North South Business Review, Volume 6, Number 2, June 2016, ISSN 1991-4938

IN LIGHT OF THE NEW CODE DOES CORPORATE GOVERNANCE IMPACT PERFORMANCE OF BANGLADESHI FIRMS?

Mabel D'Costa[1], Kamrul Huda Talukdar[2], Adnan Habib[3]

This paper primarily addresses the gap in existing literature and strives to find a causal relationship between good governance and firm performance after the implementation of the new code in 2012 in Bangladesh market. The purpose of this study is to find out if firm performance, both accounting-based and market-based, is affected by the corporate governance factors in Bangladeshi public limited companies. Ordinary Least Square regression was applied to 106 companies listed in the Dhaka Stock Exchange (DSE) with Price/Earnings ratio, Return on Asset, and Return on Equity as the dependent performance variables and Board Size, Board Composition, Audit Committee Size, Composition and Grade as the independent governance variables. It was found out that good governance does not have any effect on the market performance of the companies. While for accounting-based performance the audit committee size and composition has significant impact on companies other than banks and non-bank financial institutions (NBFIs). Performances of banks and NBFIs had no significant impact due to governance variables.

1. INTRODUCTION

In Bangladesh, it is common that the founding immediate or extended family members hold the position of board of directors. Hence, control of decision making lies in the hands of those founding members which is relatively different from companies in western countries (Rashid, 2013). The major obstacle for implementation of corporate governance policies in Bangladeshi companies is the dominance of founding family members in decision making (Rashid, 2013).

The Securities and Exchange Commission (SEC) has imposed current corporate governance code (herein after referred to as the "Code") on listed companies on "comply" basis by a notification issued on August 07, 2012. The deadline to comply with the Code was December 31, 2012. Prior to this notice the Code was based on "comply or explain" basis which is still in practice in western countries such as UK and USA.

This paper adds on to the scarce literature, like Saha and Akter (2013) and Haque, Arun and Kirkpatrick (2014), on corporate governance issues of Bangladeshi companies. Bangladesh,

[1] Lecturer, Department of Accounting & Finance, School of Business & Economics, North South University, Bangladesh.
[2] Lecturer, Department of Accounting & Finance, School of Business & Economics, North South University, Bangladesh.
[3] Senior Lecturer, Department of Accounting & Finance, School of Business & Economics, North South University, Bangla desh.

being a conservative developing economy, is of great interest to potential investors as well as development researchers. However no study had been conducted on corporate governance issues of Bangladeshi companies after the implementation of the code. Thus, in effect this paper addresses two research issues or gaps:

- Impact of governance factors i.e. board size, board independence, audit committee size, audit committee independence and audit quality on firm performance since the implementation of the code.
- Extending the literature of corporate governance in Bangladeshi economy

To the best of the authors' knowledge the existing body of literature creates an index of good governance, rather than individual governance factors. The value that this paper adds through its empirical approach is the use of individual governance factors namely board size, board independence, audit committee size, audit committee independence and audit quality as independent variables instead of an index. This study is important as it is yet to be tested whether the apparent accountability due to more strict governance policies cause the firm to improve in its financial performance. The study also adds value by providing the managerial implications of the findings. This paper plans to meet the research gap through OLS regression of individual governance factors with various financial performance measures.

The following section of this paper investigates the past literature to find research gaps and develop appropriate hypotheses. This is followed by a description of sampling and methodology, in-depth analysis of the findings, implication and finally concluding remarks with limitation and scope for further research.

2. LITERATURE REVIEW & HYPOTHESES DEVELOPMENT

Implementation of effective governance practices helps businesses to attract investors and lenders for capital; minimizes risk of capital providers and ensures sustainable growth through efficient use of scarce resources which in long run fosters economic growth of a country (Ehikioya, 2009). Ehikioya (2009) in a study done on Nigerian market found that companies which are both higher in performance and valuation and lower in bankruptcy risk are the ones which have implemented good governance practices. However, establishing a well-functioning corporate governance mechanism in developing economies is challenging due to weak legal systems, bureaucracy, high level of corruption, dominance of family-owned businesses and lack of skilled and educated human capital (Adegbite, 2012; Waweru, 2014). This paper investigates whether different corporate governance variables impact performance of family dominant firms of an emerging economy, Bangladesh.

2.1 Board Size, Composition & Independence

Due to separation of ownership from control there is a presence of information asymmetry between owners (principals) and managers (agents) which may increase the possibility of immoral and unethical behaviour of managers (Mostovicz, Kakabadse & Kakabadse, 2011). These self-seeking, unethical and fraudulent activities of managers can be diminished by monitoring or by appointing independent directors (Alchian & Demsetz, 1972; Bukhvalov & Bukhvalova, 2011). Hence, according to authors Clifford and Evans (1997), composition of board is crucial in ensuring independence in boardroom. Board composition is the number of independent directors (IDs) on board in relation to total number of directors. According to the Code, at least one fifth of total number of directors on the board has to be IDs (previously it was one tenth).

Executive directors (EDs) are salaried full-time employees of the business. Promotion and compensation of EDs depend on the CEO; thus, it is very likely to be biased when evaluating CEO or another executive's performance (Rebeiz, 2015). In contrast, IDs are part-time non-salaried advisors with no personal or professional affiliation with the company or top management; hence, can provide an unbiased evaluation of top managements' performance (Rebeiz, 2015). According to Weisbach (1988), the probability to replace a poor performing CEO by a board with higher proportion of IDs is higher than a board with lower proportion of IDs.

Rosenstein and Wyatt (1990); and Ameer, Ramli, and Zakaria (2010) found proportion of IDs on board, significantly positively impact firm performance. In contrast, researches undertaken by Agrawal and Knoeber (1996) and Bhagat and Black (2002); found significant negative relation between board independence and firm performance. Afrifa and Tauringana (2015), Al Farooque, Zijl, Dunstan and Karim (2007); and Abdullah (2004) in their separate studies found that there is no significant relation of board independence on firm performance.

Code suggests a company should have minimum 5 members on the board and maximum 20 members. According to Hillman and Dalziel (2003) and Hillman, Cannella and Paetzold (2000) directors use their expertise and skills to acquire required resources and information for the business which leads to reduced uncertainty for the business. Larger board size makes coordination, communication and decision-making difficult and time consuming (Afrifa & Tauringana, 2015). Conversely, larger board size means better monitoring of resources and availability of diverse skills, knowledge and expertise to make decisions which would maximize shareholders' wealth (Fama & Jensen, 1983).

