Do board meetings and independence have an impact on a firm's performance? Evidence from Malaysia

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Abstract:

The purpose of this paper is to investigate the impact of independent directors, and board meetings on the firm performance of non-financial companies.

The paper statistically calculates this relationship between the influence of independent members, board meetings, and performance for the period 2017-2020 using the perspectives of different theories and data collected on the composition of the board of directors in the 100 largest non-financial companies listed on the Bursa Malaysia.

The results showed a strong and unfavorable relationship between the influence of independent directors, Tobin Q, and ROA. Results between the effect of board meeting frequency and fi performance measures (Tobin's Q, ROA) also revealed a similar inverse association.

Keywords: Corporate Governance, Firm Performance, Board Independent, Board Meetings, Panel Data.

JelClassificationCodes: G34, L1, L25

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1. INTRODUCTION

Following the 1997 financial crisis, many Asian countries undertook reforms to strengthen corporate governance and disclosure practices (Ho & Wong, 2001). Weak governance structures have led to repeated corporate failures and financial scandals, often linked to ineffective boards of directors (Salloum & Azoury, 2008). These failures have caused major stakeholder losses, highlighting the need to enhance board performance. The separation of ownership and control has also created conflicts of interest, allowing managers to prioritize personal gains over stakeholder value, leading to increased agency costs and reduced firm value (Jensen & Meckling, 1976). In response, Malaysia introduced the Malaysian Code of Corporate Governance (MCCG) in 2000. Despite progress, debates persist regarding the relationship between board effectiveness and firm performance.

According to Dong et al. (2023), the boardroom serves as the top decision-making and oversight body within a company. Board functions are commonly viewed from two perspectives. The *agency theory* emphasizes the board's role in monitoring self-interested managers to align their actions with shareholder interests (Jensen & Meckling, 1976; Hart, 1995). This theory assumes that effective corporate governance mitigates conflicts between owners and managers, thus enhancing firm performance (Dwaikat et al., 2021; Gallego-Álvarez et al., 2010). In contrast, the *resource dependence theory* views the board as a source of strategic advice and support (Hillman & Dalziel, 2003).

Building on these theories, the study raises the question: *Do corporate governance mechanisms -such as board independence and frequency of meetings- impact the performance of non-financial firms listed on the Malaysia Stock Exchange?* The study seeks to:

- Examine the effect of independent board members on firm performance.
- Assess the role of board meetings in improving corporate outcomes.

By focusing on the 100 largest non-financial Malaysian firms, this research contributes to governance literature within an emerging market context, distinct from Western settings where most prior studies have been conducted.

The rest of this paper is organized as follows: Section 1 examines the preface to the research, including a literature review of previous research on the influence of independent directors and the impact of board meetings on company performance, the research problem and sub-questions, research objectives, and the study plan. We discuss the theories and literature relevant to the study and formulate hypotheses in Section 2.

The third section explains how to use the study data and its methodology. In Section 4 the experimental results are presented along with the discussion, in Section 5 we find a summary with concluding observations and suggested recommendations.

2. LITERATURE REVIEW

Despite extensive research on how board characteristics influence firm performance, findings remain inconsistent, even as corporate governance continues to evolve. Over two decades of empirical studies have yielded mixed evidence, supporting various theoretical perspectives. Accordingly, this study aims to examine the link between board attributes and firm performance in Malaysia, an emerging economy. Firm performance represents both the long-term outcomes of operational efficiency and resource utilization (Margaretha & Afriyanti, 2016), as well as the

company's ability to gain external stakeholders' trust (Memon et al., 2012).

