The Effects of Fluctuations in the Income Structure of Corporate Governance, Board Independence, Growth Opportunities

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ABSTRACT
This study is based on analysis of library study and Causal-analytical panel data (panel data) is. In this study, 106 financial firms listed in the Tehran Stock Exchange during the period 1387 to 1392 (636 firm - years). To analyze the results of the software Spss 20, Eviews 7 and Minitab 16 has been used. The results in connection with the analyzes carried out in connection with the confirmation of the first hypothesis to the conclusion that the fluctuations in income and corporate governance structure of companies, there is a significant inverse relationship. The following results regarding the second hypothesis of the study show that the independence of the board and governance structure of the company, there is a significant inverse relationship. Finally, according to the analysis made in connection with approved third hypothesis to the conclusion that the company's growth opportunities and corporate governance structure, there was a significant relationship.

KEYWORDS
Corporate governance, income structure, board independence, growth opportunities

INTRODUCTION
One of the main problems investors have long investment firms to optimize credit risk is calculated. Investors are always looking for companies that expected returns in the coming years is the maximum possible (Frank and Goyal, 2009). One of the variables that are always on the variables of credit risk and expected return of influential stakeholders is a key factor in the creation of possible fluctuations, the volume of holdings Nqdmymbasbdh way. Factors affecting the expected stock return volatility and fundamental factor in the boom or no boom in capital markets and consequently the credit risk of companies. Stock price growth rate and consistency made in this context represents the top management to steer changes made to increase the expected return on stocks is positive. Fluctuations in expected return on stocks is rooted in the fundamental law firms and by normal fluctuations and not fleeting. Stock companies in the capital market boom that will shock all internal and external factors considered and during internal factors affecting the prosperity of transactions such as dividend, external factors like economic changes also considered other companies and Bazdhhy of stocks minimize the risk. Capital market fluctuations due to changes in stock prices and stock returns has experienced ever. Changes in the price of shares in the company of some of the most effective variables affect real and excessive accumulation of capital value due to the positive dynamics of the stock price, expected return on the stock will change. The point that should be noted is that, in practice, individual investors are not significant to the variable risk with the expected return and risk, or bus as an important criterion for investors do not value (gallons and Zhang, 2008).

RESEARCH LITERATURE
Corporate governance:
To achieve a comprehensive definition of corporate governance system is required to pay the design and development of this concept. Numerous prestigious literature review shows that the first and oldest concept of corporate governance, from the Latin word meaning Gubenare steer is usually used to steer the ship and on governance implies that the first definition of corporate governance focus control. There are several definitions of corporate governance, the definition of limited and focused on companies and their shareholders to comprehensive and inclusive definitions of corporate accountability to the majority of shareholders, members or stakeholders (Cumming and Johan, 2008).
The available literature suggests that there is no definition of consensus about corporate governance. There are significant differences in the definition of the country. Even in America or England to define the unit of work is not easy. Definitions are available in a range of corporate governance. Limited vision on the one hand and on the other side of the spectrum with wide views. In view of the limited corporate governance in relation to the company and shareholders is limited. This is an old model that is expressed in the form of representation. At the other end of the spectrum, corporate governance can be considered as a network of relations not only between companies and their owners (shareholders), but also among a large number of stakeholders, including employees, customers, dealers, bondholders and ... exist. Such a view can be seen in the form of stakeholders. (Chen et al., 2006).

In 2004, the International Federation of Accountants has defined corporate governance, "corporate governance (rule Vahdtjary) consists of a number of responsibilities and procedures used by the Board of Directors shall determine the strategic direction that ensures access to objectives, risk control and responsible use of resources ".

Compressor colleagues in 2001 after a study carried out at Oxford wrote in explaining corporate governance: "Corporate governance describes the internal organization and structure of the company, the duties of the board, the company's ownership structure and relations between shareholders and other stakeholders, particularly labor and creditors as it's now."