According to Yasser and Mamun (2015) and Rodriguez-Fernandez, Fernandez-Alonso and Rodriguez-Rodriguez (2014) larger board size results in better firm performance. Lehn,

Patro and Zhao (2009) and Yammeesri and Herath (2010) concluded in their studies that there is no relation between board size and firm performance. Afrifa and Tauringana (2015) and Guest (2009) found significant negative relation of board size on firm performance.

Current code increased the proportion of IDs on board. This indicates that more IDs on board imply independence of board which fosters better decision making and monitoring which should result in better firm performance. Hence, based on current change in code and previous literature the following two hypotheses have been developed –

H1: Companies with larger board size performs better

H2: Higher proportion of IDs on board leads to better firm performance

2.2 Internal Control/ Audit Committee

The purpose of audit committee is to ensure good monitoring mechanisms and to report true and fair picture of the financial statements and company affairs. Code specifies that listed companies should have an audit committee consisting of at least three "financially literate" members of which at least one should be an ID.

Similar to board size and board composition audit committee fosters internal governance mechanism (Weir, Laing & McKnight, 2002). Larger audit committee implies combination of more auditing knowledge and expertise leading to better financial management and firm performance (Weir et al., 2002). Larger board also implies more people to scrutinize the activities top management. However, more people in a committee means varied opinions, difficulty in processing problems and more time spent to come to a conclusion. Presence of higher number of IDs in audit committee indicates higher independence of the committee. According to prior studies, larger audit committee and higher proportion of IDs in audit committee increases quality of governance and decreases agency cost (Mande, Park & Son,2012; Anderson, Mansi & Reeb, 2004; Blue Ribbon Committee, 1999). Although Weir et al., (2002) and Klein (1998) found no significant impact of audit committee size and audit committee composition on firm performance. Based on previous studies and current code next set of hypotheses are –

H3: Companies with larger audit committee performs better

H4: Higher proportion of IDs in audit committee leads to better firm performance

2.3 Role of Auditing Firm

Auditing firms, as an external mechanism to foster good governance, can restrict companies from engaging in fraudulent activates and to identify any misrepresentation, manipulation

and/or omission in financial reporting. Higher quality auditor is assurance for the investors of higher quality financial reporting (Mande et al., 2012). Prior researches by Dye (1993); Becker, DeFond, Jiambalvo and Subramanyam (1998); Francis, Maydew and Sparks (1999) concluded that larger auditing firm with higher reputation provide better monitoring of financial reporting than smaller auditing firm because of more wealth at stake. According to Chee Haat, Rahman, and Mahenthiran (2008) if a large reputed audit firm's work does not match the standard quality of auditing then that audit firm's goodwill and future business will be severely damaged. Hiring the best auditor (s) of market means higher payments for their service which means only companies with sound financial health would be willing and able to pay high price for auditing service. Research shows that companies audited by Big Four audit firms perform better (Mitton, 2002). Bliss (2011) found a positive correlation between auditing firm and firm performance. Based on prior literature and current code next set of hypothesis is –

H5: Higher quality audit firm leads to better firm performance

2.4 Firm Performance

Company performance means how successfully the operations of that company were performed. Haniffa and Hudaib (2006) states it very clearly that corporate performance is presumably reflected in the way the firm is managed as well as the efficacy of the firm's governance structure. Some of the popular accounting-based performance measures are return on asset (ROA), return on equity (ROE), net profit, etc. The advantage of this approach is that it measures the actual economic benefit of the operation of the firm. The idea is that any operating performance should be reflected in the economic gain of the company. Most of the papers had chosen ROA as the appropriate measure for accounting-based firm performance because assets are the core aspect of a business' operations. Thus profitability of assets should reflect success of the operation.

Market-based performance measures take changes in share prices or market returns into account. The shareholders' value addition is the most important goal which is better explained with market-based performance. Some papers (Custodio, 2014; Afrifa & Tauringana, 2015) used Tobin's Q ratio as the appropriate market-based measure while some others (Alzahrani & Rao, 2014) used Market to Book value of stocks ratio in their study. However price-earnings ratio (PER), which is a market-based measure that reflects investor perception according to many scholars like Brigham and Houston (2012) and Ross Westerfield and Jaffe(2010), was less studied.

3. METHODOLOGY

3.1 Sample Size & Data Collection

This paper focuses on companies listed in DSE based on their data in the year 2013. Data from earlier time period was ignored as it will cause inconsistency due to the new corporate governance act issued by the SEC from 2012. As of December 8, 2014 DSE consist of 547 constituents. After excluding corporate bonds, debentures, mutual funds, treasury bonds, government/stated owned and newly enlisted (in 2013 and onwards) companies, there were 223 companies. The sample size was mainly decided based on availability of data at the cheapest cost. In the end, a total of 106 companies from various industries were chosen (Table 1).

Banks and NBFIs are heavily regulated and thus follow more conservative governance approach. Bangladesh Bank, being the central bank of the country, monitors and governs all the commercial banks and most of the NBFIs, while Insurance Development & Regulatory Authority (IRDA) Bangladesh does the same for all the insurance companies. Taking this fact into account the study was conducted mainly in two sub-samples. Based on the previous studies by Rodriguez-Fernandez et al. (2014); Black, Kim, Jam and Park (2010) and Jackling and Johl (2009) Banks and NBFIs were excluded from the main sample because of different accounting structure. Therefore, "Banks & NBFIs" is one sub sample that comprised of Banks, Insurance and Financial Institutions industries. The size of that sample was 58. The rest of the 48 companies were part of the second sub-sample group named "others".

Table 1: Industry Based Sample Distribution

Industry	Sample Size
Banks & NBFIs	
Financial Institution	18
Insurance	16
Banks	24
Others	
Telecom	1
Travel & Leisure	1
Paper & Printing	1
Fuel & Power	4
Cement	3
Service & Real Estate	3
Ceramic	3
Food and Allied	5
Tannery	3
Engineering	9
IT	2
Pharmaceuticals	6
Textile	4
Miscellaneous	3
Total	**106**

3.2 Regression Model

With a cross-sectional study using the Ordinary Least Square regression, this paper tries to capture the causal effect of good governance on firm performance regardless of time. Since the dataset consists of data for one year only for the sample firms, panel data regression in not relevant. A significant number of studies such as Al Farooque et al. (2007); Cheung, Raub and Stouraitis (2006); Baliga, Moyer and Rao (1996); Pi and Timme (1993); Bhagat and Black (2002); Klein (1998); Ezzamel and Watson (1993) have applied OLS regression. According to Kraft, Leone and Wasley (2007) Ordinary Least Square method is straightforward, better understood and easier to implement in applied research.