2.1 Board Independence and Firm Performance

Although the relationship between board independence and firm performance has been widely examined, the results remain inconclusive (Terjesen et al., 2016). Scholars have drawn on three key theories to explain this link. *Agency theory* suggests that independent directors—being external and unbiased—can monitor management and align interests with shareholders (Fama & Jensen, 1983; Brickley & Zimmerman, 2010). However, critics argue that directors serving on multiple boards may harm firm performance (Kumar & Sivaramakrishnan, 2008), and they often lack the authority to direct CEOs (Oshry et al., 2010; Rashid, 2018). *Resource dependency theory* emphasizes the value of external resources—like networks and expertise—that independent directors bring (Kweh, 2019), yet their limited insider knowledge may hinder effectiveness (Rashid, 2018). *Upper echelons theory* highlights how directors' personal attributes shape outcomes (Zhu et al., 2016), though some argue that these qualities may not translate into boardroom impact (Hambrick, 2007; Laux, 2008; Wang et al., 2011). Thus, independent directors must effectively apply their skills and insights (Adams & Ferreira, 2007). Based on this, the study hypothesizes:

H1: Board independence has a positive and significant impact on firm performance.

1.2 Board Meeting and firm performance

Board meeting frequency is widely viewed as a critical element in enhancing board effectiveness (Adam & Ferreira, 2009). Meetings allow directors to understand company operations and fulfill oversight duties (Johl et al., 2015; Francis et al., 2015). Evidence shows that boards with higher meeting attendance performed better during crises. Similarly, Ntim and Oser (2011) found that frequent meetings correlated with improved financial outcomes in South African firms. However, some scholars question their value, noting that non-executives often have limited engagement and that meetings may divert time and resources from more impactful tasks (Vafeas, 1999; Evans et al., 2002). Johl (2006) also reported a negative link between meeting frequency and entrepreneurial activities in UK firms. Given mixed findings—largely drawn from developed countries—this study explores whether similar effects apply in emerging markets. Accordingly, the study proposes:

H2: Board meeting frequency has a positive and significant impact on firm performance.

3. Research design

3.1 Sample data

Obtaining the necessary data was one of the most significant challenges in initiating this study on board diversity among Malaysian corporations. The financial sector was excluded due to its distinct regulatory framework, which renders comparisons with non-financial sectors inappropriate (Abed, Al-Attar, & Suwaidan, 2012). Furthermore, companies with fewer than four years of available data or with missing observations- whether in DataStream or their annual

reports -were excluded to maintain consistency and reliability in the dataset.

The study focuses on the top 100 non-financial companies listed on Bursa Malaysia between 2017 and 2020. The year 2017 was selected as the starting point because it coincides with the revision of the Malaysian Code on Corporate Governance (MCCG). Financial data were obtained from the Thomson Reuters database, while data on CEO characteristics and corporate governance attributes were collected from company annual reports.

Although the panel data used in this study are unbalanced, the selection of the top 100 companies is justified by their recognized adherence to high corporate governance standards. This enables a rigorous assessment of the relationship between board independence, board meeting frequency, and firm performance within a robust governance environment.

3.2 Measurement

In this study, firm performance is measured using two distinct indicators. The first is Tobin's Q, a market-based measure that reflects investors' expectations of a firm's future performance. The second is Return on Assets (ROA), an accounting-based measure that captures how efficiently a company utilizes its assets to generate earnings. The key independent variables are Board Meetings and Board Independence, which represent core corporate governance mechanisms. To enhance the robustness of the analysis, several control variables are included, such as Leverage, Firm Size, and Firm Age, as these may influence firm performance. The table below summarizes the variables and their operational definitions:

Table 1: Variable Definitions and Measurements

Variable Type	Variable Name	Measurement / Definition
Dependent Variables	Tobin's Q	(Market Value of Equity + Book Value of Debt) / Book Value of Total Assets
	ROA	Net Income / Total Assets
Independent Variables	Board Independence	Proportion of independent directors to total board members
	Board Meetings	Total number of board meetings held during the fiscal year
Control Variables	Firm Size	Natural logarithm of total assets
	Leverage	Total debt / Total assets
	Firm Age	Number of years since the firm’s incorporation

Source: Developed by Authors 2025

We must take into account both the person represented by the sub-index j and the time period represented by t because we are using panel data. The error term e is divided into two pieces even if it isn't explicitly stated in the models for clarity's sake: One is typically referred to as the combined effect and varies across persons and time periods. The other is the individual effect, which is exclusive to each individual and changes among individuals but is consistent over time.