- LaPorte and colleagues wrote in 2000: "Corporate governance refers to the structures, processes, cultures and systems that provide the successful operation".
- Sven Wolf, the former head of the World Bank in 2000 said: "Corporate governance seeks to promote fairness, transparency and accountability within the company".
- In 1999 the Financial Times listed the definition of corporate governance, "corporate governance can be found in its narrow definition, and the definition of its relationship with its shareholders, society's relationship with the company."

BACKGROUND RESEARCH

Chang (2012), in research related to the effects of macroeconomic variables on stock returns discussed. They change patterns of different systems to analyze the impact of macroeconomic variables (interest rate, dividend yield and spend default) on changes in stock returns (including conditional mean, variance and temporary possibilities) stock market took America. The experimental results indicate that macro variables can affect the dynamics through two different channels, and a great influence on the efficiency and volatility is not constant. The effects of economic variables on efficiency, time invariant, but are closely linked to stock market volatility and ability to predict the changing system, is much more stable system. They found that the interest rates and dividend yields seem to play an important role in predicting the conditional variance and out of sample performance to a large extent when the effects of these two variables is ignores the Tarzanks reduced. In addition, these three major variables do not play any role in predicting the likely temporary.

Asem safiidin et al. (2011), the relationship between intellectual capital and corporate governance at the American University in Beirut with full-time faculty survey were tested. The results suggest that the lack of proper corporate governance, leading to an inability to attract and retain intellectual capital of the university is strong. As well as faculty, corporate governance as a key factor for attracting intellectual capital are considered.

Karimi, Akhlaghi And Rezaei Mehr (1393), the effect of financial leverage and growth opportunities of making investment companies examined. Results showed a negative correlation between financial leverage and significant investment decisions. In other words, firms with higher debt than others, there is less investment. The results showed no significant relationship between growth opportunities and making the investment.

Hashemi and Sadeghi (1390), a study of the relationship between discretionary accruals and operating cash flow, return on equity and efficiency of investment in capital assets has investigated and concluded that the future investment in capital assets discretionary accruals and stock returns with current and future cash flows of a significant relationship.

HYPOTHESES

After the preliminary research and studies on possible solutions, to answer questions on the findings, the following hypotheses were formulated:

- Between fluctuations in income and corporate governance structure of companies there is a significant relationship.
- Between board independence and corporate governance structure of companies there is a significant relationship.
- The relationship between growth opportunities and significant corporate governance structure.

RESEARCH METHODOLOGY

Descriptive statistics of variables:

In general, the methods by which it can be processed and summarized data, called descriptive statistics. This type of data. The goal is simply to describe the community or sample of the population parameters or sample is calculated (Azar and Momemi, 1389, p. 8). The descriptive statistics, data analysis using descriptive statistics such as mean, median and standard deviation measures the dispersion, skewness and kurtosis done. In this connection, the average of the main central index, and average data shows, so that if the data on an axis aligned on a regular basis, the average value exactly balance point or center of gravity is distributed. Standard deviation of dispersion parameters and the scattering data show. Skewness of the parameters determining the deviation of symmetry and asymmetry index data. If you have a community of symmetrical distribution, skewness coefficient equal to zero, if the society is skewed to the left, if you have negative skewness.
coefficient is skewed to the right, skewness coefficient is positive. Elongation is the measure of the dispersion of the population compared to the normal distribution (the believers and Ghaiyoomi, 1390). Brief descriptive statistics of the variables after removing the outliers screening software is provided in Table Spss 20.