Based on the hypotheses created in the literature review a basic linear model has been shown below

$$PERFORM = \alpha + \beta_1 BSIZE + \beta_2 BCOMP + \beta_3 ASIZE + \beta_4 ACOMP + \beta_5 AUDF + \beta_6 LN\_AST + \beta_7 LN\_DTE + \varepsilon$$

Where:

α	intercept
β_n	coefficient for each of the independent variables
ε	theerror term
PERFORM	Performance measures
BSIZE	Board size (total number of board members on the board)
BCOMP	Board composition or proportion of IDs sitting on the board
ASIZE	Audit committee size
ACOMP	Audit Committee composition or proportion of IDs in Audit committee
AUDF	Auditing firm i.e. quality of auditing firm (as dummy variable; for grade A "1" and other "0")
LN_AST	Natural log of Total Assets (as a measure of firm size)
LN_DTE	Natural log of Debt to Equity ratio (as a measure of firm structure)

3.3 Variables

Three performance measures are used as dependent variables: PER (Price-Earnings Ratio), ROE (Return on Equity) and ROA (Return on Asset). Since there are two sub samples and three dependent variables, we can say that in total there will be six different models to be used on the available data.

On Sub-Sample "Others"

$$ROA_{Others} = \alpha + \beta_1 BSIZE + \beta_2 BCOMP + \beta_3 ASIZE + \beta_4 ACOMP + \beta_5 AUDF + \beta_6 LN\_AST + \beta_7 LN\_DTE + \varepsilon \quad \textbf{(1)}$$

$$ROE_{Others} = \alpha + \beta_1 BSIZE + \beta_2 BCOMP + \beta_3 ASIZE + \beta_4 ACOMP + \beta_5 AUDF + \beta_6 LN\_AST + \beta_7 LN\_DTE + \varepsilon \quad \textbf{(2)}$$

$$PER_{Others} = \alpha + \beta_1 BSIZE + \beta_2 BCOMP + \beta_3 ASIZE + \beta_4 ACOMP + \beta_5 AUDF + \beta_6 LN\_AST + \beta_7 LN\_DTE + \varepsilon \quad \textbf{(3)}$$

On Sub-Sample "Banks & NBFI"

$$ROA_{Banks\ \&\ NBFI} = \alpha+\beta_1 BSIZE+\beta_2 BCOMP+\beta_3 ASIZE+\beta_4 ACOMP+\beta_5 AUDF+\beta_6 LN\_AST+\beta_7 LN\_DTE+\varepsilon \quad \textbf{(4)}$$

$$ROE_{Banks\ \&\ NBFI} = \alpha+\beta_1 BSIZE+\beta_2 BCOMP+\beta_3 ASIZE+\beta_4 ACOMP+\beta_5 AUDF+\beta_6 LN\_AST+\beta_7 LN\_DTE+\varepsilon \quad \textbf{(5)}$$

$$PER_{Banks\ \&\ NBFI} = \alpha+\beta_1 BSIZE+\beta_2 BCOMP+\beta_3 ASIZE+\beta_4 ACOMP+\beta_5 AUDF+\beta_6 LN\_AST+\beta_7 LN\_DTE+\varepsilon \quad \textbf{(6)}$$

3.3.1 Dependent variables

As measures of firm performance the three dependent variables were chosen specifically to get a broader picture of both market-based and accounting-based performance. PER is the market-based measure chosen mainly due to its ability to reflect investor perception. ROA is the operational efficiency measure while ROE is the financial efficiency measure and together they comprise the accounting-based measures.

3.3.2 Independent variables

The independent variables are mainly associated with corporate governance to address the various hypotheses developed in the literature review. In order to test the first hypothesis (H_1) the independent variable board size was chosen that is the total number of board members. The board composition, which is the proportion of IDs in the board, will be used to test the second hypothesis (H_2). This variable is not directly found in the annual reports but it can be calculated by dividing the total number of IDs with the board size. The number of audit committee members is another independent variable which is selected to test the third hypothesis (H_3). Audit composition is a variable similar to that of board composition. Here the number of IDs in the audit committee is divided by the total number of committee members to find the proportion and this is required to test hypothesis four (H_4). Finally in order to test the fifth hypothesis (H_5) the grade of audit firm variable is used. Bangladesh Bank has categorized the audit firms in two grades: A and B based on their qualities which are eligible to audit Banks & NBFIs. This paper uses that categorization as a mean to evaluate the effect of the quality of audit firms on firm performance by using dummy variable. Hence, for "A" category of auditing firms "1" has been assigned and for "B" and other auditing firms "0" has been assigned.

A firm's performance does not only depend on good corporate governance. There have been too many studies of various factors affecting a firm's performance both internal and market-based. This study focuses on only corporate governance and so the other factors are considered unobserved. However, some of those unobserved factors, if ignored, can cause specification errors. Therefore those variables need to be placed in the model as control variable to better interpret the results. Most of the previous studies like Bliss (2011) and Elsayed (2007) have included the firm size and capital structure/capital intensity as factors having significant impact on firm performance. The wide range of values for the two control

variables can cause skewness in the result which was avoided by taking the natural logarithm of the values.

4. RESULTS ANALYSIS AND DISCUSSION

Table 2: Descriptive Statistics

Variables	Observations (N)	Mean	Median	Maximum	Minimum	Standard Deviation
A. Independent Variables	106	10.8962	10	21	5	4.401145
BSIZE	106	0.2076	0.2	0.8	0	0.117929
BCOMP	106	4.1604	4	9	3	1.243166
ASIZE	106	0.3561	0.3333	1	0	0.176238
ACOMP	106	0.8868	1	1	0	0.318352
AUDF	106	22.5985	22.722	26.2199	14.21094	2.573753
LN_AST	106	0.4728	0.1173	3.1844	-3.01156	1.479431
LN_DTE						
B. Dependent Variables						
PER	106	16.6112	17.925	69.56522	-228.75	29.14327
ROA (%)	106	4.69%	2.79%	26.67%	-29.89%	6.67%
ROE (%)	106	10.52%	10.83%	55.32%	-129.02%	16.68%

Table 2 summarizes the descriptive statistics of all the variables. The board size of the 106 sample firms ranges from 5 to 21 and has a mean, median and standard deviation of 10.89, 10 and 4.4 respectively. This implies that except for few cases, most of the firms in the sample are following the code which requires the firms to have a board size of not less than 5 and not more than 20. The board composition ranges from 0 to 0.8 and has a mean, median and standard deviation of 0.2076, 0.2 and .12 respectively. From the results, it is evident that most of the companies are complying with the governance code which requires them to have a board composition of at least 0.2 (i.e. 20 % of the board members should be independent directors). However, a few firms in the sample do not have any independent director in their boards. The minimum audit committee size is the sample is 3, which implies that all the firms meet the minimum requirement of having at least 3 members. The audit committee composition of the firms ranges from 0 to 1, which implies at least one firm do not have any independent director in the audit committee. However, on an average most of the firms meet the minimum requirement of having independent directors of one third of its committee size. At least 89% of the sample firms get audited by the A rated audit firms.