The model can therefore be stated as follows:

Model 1: Tobin's Q = β0 + β1 *BD_INDE + β2 *BD_MEETS + β3 *F_AGE + β4*Lev +β5 *F_SIZE + ε.

Model 2: ROA = β0 + β1 *BD_INDE + β2 *BD_MEETS + β3 *F_AGE + β4*Lev +β5 *F_SIZE + ε.

4. RESULTS AND DISCUSSION

We arrived at the following conclusions after following the STATA program's instructions for statistical processing:

4.1 Descriptive statistics

All of the variables were first given a descriptive analysis. The outcomes are shown in Table2 together with the means, medians, standard deviations, quantiles, and maximum and lowest values for each variable.

In this essay, performance proxies ROA and Tobin's Q are used. Such measurements have already been utilized in the literature (Vithessonthi and Tongurai, 2015; Arora and Sharma, 2016; Malik and Makhdoom, 2016, Djerfi.A and Chaalal.C.A, 2023, among others).

Performance proxies ROA and Tobin's Q are applied in this essay. The literature has already made use of such metrics.

Table 2. Descriptive Statistics

	Obs	Median	min	max	Std. Dev.	skewness	Kurtosis
TobinsQ	400	1.1	0.000	13.36	2.119	2.867	12.35
WTobinsQ	400	1.1	0.400	6.82	1.642	1.903	5.926
ROA	400	5.545	-35.230	46.1	8.972	1.073	7.81
BD_INDE	400	.5	0.150	.88	.117	-.044	2.598
D_MEETS	400	5	4.000	25	3.365	2.304	9.455
F_AG	400	34	4.000	192	29.929	2.121	8.879
Levrage	400	24.995	0.000	5063	302.123	14.791	227.326
WLevrage	400	24.995	0.000	58.105	16.822	.205	2.09
F_SIZE	400	6.48	5.010	8.26	.707	.165	2.235

Note: W winsorise (Tobin's Q and Levrage) at (5 95) percentile to normalise the variables.

Source: Prepared by the two researchers based on the output of STATA

To address the potential impact of outliers on the accuracy and reliability of the statistical analysis, this study employed the Winsorization technique at the 5th and 95th percentiles for Tobin's Q and Leverage, respectively. This transformation helped reduce the influence of extreme values and enhanced the distributional properties of the data. As per Kline (2011), acceptable skewness and kurtosis values should be below 3 and 10, respectively, and our variables meet these criteria, as demonstrated in Table 2. The descriptive statistics show that the

average value of Tobin's Q is 1.873, while the mean return on assets (ROA) is 7.574, indicating that firms in the sample have varying levels of market and accounting-based performance.

Tobin's Q ranges from 0 to 6.82 (post-Winsorization), with a standard deviation of 1.642, and ROA ranges from -35.23 to positive values, with a standard deviation of 8.972.

The average board independence (BD INDE) score is 0.5, implying that on average, half of the board members are independent, with a minimum of 0.15, a maximum of 0.88, and a standard deviation of 0.117. Board meeting frequency (BD MEETS) averaged 5 meetings annually, with values ranging between 4 and 25, and a standard deviation of 3.365, reflecting noticeable variation in board activeness among firms. As for the control variables, firm age (F AG) has an average of 34 years, ranging from 4 to 192 years, with a standard deviation of 29.929. Leverage (LEV) recorded a wide dispersion, with values ranging from 0 to 5063, a mean of 24.995, and an original standard deviation of 302.123, which was reduced to 16.822 following Winsorization, indicating a significant improvement in data distribution.

