	.48958	.37500	.12500	10.91667	.99337	.95833	.64475	.06087	.00228
	N	96	96	96	96	96	96	96	96	96	96	96	96
	Std. Deviation	.102062	.102062	.174906	.502516	.486664	.332455	1.971730	.023761	.200875	.213853	.071924	.009732
Diversified	Mean	.58333	.38021	.34375	.10417	.00000	.00000	6.95833	.85948	.91146	.56161	.00906	.00012
	N	192	192	192	192	192	192	192	192	192	192	192	192
	Std. Deviation	.494296	.486707	.476201	.306275	.000000	.000000	1.745100	.190405	.284824	.180162	.015115	.001192
Insurance	Mean	.97101	.94203	.28261	.15942	.02174	.00725	8.78986	.93161	1.00000	.68455	.05834	.00036
	N	138	138	138	138	138	138	138	138	138	138	138	138
	Std. Deviation	.168377	.234540	.451908	.367401	.146362	.085126	1.406206	.088760	.000000	.159527	.152008	.001864
Real Est	Mean	.47980	.33838	.26768	.12121	.00000	.00000	6.48485	.87952	.81313	.55822	.02341	.00007
	N	198	198	198	198	198	198	198	198	198	198	198	198
	Std. Deviation	.500858	.474359	.443870	.327201	.000000	.000000	1.473031	.087417	.390794	.226809	.067877	.000547
Total	Mean	.69872	.58494	.40224	.18109	.06250	.02083	7.82212	.90239	.90705	.60051	.03248	.00049
	N	624	624	624	624	624	624	624	624	624	624	624	624
	Std. Deviation	.459183	.493128	.490744	.385401	.242256	.142941	2.264690	.132469	.290593	.204178	.088682	.004042

A7: Descriptive Statistics of corporate performance per sector

Report

Sector		ROE	ROA
Banks	Mean	.09074	.01166
	Minimum	.003	.001
	Maximum	.177	.020
Diversified	Mean	-.01527	-.01366
	Minimum	-.506	-.497
	Maximum	.398	.389
Insurance	Mean	.03303	.01533
	Minimum	-.771	-.184
	Maximum	.451	.124
Real Est	Mean	-.01432	-.00352
	Minimum	-.758	-.541
	Maximum	.657	.407

Total	Mean	.01202	-.00014
	Minimum	-.771	-.541
	Maximum	.657	.407

A8: Regression model (M1) –ROE

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.725[a]	.525	.463	.048531	1.831

a. Predictors: (Constant), GO, NCEOD, FO, ACN, LO, ITM, INDB, GCM, BON, GCN, ACM, ITN

b. Dependent Variable: ROE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.237	12	.020	8.395	.000b
	Residual	.214	91	.002		
	Total	.452	103			

a. Dependent Variable: ROE

b. Predictors: (Constant), GO, NCEOD, FO, ACN, LO, ITM, INDB, GCM, BON, GCN, ACM, ITN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.019	.048		-.405	.686		
	ACN	-.002	.021	-.010	-.097	.923	.456	2.193
	ACM	.053	.023	.292	2.337	.022	.334	2.990
	GCN	.058	.027	.265	2.122	.037	.334	2.991
	GCM	.033	.030	.112	1.115	.268	.516	1.940
	ITN	.040	.058	.086	.680	.498	.325	3.082
	ITM	-.049	.095	-.050	-.512	.610	.540	1.851
	BON	.006	.003	.188	1.724	.088	.439	2.279
	INDB	-.104	.047	-.196	-2.216	.029	.669	1.495
	NCEOD	-.057	.021	-.230	-2.745	.007	.741	1.349
	LO	.050	.028	.146	1.806	.074	.794	1.260
	FO	-.031	.067	-.035	-.458	.648	.872	1.147
	GO	-3.549	1.772	-.153	-2.003	.048	.894	1.118

a. Dependent Variable: ROE

A9: Regression model (M1) – ROA

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.528[a]	.279	.184	.028450	1.863

a. Predictors: (Constant), GO, NCEOD, FO, ACN, LO, ITM, INDB, GCM, BON, GCN, ACM, ITN