Among the dependent variables, ROE ranges from -129% to 55.32% and has a mean, median and standard deviation of 10.52%, 10.83% and 16.68% respectively. On the other hand, ROA oscillates between -29.89% and 26.67% and has a mean, median and standard devia

tion of 4.69%, 2.79%, and 6.67% respectively. Lastly, P/E ratio ranges from -228.75 to 69.57 and has a mean, median and standard deviation of 16.6, 17.9 and 29.14 respectively

Table 3 and 4 illustrates the correlation between the variables in the regression model for the financial institutions and non-bank financial institutions (Table 3) and other industries (Table 4). From Table 3, it is noticeable that ROA is negatively correlated with audit committee composition at 5% significant level and positively correlated with audit committee size and board size at a significance level of 10% and 5% respectively. From the sample of other industries we see that ROA is positively correlated with audit committee size at 10% significance level.

Table 3: Correlation for Variables of Banks & NBFIs

	N	ACOMP	ASIZE	AUDF	BCOMP	BSIZE	LN_AST	LN_DTE	PER	ROA	ROE
ACOMP	58	1.000000									

ASIZE	58	-0.487042	1.000000								
		(0.0001)*	-----								
AUDF	58	0.094792	-0.023821	1.000000							
		(0.4791)	(0.8591)	-----							
BCOMP	58	0.420049	-0.150271	0.103229	1.000000						
		(0.0010)*	(0.26 02)	(0.4406)	-----						
BSIZE	58	-0.126148	0.140399	-0.260153	-0.555083	1.000000					
		(0.3454)	(0.2932)	(0.0486)**	(0.0000)*	-----					
LN_AST	58	0.381776	-0.382666	0.183680	0.193726	-0.171533	1.000000				
		(0.0031)*	(0.00 30)*	(0.1675)	(0.1451)	(0.1979)	-----				
LN_DTE	58	0.380487	-0.347404	0.109347	0.179387	-0.238010	0.895668	1.000000			
		(0.0032)*	(0.0075)*	(0.4139)	(0.1779)	(0.0720)***	(0.0000)*	-----			
PER	58	-0.135653	0.199586	-0.083069	0.063425	-0.147134	-0.432750	-0.396076	1.000000		
		(0.3100)	(0.1331)	(0.5353)	(0.6362)	(0.2704)	(0.0007)*	(0.0021)*	-----		
ROA	58	-0.288609	0.220095	-0.215983	-0.205701	0.271698	-0.754870	-0.703865	0.050559	1.000000	
		(0.0280)**	(0.0969) ***	(0.1034)	(0.1214)	(0.0391)**	(0.0000)*	(0.0000)*	(0.7062)	-----	
ROE	58	-0.020487	-0.121661	-0.148571	-0.112779	0.064407	0.064631	0.133155	-0.513427	0.353139	1.000000
		(0.8787)	(0.3629)	(0.2657)	(0.3993)	(0.6310)	(0.6298)	(0.3190)	(.000 0)*	(.0065)*	-----

Probabilities in parentheses
*Correlation is significant at 1% level
** Correlation is significant at 5% level
***Correlation is significant at 10% level

Table 4: Correlation for Variables of Other Industries

	N	ACOMP	ASIZE	AUDF	BCOMP	BSIZE	LN_AST	LN_DTE	PER	ROA	ROE
ACOMP	48	1.000000									

ASIZE	48	-0.225076	1.000000								
		(0.1240)	-----								
AUDF	48	-0.053109	0.041179	1.000000							
		(0.7200)	(0.7811)	-----							
BCOMP	48	0.765520	-0.113844	-0.161198	1.000000						
		(0.0000)*	(0.4410)	(0.2737)	-----						
BSIZE	48	-0.212054	0.153248	0.087589	-0.398721	1.000000					
		(0.1479)	(0.2984)	(0.5539)	(0.0050)*	-----					
LN_AST	48	-0.076702	-0.069401	0.165433	-0.031255	-0.053365	1.000000				
		(0.6043)	(0.6393)	(0.2611)	(0.8330)	(0.7187)	-----				
LN_DTE	48	-0.027065	0.100789	-0.030010	0.165886	-0.045317	0.144247	1.000000			
		(0.8551)	(0.4955)	(0.8395)	(0.2598)	(0.7597)	(0.3280)	-----			
PER	48	0.131313	0.055946	-0.097003	0.103193	-0.000831	-0.020990	0.004550	1.000000		
		(0.3737)	(0.7057)	(0.5119)	(0.4852)	(0.9955)	(0.8874)	(0.9755)	-----		
ROA	48	0.035940	0.249274	-0.162778	-0.135110	0.150314	-0.182915	-0.228558	0.215704	1.000000	
		(0.8084)	(0.0875)***	(0.2690)	(0.3599)	(0.3078)	(0.2134)	(0.1182)	(0.1409)	-----	
ROE	48	0.032947	0.177465	-0.162910	-0.140981	0.168597	0.010456	-0.076948	0.107685	0.879903	1.000000
		(0.8241)	(0.2275)	(0.2686)	(0.3392)	(0.2520)	(0.9438)	(0.6032)	(0.4663)	(0.0000)*	-----

Probabilities in parentheses
*Correlation is significant at 1% level
** Correlation is significant at 5% level
***Correlation is significant at 10% level