Tab. 1. Descriptive statistics variables

<table>
<thead>
<tr>
<th>Elongation</th>
<th>Skewness</th>
<th>Maximum amount</th>
<th>Lowest</th>
<th>Standard deviation</th>
<th>Average</th>
<th>Number of Views</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.066</td>
<td>2.267</td>
<td>0.2241</td>
<td>0.0000</td>
<td>0.0280</td>
<td>0.0247</td>
<td>636</td>
<td>Corporate governance structure</td>
</tr>
<tr>
<td>3.371</td>
<td>1.045</td>
<td>2.7323</td>
<td>0.0019</td>
<td>0.3198</td>
<td>0.4360</td>
<td>636</td>
<td>Fluctuations in income</td>
</tr>
<tr>
<td>0.770</td>
<td>1.085</td>
<td>2.5752</td>
<td>0.0000</td>
<td>0.5884</td>
<td>0.6546</td>
<td>636</td>
<td>Independence of Board of Directors</td>
</tr>
<tr>
<td>-1.890</td>
<td>0.075</td>
<td>1.3613</td>
<td>0.0000</td>
<td>0.4754</td>
<td>0.4896</td>
<td>636</td>
<td>Growth opportunities</td>
</tr>
<tr>
<td>1.646</td>
<td>1.817</td>
<td>7.9889</td>
<td>0.0002</td>
<td>1.8396</td>
<td>1.8660</td>
<td>636</td>
<td>Company life</td>
</tr>
<tr>
<td>0.688</td>
<td>-1.201</td>
<td>6.1664</td>
<td>0.0033</td>
<td>1.3596</td>
<td>3.1857</td>
<td>636</td>
<td>size of the company</td>
</tr>
<tr>
<td>13.868</td>
<td>3.215</td>
<td>2.6743</td>
<td>0.0000</td>
<td>0.3009</td>
<td>0.1661</td>
<td>636</td>
<td>Free cash flow</td>
</tr>
<tr>
<td>-0.980</td>
<td>-0.494</td>
<td>2.0472</td>
<td>0.0000</td>
<td>0.3754</td>
<td>0.6022</td>
<td>636</td>
<td>Leverage ratio</td>
</tr>
<tr>
<td>16.873</td>
<td>2.569</td>
<td>2.4429</td>
<td>0.0227</td>
<td>0.1997</td>
<td>0.5706</td>
<td>636</td>
<td>Volatility of stock price</td>
</tr>
</tbody>
</table>

According to the average image structure of corporate governance of companies, respectively 0.0247 and 0.0000 and 0.2241 is the minimum and maximum amount equal to. Skewness and kurtosis assess these variables which should be respectively 0 and 3 is normally distributed variables, shows that this variable is not normally distributed. According to the description given in the figure, on average, income volatility, board independence and corporate growth opportunities during the period of investigation, respectively positive and 0.4360, 0.6546 and 0.4896 respectively. The positive average life, size and free cash flow, respectively 1.8660, 3.1857 and 0.1661 and positive average leverage ratio and volatility of stock price, respectively 0.6022 and 0.5706 have been.

Test the normal distribution of the dependent variable:

In this study was to estimate the parameters used and the method of ordinary least squares method based on the assumption that the dependent variable is normally distributed, so that the non-normal distribution of the dependent variable leads to violations of the assumptions of this method for estimating parameters and does not provide accurate results. It is therefore necessary to continue the normal distribution of the variables tested. One of the assumptions of normality of the residuals of the regression model, which reflects the credibility of regression tests, so the normality of the dependent variable to model normal residuals (difference between the estimated value of the actual values) leads. So it is necessary to estimate the parameters of normality of the dependent variable, and in case of non-normal condition a suitable solution for them (including conversion of it) would be taken. In this study the issue through Kolmogorov-Smirnov test (KS) is evaluated. In this test the null hypothesis and the alternative hypothesis is as follows:

\[ H_0 : \text{Normal Distribution} \]
\[ H_1 : \text{Not Normal Distribution} \]

If the level of statistical significance of the test is more than 0.05 (Prob > .05) H0 hypothesis of normal distribution of the variable will be accepted. The figures KS test results for the dependent variable sample companies provided.