Firm size (F SIZE), measured as the natural logarithm of total assets, has a mean of 6.48, ranging from 5.01 to 8.26, with a standard deviation of 0.707, suggesting relatively homogeneous firm sizes within the sample. These descriptive statistics indicate that the dataset is well-suited for econometric analysis. Moreover, the use of Winsorization and adherence to acceptable distributional thresholds strengthens the reliability of the regression results. This methodological rigor is particularly important in the Malaysian context, where corporate governance practices and firm characteristics vary widely across sectors. The refined dataset allows for a robust investigation into how board independence and board meeting frequency affect firm performance, as measured by Tobin's Q and ROA.

4.2Correlation of the Study Variables

Table 3. Correlation of The Study Variables

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) TobinsQ	1.000						
(2) ROA	0.746	1.000					
(3) BD_INDE	-0.132	-0.126	1.000				
(4) BD_MEETS	-0.233	-0.302	0.173	1.000			
(5) F_AG	0.042	0.056	0.151	-0.022	1.000		
(6) Levrage	-0.181	-0.220	-0.091	0.209	0.131	1.000	
(7) F_SIZE	-0.282	-0.331	0.165	0.444	0.147	0.417	1.000

Source: Prepared by the two researchers based on the output of STATA

Table 3 presents the results of the correlation matrix, highlighting the relationships among the variables under consideration. The correlation coefficients are well-structured, without issues of multicollinearity, ensuring the reliability of subsequent analyses. Notably, the correlation results indicate a negative relationship between Tobin's Q and ROA with BD_INDE (board independence), BD_MEETS (board meetings), Leverage, and Firm Size (F_SIZE). This suggests that as board independence, board meeting frequency, leverage, and firm size increase, both

Tobin's Q and ROA tend to decrease, implying potential inverse effects of these variables on firm performance.

On the other hand, a significant positive correlation is observed between Firm Age (F_AG) and both Tobin's Q and ROA. This indicates that older firms tend to exhibit better market and accounting-based performance, which may be attributed to the accumulated experience, stability, and perhaps better-established governance practices over time. These relationships provide important insights into the dynamics between corporate governance characteristics and firm performance, warranting further investigation through regression analysis to establish causal connections.

4.3Multiple Regression

4.3.1 Multivariate Regression Diagnostic

Table 4 presents the correlations between the independent variables used in the primary analysis. The correlation coefficients between each of the independent variables are minimal, indicating that there is no significant multicollinearity among them. This is an important consideration because multicollinearity can distort the estimation of regression coefficients and affect the reliability of statistical inferences. The minimal correlations suggest that each independent variable in the model provides unique information, thus ensuring the stability and validity of the results.

Additionally, the Variance Inflation Factor (VIF**)** test results further support the absence of multicollinearity concerns. The highest VIF observed in this study is 1.50, which is well below the commonly accepted threshold of 10 (Gujarati, 2009). A VIF value higher than 10 is typically indicative of problematic multicollinearity, where independent variables are highly correlated with each other, leading to inflated standard errors. Since the VIFs in this study are all within acceptable ranges, it confirms that multicollinearity is not a significant issue in the analysis, allowing for more confident and reliable estimation of the regression model.

Table 4. Variance inflation factor

Variable	VIF	1/VIF
F SIZE	1.501	.666
BD MEETS	1.284	.779
Levrage	1.269	.788
BD INDE	1.106	.904
F AG	1.067	.937
Mean VIF	1.245	.

Source: Prepared by the two researchers based on the output of STATA

4.3.1 Empirical Results

Table 5. Variance inflation factor

Model	Tobin's Q	ROA
Test	Values	Values
Prob >F (Fisher)	0.0005	0.0000
Breusch and Pagan LM test	0.0000	0.0000
Hausman test	0.0277	0.0000
Modified Wald Heteroskedasticity	0.0000	0.0000
Wooldridge Autocorrelation	0.0003	0.0005
Number of obs	400	400
R-squared	0.1145	0.1637