Table 5: Correlation for Variables of Other Industries

Other Industries			Banks & NBFIs		
ROA	***Coefficient***	***Std. Error***	***ROA***	***Coefficient***	***Std. Error***
Constant	0.004222	0.144752	Constant	0.296123	0.076279
ACOMP	0.199695***	0.118390	ACOMP	-0.007256	0.022852
ASIZE	0.038830**	0.018303	ASIZE	-0.002723	0.002808
BCOMP	-0.288664	0.181921	BCOMP	0.008657	0.037651
BSIZE	0.001290	0.005582	BSIZE	0.001285	0.001025
AUDF	-0.044853	0.030125	AUDF	-0.011416	0.024074
LN_AST	-0.002841	0.005009	LN_AST	-0.010761*	0.003404
LN_DTE	-0.014022	0.011598	LN_DTE	-0.001979	0.004929
R^2	0.239268		R2	0.602441	
Adjusted R^2	0.106140		Adjusted R2	0.546783	
N	48		N	58	

*Significant at 1% level
** Significant at 5% level
*** Significant at 10% level

The above model (Table 5) where ROA has been used as the dependent variable for other industries, the model explains 23% (R2) of variability of the dependent variable and 60% (R2) in the sample of Banks and NBFIs. For the sample of other industries all the hypotheses are rejected except for hypotheses three and four. ASIZE is positively significant at 5% significance level. ACOMP is positively significant at 10% significance level with ROA and ROE (Table 6). This strengthens the findings of Weir et al. (2002) that larger board audit committee and higher proportion of IDs means more auditing knowledge and expertise and more brain to scrutinize the activities. It also proves that independence of audit committee leads to better firm performance as IDs can utilize their knowledge to evaluate activities of a business without any restriction in Bangladeshi firms. The results of this study also confirms the findings of Mande et al. (2012) and Anderson et al.(2004) that larger audit committee and higher proportion of IDs in audit committee increases quality of governance and decreases agency cost.

In contrast, none of the variables are significant at any conventional significance level for the sample of Banks and NBFIs except for LN_AST. It can be inferred that as Banks and NBFIs have separate external monitors hence the role and independence of internal audit committee does not affect the firm performance. Whereas, for other industries where there are no formal financial monitors present the role of internal audit committee is vital, hence the audit committee size and independence have positive impact on firm's financial performance.

The control variable LN_AST (a measure of firm size) is negatively related with ROA at 1% significance level in the Bank and NBFIs sample this is consistent with the findings on

Australian, Pakistani and Malaysian firms (Yasser & Mamun, 2015). According to Waweru (2014), firm size influences quality of governance in South Africa. Whether good governance influences firm performance is inconclusive and result of this study reveals that firm size negatively impact firm performance. Regression result indicates as firm size increases firm performance decreases this may perhaps be due to the fact that when a firm has grown beyond an optimum level, it may not be able to utilize its assets efficiently or assets may remain under utilized to produce profit. Based on the law of diminishing return, beyond the optimal level of firm size the management may be unable to use assets efficiently to generate profit.

Table 6: Comparative OLS Regression Results for ROE

Other Industries			**Bank & NBFIs**		
ROE	***Coefficient***	***Std. Error***	***ROE***	***Coefficient***	***Std. Error***
Constant	-0.339017	0.409274	Constant	0.322711	0.174428
ACOMP	0.617693***	0.334735	ACOMP	-0.027190	0.052255
ASIZE	0.080332	0.051751	ASIZE	-0.006050	0.006420
BCOMP	-0.916934***	0.514364	BCOMP	-0.035437	0.086096
BSIZE	0.006785	0.015782	BSIZE	0.000629	0.002345
AUDF	-0.140535	0.085177	AUDF	-0.044294	0.055049
LN_AST	0.009064	0.014161	LN_AST	-0.006215	0.007785
LN_DTE	-0.006531	0.032793	LN_DTE	0.013465	0.011272
R2	0.176084		R2	0.084384	
Adjusted R2	0.031898		Adjusted R2	-0.043802	
N	48		N	58	

*Significant at 1% level
** Significant at 5% level
***Significant at 10% level

The ROE model (Table 6) explains 17% (R2) of variability in dependent variable (ROE) in the sample of other industries and 8% (R2) of variability in the sample of Banks and NBFIs. None of the variables are significant at any conventional significance level for the sample of Banks and NBFIs; hence, all five hypotheses are rejected implying good governance practices do not impact firm performance. As already mentioned banks and NBFIs are highly regulated by external regulatory organizations; therefore, good governance practices does not add any extra value to financial performance of the company.

When the ROE model tested for other industries one hypothesis is supported by the regression results. Hypothesis four says higher proportion of IDs on audit committee (indicator of

independence) leads to better firm performance. This was tested by the variable ACOMP which is significantly positively related to firm performance at 10% significance level. Hence this study shows, for less regulated industries internal control plays a vital role. Independence of internal audit committee assures better firm performance. To put this into perspective efficient utilization of company resources results in higher profitability.

The study contradicts hypothesis two which is higher proportion of IDs on board (indicator of board independence) leads to better firm performance. This was tested by the variable BCOMP which is found negatively related with firm performance at 10% significance level. The result questions independence of board which can lead to better firm performance suggested by Clifford and Evans (1997). Findings of this paper also questions the results of Rosenstein and Wyatt (1990) and Ameer et al. (2010) who found proportion of IDs on board, significantly positively impact firm performance; however, strengthens the claims of Agrawal and Knoeber (1996) and Bhagat and Black (2002) who found significant negative relation between board independence and firm performance. Boardrooms of Bangladeshi firms are dominated by founding family members. Perhaps IDs are overshadowed by EDs during decision making. Hence, higher proportion of IDs does not mean their voices will be heard. Another reason for the CEO and EDs to be dominant in the decision making is due to inadequate knowledge of IDs which can also prolong the decision making process. Slow decision making process in long run could negatively impact company's profitability.

When PER is used to test whether good governance practices have impact on market-based firm performance measure, none of the variables are found significant at any conventional significance level in either samples. The variation in dependent variable (PER) is explained 3% (R2) and 25% (R2) in other industries and Bank & NBFIs respectively. Why good governance practices have no relation with market-based performance measure (PER)? According to Margoshes (1960) PER or price of stock is affected by many different factors. Margoshes (1960) identified price or PER is affected by investor perception about forecasted earnings, future dividends, investment period, growth rate of the company, and overall perception of the company in future. This suggests that although PER is a market-based measure, it is heavily influenced by the perceived operational success of the company by the investor. In addition, how much an investor is willing to pay for a company's share may also depend on length of operation, brand name/market reputation, market share, management skills and leadership which has not been included in this model. Hence investor decision of investment may depend on many other factors other than good governance practice.