b. Dependent Variable: ROA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.028	12	.002	2.931	.002b
	Residual	.074	91	.001		
	Total	.102	103			

a. Dependent Variable: ROA

b. Predictors: (Constant), GO, NCEOD, FO, ACN, LO, ITM, INDB, GCM, BON, GCN, ACM, ITN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.008	.028		-.292	.771		
	ACN	-.008	.012	-.086	-.653	.515	.456	2.193
	ACM	.029	.013	.338	2.198	.030	.334	2.990
	GCN	-.001	.016	-.007	-.046	.964	.334	2.991
	GCM	.027	.017	.190	1.535	.128	.516	1.940
	ITN	-.026	.034	-.117	-.752	.454	.325	3.082
	ITM	-.026	.056	-.057	-.467	.642	.540	1.851
	BON	.003	.002	.215	1.597	.114	.439	2.279
	INDB	-.041	.027	-.162	-1.485	.141	.669	1.495
	NCEOD	-.031	.012	-.261	-2.524	.013	.741	1.349
	LO	.018	.016	.109	1.094	.277	.794	1.260
	FO	-.008	.039	-.019	-.195	.846	.872	1.147
	GO	-.851	1.039	-.077	-.819	.415	.894	1.118

a. Dependent Variable: ROA

A10: Regression model (M2) – ROE

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.326[a]	.106	.051	.064513	1.350

a. Predictors: (Constant), HUAI, LPDI, MAS, Rest, COLL, LTO

b. Dependent Variable: ROE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.048	6	.008	1.917	.086b
	Residual	.404	97	.004		
	Total	.452	103			

a. Dependent Variable: ROE

b. Predictors: (Constant), HUAI, LPDI, MAS, Rest, COLL, LTO

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	.079	.060		1.318	.190		
	LPDI	-.010	.009	-.133	-1.073	.286	.598	1.671
	LTO	-.002	.009	-.031	-.255	.799	.605	1.654
	COLL	.012	.011	.119	1.140	.257	.842	1.188
	MAS	-.011	.006	-.170	-1.755	.082	.982	1.018
	REST	.012	.006	.188	1.883	.063	.921	1.086
	HUAI	-.020	.010	-.198	-2.021	.046	.964	1.037

a. Dependent Variable: ROE

A11: Regression model (M2) – ROA

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.264[a]	.070	.012	.031298	1.623

a. Predictors: (Constant), HUAI, LPDI, MAS, Rest, COLL, LTO

b. Dependent Variable: ROA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.007	6	.001	1.208	.309b
	Residual	.095	97	.001		
	Total	.102	103			

a. Dependent Variable: MEANROA

b. Predictors: (Constant), HUAI, LPDI, MAS, Rest, COLL, LTO

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	.045	.029		1.555	.123		
	LPDI	.001	.004	.031	.244	.808	.598	1.671
	LTO	-.005	.004	-.149	-1.183	.240	.605	1.654
	COLL	.001	.005	.027	.249	.804	.842	1.188
	MAS	-.005	.003	-.163	-1.646	.103	.982	1.018
	Rest	.003	.003	.111	1.088	.279	.921	1.086
	HUAI	-.008	.005	-.162	-1.629	.107	.964	1.037

a. Dependent Variable: MEANROA

A12: Regression model (M3) – ROE

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.739[a]	.546	.450	.049125	1.711

a. Predictors: (Constant), HUAI, LO, ITM, LOT, MAS, FO, NCEOD, GO, ACN, COLL, Rest, INDB, GCM, LPDI, BON, GCN, ACM, ITN

b. Dependent Variable: ROE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.246	18	.014	5.674	.000b
	Residual	.205	85	.002		
	Total	.452	103			