Tab. 2. Normality of the dependent variable image results

<table>
<thead>
<tr>
<th>Significance level (Sig)</th>
<th>Statistic (K-S)</th>
<th>The number (N)</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.039</td>
<td>4.764</td>
<td>636</td>
<td>Corporate governance structure</td>
</tr>
</tbody>
</table>

Given that the dependent variable, KS statistic significance level of less than 0.05, so H0 hypothesis of normal distribution of the variables was rejected at 95%, indicating that the dependent variables do not have a normal distribution.

Normality of the dependent variable, a prerequisite for regression models, so be sure to test the hypothesis that normalization is variable. In this study, normal data transfer function Johnson were employed and analyzed by software Minitab 16 is located. The results of the K-S test after the normal process image data as is.

Tab. 3. PD, dependent variable normality test results after normalization process

<table>
<thead>
<tr>
<th>Significance level (Sig)</th>
<th>Statistic (K-S)</th>
<th>The number (N)</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.865</td>
<td>0.600</td>
<td>636</td>
<td>Corporate governance structure</td>
</tr>
</tbody>
</table>
According to the figures, since data after the normal level of significance (Sig) Kolmogorov-Smirnov test for the dependent variable is higher than 0.05 (0.865), so the hypothesis H0 verified at 95% and represents is the dependent variable after normalization process, are normally distributed.

**CORRELATION BETWEEN VARIABLES**

In this section, using Pearson's correlation coefficient to assess the relationship between the variables and the correlation between them will be discussed. Matrix of correlations between variables are presented in Table. Based on the results of pearson, governance structure and a significant positive correlation with the company's free cash flow. Company size and volatility of stock prices and significant negative correlation with the stock market.

Chairman of fixed effects also positively correlated with the independence of the board and the size of the company and significant negative correlation with the stock market and company life and its free cash flow.

The value of the stock market and a significant positive correlation with age, free cash flow and stock price volatility and significant negative correlation with income fluctuations, independence of the board, firm size and leverage of their shows. Fluctuations in revenue and a significant positive correlation with the independence of the board, firm size and financial leverage and significant negative correlation with age, free cash flows and volatility of stock price. Board independence is also a significant positive correlation with company size and significant negative correlation with corporate life and free cash flow from their shows.

**Tab. 4. PD matrix Pearson correlation coefficients between variables**

<table>
<thead>
<tr>
<th></th>
<th>Corporate governance structure</th>
<th>Expected return</th>
<th>Fixed effects chairman</th>
<th>Equity Market</th>
<th>Fluctuations in income</th>
<th>Independence of Board of Directors</th>
<th>Growth opportunities</th>
<th>Company size</th>
<th>Free cash flow</th>
<th>Leverage ratio</th>
<th>Volatility of stock price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate governance structure</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected return (P-Value)</td>
<td>0.007 (0.858)</td>
<td>-0.026 (0.336)</td>
<td>-0.018 (0.712)</td>
<td>-0.018 (0.643)</td>
<td>0.057 (0.152)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed effects chairman (P-Value)</td>
<td>0.038 (0.506)</td>
<td>-0.112 (0.005)</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Market (P-Value)</td>
<td>-0.180 (0.000)</td>
<td>-0.082 (0.037)</td>
<td>0.036 (0.364)</td>
<td>-0.134 (0.001)</td>
<td>-0.028 (0.135)</td>
<td>-0.075 (0.223)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fluctuations in income (P-Value)</td>
<td>-0.018 (0.000)</td>
<td>0.018 (0.000)</td>
<td>1</td>
<td></td>
<td>0.071 (0.000)</td>
<td>-0.161 (0.000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence of Board of Directors (P-Value)</td>
<td>0.036 (0.000)</td>
<td>0.188 (0.000)</td>
<td>0.109 (0.000)</td>
<td>-0.161 (0.000)</td>
<td>0.071 (0.000)</td>
<td>-0.190 (0.110)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth opportunities (P-Value)</td>
<td>0.048 (0.223)</td>
<td>0.028 (0.488)</td>
<td>0.038 (0.342)</td>
<td>-0.075 (0.000)</td>
<td>0.059 (0.000)</td>
<td>0.018 (0.000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company life (P-Value)</td>
<td>-0.032 (0.424)</td>
<td>0.186 (0.000)</td>
<td>0.249 (0.000)</td>
<td>0.966 (0.000)</td>
<td>-0.075 (0.000)</td>
<td>0.048 (0.000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow (P-Value)</td>
<td>0.083 (0.037)</td>
<td>-0.104 (0.011)</td>
<td>0.045 (0.000)</td>
<td>-0.235 (0.000)</td>
<td>0.176 (0.000)</td>
<td>0.101 (0.258)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tab. 4. PD matrix Pearson correlation coefficients between variables
CONCLUSION