5. IMPLICATION OF CORPORATE GOVERNANCE IN BANGLADESH

Dominance of founding family members on board and controlling decision making is common in companies in the Asian region (Johnson, Boone, Breach & Friedman, 2000; Ho & Wong, 2001). Decisions are predominately made by founding members as a result board

size has no significant impact on firm performance (ROA, ROE and PER). Some researchers concluded that larger board size makes coordination, communication and decision-making time consuming and ineffective and increases the chance of free-rider problem among the many board members (Afrifa & Tauringana, 2015). Boards of Thai companies are dominated by founding family member similar to Bangladesh and result of this paper also confirms the findings of Yammeesri and Herath (2010) that there is no relation between board size and firm performance.

Past studies show that companies audited by Big Four audit firms perform better (Mitton, 2002) and Bliss (2011) found a positive correlation between auditing firm and firm performance. In the context of Bangladesh, there is no significant relation between quality of audit firm and company performance. As audit firm fees depend on its market reputation; hence, the ability to pay large audit fee will depend on the company's financial soundness. It could be inferred from this study that rather than auditing firm quality influencing firm performance, it could be better performing firms hire better quality auditing firm which justifies the result of this study that auditing firm quality does not impact firm performance.

The study found board independence has significant negative relation with ROE; whereas, in Nigeria (Ehikioya, 2009), Thailand (Yammeesri & Herath, 2010) and Malaysia (Abdullah, 2004) board composition did not have any significant relation with firm performance. In the context of Bangladesh due to high level of dominance of founding members and lack of in-depth day-to-day business knowledge of IDs, IDs are overshadowed by CEO and EDs. This makes the decision ineffective and in long run firm performance suffers. Studies conducted in Singapore and Malaysia suggests that board should consist of at least 25% of IDs in order IDs to be effective monitor and impact firm performance positively (Abdullah, 2004). However, in Bangladesh the Code mentions at least 20% of the board should consists of IDs. Since the mean of BCOMP is 20.76% (Table 2), board and decision making are not independent resulting in negative impact on firm performance. Hence, the authority should consider changing the board composition from 20% to 25%. In addition, appointing IDs is another area of concern. Though the Code defines characterises of IDs, there is no nomination committee to appoint IDs; hence, appointment process may not be completely independent similar to the situation in Malaysia and unlike in the U.K. or Australia (Abdullah, 2004). In emerging economies like Bangladesh where legal system is weak, highly politically connected firms exploit political links to engage in opportunistic behaviour which destroys shareholders wealth (Muttakin, Monem, Khan & Subramaniam, 2015). With politically connected EDs on board, 20% of IDs may not be able to voice their objections. Hence, authority may consider including nomination committee as part of Code and increasing IDs presence for better decision making to ensure sustainable growth of the business.

On the contrary, audit committee size and composition significantly positively impact firm performance unlike in Thailand (Yammeesri & Herath, 2010). According to Code at least 33.33% of audit committee should comprise of IDs and all the members of audit committee should be financially literate. Since the mean of ACOMP is 35.61% (Table 2) higher than the 25% cut off point (Abdullah, 2004); hence, audit committee was successful in effectively evaluating financial activities which influenced firm performance.

External control mechanism such as legal system, corruption level (La Porta, Lopez de Silanes, Shleifer & Vishny, 1998) and takeover market (Stulz, 1999; Jamali, 2008) of a country play vital role in effective implementation of corporate governance. These aforementioned macro elements are country specific which validates why some factors of corporate governance have no impact on Bangladeshi firm performance; whereas, these same factors impact firm performance of other countries.

6. CONCLUSION

Overall, it may be concluded that in Bangladesh corporate governance variables are more important for firms which do not belong to the Banks and NBFI sector. Among the corporate governance variables, the proportion of IDs in the audit committee could lead to a better performance of firms which belong to other industries. However, market-based performance (PER) is not affected by implementation of governance mechanism. Because PER also reflects investor perception of a company which depends on various factors, such as forecasted earnings, dividends, investment period, growth rate of the company, and age of the company (Margoshes, 1960).

The results of this study can have significant managerial implication. The code does not have significant impact on the firm's market performance due to governance factors other than audit committee independence. This might influence managers to be reluctant to strictly maintain the suggested audit committee size, board size and audit quality. As appointing a high quality auditor will require higher audit fees. Similarly audit committee size and board size as suggested by the code might raise the cost of the firm and affect profitability, which is the basis for the accounting based performance.

The study found that board independence has significant negative relation with firm performance (ROE). In the context of Bangladesh where CEO and EDs are dominant because of family ties, political links; IDs have little power over the CEO or board. This makes IDs role in the decision making ineffective and in long run firm performance suffers.

This study features few limitations which are discussed as follows. Firstly, this study relied on the data available free of cost which include the annual reports and the website of the DSE. Annual reports of many public limited companies were not available on any public

portal. Secondly, a lot of companies lacked the data required for our research. Hence companies which had insufficient data on variables were disregarded form this study. Lastly, new Code was implemented in 2012 and the study period is 2013, it might take few years to reflect the true impact of new corporate governance policies on firm performance. This study can be expanded by increasing the sample size which may make changes in findings as well as including few more variables like firm age, institutional ownership. A study such as this will influence researchers to focus more on the emerging economy of Bangladesh and how conservative governance practices can affect the economic development.