a. Dependent Variable: ROE

b. Predictors: (Constant), HUAI, LO, ITM, LOT, MAS, FO, NCEOD, GO, ACN, COLL, Rest, INDB, GCM, LPDI, BON, GCN, ACM, ITN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.015	.072		-.204	.839		
	ACN	-.001	.022	-.007	-.059	.953	.424	2.358
	ACM	.047	.024	.260	1.950	.054	.300	3.338
	GCN	.053	.028	.242	1.869	.065	.319	3.136
	GCM	.038	.031	.130	1.231	.222	.480	2.082
	ITN	.057	.062	.123	.916	.362	.295	3.395
	ITM	-.096	.101	-.099	-.943	.348	.487	2.052
	BON	.007	.003	.218	1.913	.059	.411	2.433
	INDB	-.104	.050	-.197	-2.088	.040	.601	1.664
	NCEOD	-.059	.022	-.238	-2.678	.009	.676	1.479
	LO	.049	.029	.142	1.670	.099	.736	1.359
	FO	-.027	.070	-.031	-.382	.704	.829	1.207
	GO	-3.509	1.844	-.151	-1.903	.060	.846	1.182
	LPDI	.006	.007	.076	.740	.462	.505	1.982
	LTO	-.002	.007	-.023	-.240	.811	.573	1.745
	COLL	.004	.009	.034	.386	.701	.687	1.456
	MAS	-.008	.005	-.127	-1.656	.101	.905	1.105
	Rest	.001	.005	.024	.280	.780	.754	1.327
	HUAI	-.003	.008	-.030	-.383	.703	.849	1.177

a. Dependent Variable: ROE

A13: Regression model (M3) – ROA

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.577[a]	.333	.192	.028309	1.651

a. Predictors: (Constant), HUAI, LO, ITM, LOT, MAS, FO, NCEOD, GO, ACN, COLL, Rest, INDB, GCM, LPDI, BON, GCN, ACM, ITN

b. Dependent Variable: ROA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.034	18	.002	2.357	.005b
	Residual	.068	85	.001		
	Total	.102	103			

a. Dependent Variable: ROA

b. Predictors: (Constant), HUAI, LO, ITM, LTO, MAS, FO, NCEOD, GO, ACN, COLL, REST, INDB, GCM, LPDI, BON, GCN, ACM, ITN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.021	.041		.507	.614		
	ACN	-.010	.013	-.106	-.780	.438	.424	2.358
	ACM	.029	.014	.332	2.050	.043	.300	3.338
	GCN	-.006	.016	-.056	-.355	.724	.319	3.136
	GCM	.027	.018	.191	1.491	.140	.480	2.082
	ITN	-.010	.036	-.047	-.286	.776	.295	3.395
	ITM	-.055	.058	-.120	-.945	.347	.487	2.052
	BON	.004	.002	.293	2.123	.037	.411	2.433
	INDB	-.052	.029	-.206	-1.806	.074	.601	1.664
	NCEOD	-.034	.013	-.286	-2.654	.010	.676	1.479
	LO	.023	.017	.140	1.357	.179	.736	1.359
	FO	-.010	.040	-.025	-.259	.797	.829	1.207
	GO	-.745	1.063	-.068	-.701	.485	.846	1.182
	LPDI	.007	.004	.213	1.708	.091	.505	1.982
	LTO	-.006	.004	-.164	-1.402	.164	.573	1.745
	COLL	-.002	.005	-.033	-.309	.758	.687	1.456
	MAS	-.004	.003	-.144	-1.550	.125	.905	1.105
	Rest	-.002	.003	-.051	-.500	.618	.754	1.327
	HUAI	-.002	.005	-.031	-.320	.750	.849	1.177

a. Dependent Variable: ROA

Acknowledgment

“Who does not thank people does not thank God"

I would like first to extend my sincere thanks and great gratitude to my Supervisor Dr. Anita Tangl, for her support and valuable advice, and guidance during my study period, which had a great impact on the success of this thesis.

I also extend my sincere thanks and appreciation to the chairman of the scientific committee, the reviewers, and committee members who kindly gave me part of their time to read and discuss this thesis and provided me with valuable comments that contributed to enhance and improve my work.

Also, I present my gratitude and thanks to Prof. Fekete Maria the leader of the English language program, my sister's husband Prof. Eyad Elyan, And Mrs. Sahar Arabiyat, for their support.

I would also like to present my thanks to the administrative staff of the Doctoral School of Management and Business Administration.

Last, but not least, I extend my sincere thanks and appreciation to the members of my family, friends, and colleagues at work and to all those who provided me advice and assistance.