Source: Prepared by the two researchers based on the output of STATA

The study utilizes several diagnostic tests to assess the robustness of the regression models and ensure the accuracy of the findings. The Breusch-Pagan/Cook-Weisberg test was conducted to examine the heteroskedasticity (variance of error terms), and the results show that the null hypothesis of homoskedasticity is rejected. Specifically, the test statistics for the Tobin's Q model (X2=62.00X^2 = 62.00, p-value = 0.0000) and the ROA model (X2=19.83X^2 = 19.83, p-value = 0.0000) indicate the presence of heteroskedasticity. This suggests that the error terms in both models do not have a constant variance, which can lead to inefficient estimates in the presence of heteroskedasticity. Therefore, the standard errors of the coefficients would be biased, making it essential to adjust the regression model to account for this issue.

In addition, the Wooldridge test for autocorrelation was conducted to assess the possibility of first-order autocorrelation in the residuals of the models. The test results for both models indicate the presence of autocorrelation. Specifically, the Tobin's Q model has an F-statistic of 14.270 (p-value = 0.0003), and the ROA model has an F-statistic of 12.979 (p-value = 0.0005). These low p-values indicate that the null hypothesis of no first-order autocorrelation is rejected, suggesting that the residuals are correlated over time, which could affect the validity of the regression results.

To address these issues of heteroskedasticity, autocorrelation, and cross-sectional dependence, the study employed Ordinary Least Squares (OLS) regression with Driscoll-Kraay standard errors.

The Driscoll-Kraay method provides robust standard errors that are consistent even in the presence of heteroskedasticity, autocorrelation, and cross-sectional dependence (Djerfi & Chaalal, 2023). This approach ensures that the statistical inference remains reliable despite the violations of classical assumptions, making the results of the regression more robust and valid for policy and decision-making purposes.

By adjusting for these issues, the study improves the reliability of the model's estimates, ensuring that the findings regarding the relationship between corporate governance mechanisms and firm performance are both accurate and scientifically sound.

Table 6. Main Regressions Results (Driscoll-Kraay) for Model 1 (Dependent variable = TobinsQ)

		Drisc/Kraay				
TobinsQ	Coef.	Std.Err.	T	P>t	[95%Conf.	Interval]
BD_INDE	-1.493***	0.433	-3.450	0.001	-2.353	-0.633
BD_MEETS	-0.053***	0.007	-7.200	0.000	-0.067	-0.038
F_AG	0.005***	0.001	7.330	0.000	0.004	0.007
Levrage	-0.010***	0.003	-3.090	0.003	-0.016	-0.004
F_SIZE	-0.436***	0.085	-5.120	0.000	-0.605	-0.267
_cons	5.754***	0.413	13.940	0.000	4.935	6.574

Notes: The definitions of the variables are in Section 3.1. t-statistics are based on Driscoll/Kraay. ***, ** and * represent statistically significant at the p < 1%, 5%, and 10% levels, respectively.

Source: Prepared by the two researchers based on the output of STATA

Table 7. Main Regressions Results (Driscoll-Kraay) for Model 2 (Dependent variable = ROA)

		Drisc/Kraay				
ROA	Coef.	Std.Err.	T	P>t	[95%Conf.	Interval]
BD_INDE	-6.964***	2.198	-3.170	0.002	-11.326	-2.602
BD_MEETS	-0.443***	0.115	-3.860	0.000	-0.671	-0.215
F_AG	0.034***	0.007	5.170	0.000	0.021	0.047
Levrage	-0.065***	0.012	-5.380	0.000	-0.089	-0.041
F_SIZE	-2.641***	0.195	-13.530	0.000	-3.028	-2.254
_cons	31.583***	2.468	12.800	0.000	26.686	36.480

Notes: The definitions of the variables are in Section 3.1. t-statistics are based on Driscoll/Kraay. ***, ** and * represent statistically significant at the p < 1%, 5%, and 10% levels, respectively.

Source: Prepared by the two researchers based on the output of STATA

The analysis of the regression results reveals important insights regarding the impact of board characteristics on firm performance, particularly focusing on board independence (BD_INDE) and the frequency of board meetings (BD_MEETS).