REFERENCES

1. Abdullah, S.N. (2004). Board composition, CEO duality and performance among Malaysian listed companies. *Corporate Governance, 4(4),* 47-61.
2. Adegbite, E. (2012). Corporate governance regulation in Nigeria. *Corporate Governance, 12(2),* 257-276.
3. Afrifa, G.A., & Tauringana, V. (2015). Corporate governance and performance of UK listed small and medium enterprises. *Corporate Governance, 15(5),* 719-733.
4. Agrawal, A., & Knoeber, C.R. (1996). Firm performance and mechanisms to control agency problems between managers and shareholders. *Journal of Financial and Quantitative Analysis, 31,* 377–397.
5. Al Farooque, O., Zijl, T.V., Dunstan, K., & Karim, A.K.M.W. (2007). Corporate governance in Bangladesh: link between ownership and financial performance. *Corporate Governance: An International Review, 15,* 1453–1468.
6. Alchian, A., & Demsetz, H. (1972). Production, Information Costs and Economic Organization. *American Economic Review, 62,* 777–795.
7. Alzahrani, M., & Rao, R.P. (2014). Managerial Behaviour and the Link between Stock Mispricing and Corporate Investment: Evidence from Market-to-Book ratio Decompostion. *The Financial Review, 49,* 89-116.
8. Ameer, R., Ramli, F., & Zakaria, H. (2010). A new perspective on board composition and firm performance in an emerging market. *Corporate Governance, 10(5),* 647-661.
9. Anderson, R.C., Mansi, S.A., & Reeb, D.M. (2004). Board characteristics, accounting report integrity, and the cost of debt. *Journal of Accounting and Economics, 37,* 315–342.
10. Baliga, B. R., Moyer, R.C., & Rao, R.S. (1996). CEO duality and firm performance: what's the fuss? *Strategic Management Journal, 17,* 41–53.
11. Becker, C., DeFond, M., Jiambalvo, J., & Subramanyam, K. (1998). The effect of audit quality on earnings management. *Contemporary Accounting Research, 15,* 1–24.
12. Bhagat, S., & Black, B. (2002). The non-correlation between board independence and long-term firm performance. *Journal of Corporation Law, 27,* 231–273.
13. Black, B., Kim, W., Jam, H., & Park, K. (2005). How corporate boards affects firm value: Evidence on channels from Korea. *European Corporate Governance Institute Finance Working Paper,* (103), 2010.

14. Bliss, M.A. (2011). Does CEO duality constrain board independence? Some evidence from audit pricing. *Accounting and Finance, 51,* 361–380.
15. Blue Ribbon Committee. (1999). Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, NYSE and National Association of Securities Dealers.
16. Brigham, E. F., & Houston, J. F. (2012). *Fundamentals of financial management.* Cengage Learning.
17. Bukhvalov, A., & Bukhvalova, B. (2011). The principal role of the board of directors: the duty to say 'no'. *Corporate Governance, 11*(5), 629-640.
18. Chee Haat, M.H., Rahman, R.A., & Mahenthiran, S. (2008). Corporate governance, transparency and performance of Malaysian companies. *Managerial Accounting Journal, 23*(8), 744-778.
19. Cheung, Y.L., Raub, P.R., & Stouraitis, A. (2006). Tunneling, propping, and expropriation: evidence from connected party transactions in Hong Kong. *Journal of Financial Economics, 82,* 343-386.
20. Clifford, P., & Evans, R. (1997). Non- Executive Directors: A Question of independence. *Corporate Governance: An International Review, 5*(4), 224-231.
21. Custodio, C. (2014). Mergers and Acquisitions Accounting and the Diversification Discount. *The Journal of Finance, 69*(1), 219-240.
22. Dye, R. (1993). Auditing standards, legal liability and auditor wealth. *Journal of Political Economy, 101*(5), 887-914.
23. Ehikioya, B.I. (2009). Corporate governance structure and firm performance in developing economies, Evidence from Nigeria. *Corporate Governance, 9*(3), 231-243.
24. Elsayed, K. (2007). Does CEO Duality Really Affect Corporate Performance? *Corporate Governance: An International Review, 15*(6), 1203-1214.
25. Ezzamel, M.A., & Watson, R. (1993). Organizational form, ownership structure, and corporate performance: a contextual empirical analysis of UK companies. *British Journal of Management, 4,* 161–176.
26. Fama, E., & Jensen, M. (1983). Separation of Ownership and Control. *Journal of Law and Economics, 26,* 301–325.
27. Francis, J., Maydew, E., & Sparks, H. (1999). The role of Big 6 auditors in the credible reporting of accruals. *Auditing: A Journal of Practice and Theory, 18,* 17–34.
28. Guest, P.M. (2009). The impact of board size on firm performance: evidence from the UK. *The European Journal of Finance, 15*(4), 385-404.
29. Haniffa, R., & Hudaib, M. (2006). Corporate governance structure and performance of Malaysian listed companies. *Journal of Business Finance and Accounting, 33*(7&8), 1034-1062.
30. Haque, F., Arun, T. G., & Kirkpatrick, C. (2014). Corporate Governance and Financial Performance: A Developing Economy Perspective. *Available at SSRN 2511561.*
31. Hillman, A., & Dalziel, T. (2003). Board of directors and firm performance: integrating agency and resource dependence perspectives. *Academy of Management Review, 28,* 383–396.

32. Hillman, A.J., Cannella, A.A., & Paetzold, R.L. (2000). The resource dependence role of corporate directors: strategic adaptation of board composition in response to environmental change. *Journal of Management Studies, 37*, 235–55.
33. Ho, S.S.M., & Wong, K.S. (2001). A study of the relationship between corporate governance structures and the extent of voluntary disclosure. *Journal of International Accounting, Auditing & Taxation, 10*, 139-156.
34. Jackling, B., & Johl, S. (2009). Board structure and firm performance: evidence from India's top companies. *Corporate Governance: An International Review, 17*(4), 492-509.
35. Jamali, D., Safieddine, A.M., & Rabbath, M. (2008). Corporate Governance and Corporate Social Responsibility Synergies and Interrelationships. *Corporate Governance: An International Review, 16*(5), 443-459.
36. Johnson, S., Boone, P., Breach, A., & Friedman, E. (2000). Corporate governance in the Asian financial crisis. *Journal of Financial Economics, 58,* 141-186.
37. Klein, A. (1998). Firm Performance and Board Committee Structure. *Journal of Law and Economics, 41,* 275-303.
38. Kraft, A., Leone, A.J., & Wasley, C.E. (2007). Regression-based Tests of the Market Pricing of Accounting Numbers: The Mishkin Test and Ordinary Least Squares. *Journal of Accounting Research, 45*(5), 1081-1114.
39. La Porta, R., Lopez de Silanes, F., Shleifer, A., & Vishny, R. (1998). Law and Finance. *Journal of Political Economy, 106*, 1113–1155.
40. Lehn, K.M., Patro, S., & Zhao, M. (2009). Determinants of the size and composition of US corporate boards: 1935-2000. *Financial Management, 38*(4), 747-780.
41. Mande, V., Park, Y.K., & Son, M. (2012). Equity or Debt Financing: Does Good Corporate Governance Matter? *Corporate Governance: An International Review, 20*(2), 195–211.
42. Margoshes, S.L. (1960). Price/Earnings Ratio in Financial Analysis….its use and abuse. *Financial Analysts Journal, 16*(6), 125-130.
43. Mitton, T. (2002). A cross-firm analysis of the impact of corporate governance on the East Asian financial crisis. *Journal of Financial Economics, 64*(2), 215-241.
44. Mostovicz, E.I., Kakabadse, N.K., & Kakabadse, A. (2011). *Corporate governance: quo vadis?Corporate Governance, 11*(5), 613-626.
45. Muttakin, M.B., Monem, R.M., Khan, A., & Subramaniam, N. (2015). Family firms, firm performance and political connections: Evidence from Bangladesh. *Journal of Contemporary Accounting & Economics, 11*(3), 215-230.
46. Pi, L., & Timme, S.G. (1993). Corporate control and bank efficiency. *Journal of Banking and Finance, 17*, 515-530.
47. Rashid, A. (2013). Corporate Governance, Executive Pay and Firm Performance: Evidence from Bangladesh. *International Journal of Management, 30*(2), 556-575.
48. Rebeiz, K.S. (2015). Boardroom's independence and corporate performance: the ever-elusive conundrum. *Corporate Governance, 15*(5), 747–758.