The beta coefficient for the board independence variable was found to be (-1.493) for the Tobin's Q model and (-6.964) for the ROA model, both statistically significant at the 0.01 level ($p < 0.01$). Specifically, the Tobin's Q model yielded a beta of $\beta = -1.493$, with a p-value = 0.001, while the ROA model resulted in $\beta = -6.964$, and p-value = 0.002. This negative relationship between board independence and firm performance is in line with findings by Kumar and Sivaramakrishnan (2008), who argue that independent directors often serve on multiple boards, which can result in insufficient time and focus on individual firms, ultimately leading to poorer company performance. Furthermore, Oshry, Hermalin, and Weisbach (2010), along with Rashid (2018), point out that independent directors might lack the necessary authority to compel the CEO to act in ways that benefit the company. Independent directors often lack in-depth, insider knowledge of the company's day-to-day operations, which may hinder their ability to effectively oversee or guide management decisions, thus affecting the company's performance.

This finding contradicts the predictions of agency theory, which suggests that a higher proportion of independent directors should improve company performance, as these directors are assumed to have no vested interests or personal stakes in the company's decisions (Terjesen et al., 2016). According to Hambrick (2007), executives might not fully utilize their expertise and skills within the boardroom, and thus, the presence of independent directors may not necessarily lead to an improvement in firm performance. This notion is supported by Laux (2008) and Wang, Lu, and Tsai (2011), who argue that board independence, while theoretically advantageous, may not always translate into improved outcomes for the firm.

The frequency of board meetings (BD_MEETS) was found to have a significant negative effect on firm performance, with beta coefficients of $\beta = -0.053$ for the Tobin's Q model ($p = 0.000$) and $\beta = -0.443$ for the ROA model ($p = 0.000$). These results align with the study conducted by Johl (2006), which found that in companies within the FTSE 100 index, there was a negative correlation between the frequency of board meetings and management's entrepreneurial activities. Frequent board meetings, although necessary for governance, demand significant managerial time and effort, which could be better spent on strategic business operations. As highlighted by Evans et al. (2002), frequent meetings incur increased travel expenses, administrative costs, and meeting fees, all of which divert resources from more productive activities, potentially hindering firm performance. This could explain the negative correlation observed in this study, where increased time spent in board meetings may come at the cost of engaging in more direct and productive business actions.

The coefficient for firm age (F_AG) was positive and statistically significant in both models, with $\beta = 0.005$ ($p = 0.000$) for Tobin's Q, and $\beta = 0.034$ ($p = 0.000$) for ROA. These results suggest that older firms tend to perform better, likely due to their more established market position, experience, and resources. Established firms often benefit from a wealth of accumulated knowledge and a stronger organizational structure, which contribute to better financial performance.

The leverage variable had a negative significant effect on firm performance. Specifically, the beta coefficients for leverage were $\beta = -0.010$ ($p = 0.003$) for Tobin's Q and $\beta = -0.065$ ($p = 0.000$) for ROA. This negative relationship suggests that higher levels of debt can reduce firm performance, potentially due to increased financial risk and the burden of interest payments, which may hinder profitability and overall market valuation. The findings are consistent with the research of (Djerfi and Chaalal., 2023),. Djerfi, A., & Louadj, M., 2023), who also found a negative relationship between leverage and financial performance. Firms with high leverage might face financial strain during periods of low profitability, making it more difficult for them to invest in growth opportunities or to remain competitive in the market.

Firm size was also found to have a significant negative effect on performance in both models. The $\beta = -0.436$ ($p = 0.000$) for Tobin's Q, and $\beta = -2.641$ ($p = 0.000$) for ROA suggest

that larger firms tend to experience lower performance. This may be due to the complexities and inefficiencies that arise from managing large organizations. As firms grow, they can face challenges such as increased bureaucracy, slower decision-making processes, and greater difficulty in maintaining operational efficiency. The larger the firm, the more difficult it may become to adapt to market changes and maintain optimal performance.