49. Rodriguez-Fernandez, M., Fernandez-Alonso, S., & Rodriguez-Rodriguez, J. (2014). Board characteristics and firm performance in Spain. *Corporate Governance, 14*(4), 485–503.
50. Rosenstein, S., & Wyatt, J.G. (1990). Outside directors, board independence, and shareholder wealth. *Journal of Financial Economics, 26,* 175–191.
51. Ross, S.A., Westerfield, R.W., & Jaffe, J. 2010. *Corporate Finance* (9th ed.). New York, U.S.A.:McGraw-Hill Irwin.
52. Saha, A.K., & Akter, S. (2013). Corporate governance and voluntary disclosure practices of financial and non-financial sector companies in Bangladesh. *JAMAR, 11*(2), 45–62.
53. Stulz, R.M. (1999). Globalization, Corporate Finance, and the Cost of Capital. *Journal of Applied Corporate Finance, 12*(3), 8-25.
54. Waweru, N. (2014). Factors influencing quality corporate governance in Sub Saharan Africa: an empirical study. *Corporate Governance, 14*(4), 555–574.
55. Weir, C., Laing, D., & McKnight, P.J. (2002). Internal and External Governance Mechanisms: Their Impact on the Performance of Large UK Public Companies. *Journal of Business Finance & Accounting, 29*, 579-611.
56. Weisbach, S. (1988). Outside directors and CEO turnover. *Journal of Financial Economics, 20*, 431-460.
57. Yammeesri, J., & Herath, S.K. (2010). Board characteristics and corporate value: evidence from Thailand. *Corporate Governance, 10*(3), 279-292.
58. Yasser, Q.R., & Mamun, A.A. (2015). The impact of CEO duality attributes on earnings management in the East. *Corporate Governance, 15*(5), 706–718.

AUTHOR BIOGRAPHY

Mabel D' Costa joined School of Business and Economics of North South University, Bangladesh as a Lecturer in Fall 2013. Currently she is teaching introductory and intermediate level of Accounting courses. Before joining North South University, she worked in Leeds Beckett University (former Leeds Metropolitan University), U.K. as Part-time Lecturer for two academic years. She has MSc in Accounting and Finance from the University of Leeds, U.K. and B.B.A. with concentration in Finance from North South University, Bangladesh. Her primarily research interest areas are Corporate Governance, Corporate Social Responsibility, Start-ups and Behavioural Finance.
E-mail: mabel.costa@northsouth.edu

Kamrul Huda Talukdar is a Lecturer of Accounting and Finance at the School of Business and Economics, North South University in Dhaka, Bangladesh. He holds a Master of Science Degree in Finance from Lund School of Economics and Management of Lund University, Sweden. He is a Chancellor's Gold Medalist of East West University, Bangladesh. He worked for Grameenphone (a subsidiary Telenor, Norway) for more than two years and has experience in Business Finance and Customer Service. His current research and publication interests are Energy Economics, Corporate Governance, Corporate Finance and Behavioral Finance. E-mail: kamrul.talukdar@northsouth.edu

Adnan Habib is a Senior Lecturer of Department of Accounting and Finance in North South University, Bangladesh. He has been teaching foundation and higher level finance courses for the past four years. He had previously completed MSc. Finance & Investment from University of Nottingham, U.K. and BBA in Accounting & Finance from North South University, Dhaka. Adnan believes in more conservative approach of finance and thus his research interest includes but not limited to: Entrepreneurial Finance, Islamic Finance, Social Business & Microfinance, Corporate Governance. He already has two international double¬blind peer reviewed journal publication and four international conference papers.

North South Business Review, Volume 6, Number 2, June 2016, ISSN 1991-4938

STRUCTURING TOURISTS' INTENTION ON LOCAL FOOD PURCHASE: TESTING MEDIATING EFFECT OF SATISFACTION

Muhammad Sabbir Rahman [1], Mehdi Hussain [2], Md. Aftab Anwar [3], Bashir Hussain [4]

ABSTRACT

This study aims to examine the factors influencing the tourists' purchase intention of local food by testing the mediating effect of satisfaction. The research employed a self-administered questionnaire of 250 foreign tourists from the major cities in Malaysia. The resulting data were analysed with confirmatory factor analysis (CFA) and structural equation modeling (SEM) techniques. The result of the data analysis revealed that the mediation effect of tourists' satisfaction plays a partial mediation role in between service quality and purchase intention of the local foods. Interestingly, all the direct relationships were also accepted. The results from this study can be used for looking in-depth nature of service quality, customer satisfaction and their purchase intention under the perspective on food tourism. Thus, the findings of this research may assist the ministry of tourism, higher education scholar and professional bodies to understand in details about the issues of service quality and customer satisfaction under the context of tourists' purchase intention of local foods.

Key words: Service Quality, Customers Satisfaction, Purchase Intention, Tourism

[1]Assistant Professor, Department of Marketing and International Business, School of Business and Economics, North South University (NSU), Email:sabbiriiu@gmail.com

[2]Senior Lecturer, Department of Marketing and International Business, School of Business and Economics, North South University (NSU), Email: mehdiunsw@gmail.com

[3]Assistant Professor, Faculty of Business Administration, Eastern University, Dhaka, Bangladesh,
Email: zitu6th@yahoo.com

[4]Senior Lecturer, Department of Marketing and International Business, School of Business and Economics, North South University (NSU), Email: bashirhome@gmail.com