In conclusion, the results of this study present a nuanced view of how board characteristics, such as board independence and the frequency of board meetings, influence firm performance. While board independence is often regarded as a key governance feature, the findings here suggest that its benefits may be limited, particularly when independent directors lack inside knowledge or the ability to influence the CEO effectively. Similarly, while frequent board meetings may seem like a good governance practice, the results indicate that such practices can be counterproductive, diverting valuable resources from more impactful business activities. These findings contribute to the ongoing debate about the optimal structure and function of boards in improving firm performance and add valuable insights to corporate governance literature.

5. CONCLUSION

In this study, the impact of the independence of the board members and its meetings on the performance of the 100 largest non-financial companies listed on the Malaysia Stock Exchange between 2017 and 2020 is explored.

The main objective of this study is to determine how the independence of the board members and the number of board meetings affect the company's performance. The study stated that "there is a negative relationship between the independence of board members and corporate performance for non-financial companies listed in Malaysia."

Board meetings also show a strong negative association with Tobin and return on assets in this study.

Future interest-based studies may benefit from this research, which also suggests some ways to get around some of its drawbacks. We will highlight the following recommendations:

- Bursa Malaysia has a variety of industries, and as a result, the results can be different than the result in a different Malaysian industry.
- The non-financial sector of the companies listed on the Malaysia Stock Exchange constitutes only part of the samples used in this study.
- Time series data should be collected over a longer period to produce a more accurate and convincing conclusion.

The ability of the board to make decisions that are objective and in the best interests of the company depends on the independence of the board members. The performance of the company may suffer if the board members are overly independent. For instance, board members may advocate for choices that are not in the best interests of the firm if they are not in tune with its objectives and guiding principles.

Companies can take the following actions to address the detrimental effect that board members' independence has on the success of the company:

- Clarify the company's values and objectives: By outlining the company's values and objectives, it will be simpler to find board members who share those values and objectives.
- Make sure the board members have the necessary experience.
- Board members with the appropriate knowledge can offer insightful opinions that can aid the company in achieving its objectives.
- Training and support of independent directors can help you succeed. After appointing independent people to the board of directors, companies must give them this support.

Generally, organizations should avoid the negative effects that excessive independence can have on firm performance and instead use it to promote success by taking steps to ensure that board members are in line with the organization's beliefs and goals.

Although board meetings are a crucial part of corporate governance, they can negatively affect a company's success if they are not effectively managed. The possible costs of board meetings include time and money wasted, an increase in bureaucracy, and a lack of attention to the company's strategic problems.

Companies can take a number of actions to counteract these negative effects:

- Board meetings can be made more efficient by creating clear agendas, establishing guidelines for discussion and debate, and making sure that all participants are prepared and involved.
- Decrease the number of board meetings: Organizations can take a more strategic approach by scheduling meetings only when crucial decisions need to be taken or when significant events arise that demand attention.
- Streamline the decision-making process: Businesses can increase efficiency and prevent unneeded delays by minimizing the number of people involved in the process.
- Support open communication: Businesses should support open communication between board members, executives, and employees to make sure that everyone is on the same page. Regular updates, newsletters, and other kinds of communication can accomplish this.
- Foster open communication: To ensure that everyone is on the same page, companies should encourage open communication between board members, executives, and employees. This can be done through regular updates, newsletters, and other forms of communication.
- Focus on the long-term: Board meetings should be focused on the strategic issues facing the company, rather than short-term operational concerns. By keeping the big picture in mind, companies can make better decisions that will lead to long-term success.

In general, to achieve the Sustainable Development Goals and accelerate this transformation, strong legal and regulatory frameworks, long-term strategic planning, and investments in infrastructure and technology are essential (DJERFI, A., and CHAALAL Cherif, A., 2024).

Organizations can also avoid the negative effects of board meetings on company performance and use them as a tool for success by making efforts to increase their effectiveness.

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