The results of the first hypothesis:

The fourth hypothesis study the relationship between fluctuations in income and corporate governance structure of the company, and statistical hypothesis is stated as follows:

H0: the volatility of corporate earnings and corporate governance structure, there is no significant relationship.

H1: the volatility of corporate earnings and corporate governance structure, there is a significant relationship.

This hypothesis using model (1) is estimated on panel data and if B4 coefficient is significant at 95% confidence level will be verified.

\[ \text{Volatility} = \beta_0 + \beta_1 \text{Leverage} + \beta_2 \text{Price} + \beta_3 \text{Leverage}^2 + \beta_4 \text{Price}^2 + \epsilon_i \]

To be certain whether the use of panel data in estimating the model will be efficient or not, the Chow test in order to determine which method of tying or F (fixed effects or random effects) is more appropriate to estimate (recognition of the differences between fixed or random cross-sectional units) used the Hausman test. The results of these tests are presented in Table 4-5.

Tab. 5. Picture of Chow and Hausman test results for the model (1)

<table>
<thead>
<tr>
<th>P-Value</th>
<th>Degrees of freedom</th>
<th>The statistics</th>
<th>Statistics</th>
<th>Number</th>
<th>Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0293</td>
<td>(104-514)</td>
<td>2.9130</td>
<td>F</td>
<td>636</td>
<td>Chow</td>
</tr>
<tr>
<td>0.0492</td>
<td>11</td>
<td>5.7148</td>
<td>$\chi^2$</td>
<td>636</td>
<td>Hausman</td>
</tr>
</tbody>
</table>

According to Chow test and P-Value of (0.0293), test H0 hypothesis was rejected at 95%, indicating that the method can be used panel data. Also according to the results of Hausman and P-Value of (0.0492), which is less than 0.05, at 95% test H0 hypothesis is rejected and the hypothesis H1 is accepted. Therefore, the model is estimated using fixed effects.

To test the validity of the classical regression model assumptions and analysis is required in addition to the lack of co-linearity between the independent variables in the model, tests remained normal in connection with the consistency of variances, independence of residuals and the absence of clear error model (linearity model) will also be performed. To test the normality of error terms can be used for various tests. One of these tests is to test Jarek-bera this test has been used in this study. Jarek-bera test results to show that residues of the model study, 95% of the distribution was normal, so that the probability of this test (0.6692) is larger than 0.05. One of the assumptions of the classical regression residuals variance is inconsistency. If the variances are non-linear estimation is not unbiased and minimum variance there. The search for homogeneity of variance test was used for pagan. Considering the importance of this test, which is smaller than 0.05 (0.0296), the null hypothesis is rejected and it can be said that there is a similarity variance heterogeneity of variance model is a problem. In this study, to fix the problem in estimating estimated using generalized least squares (GLS) is used. According to preliminary results of the Durbin-Watson statistic estimation of between 1.5 and 2.5 is 2.35, and since it can be concluded that the residuals are independent. In addition, to test whether the relationship is linear, and whether the model of the relationship between linear and non-linear explanation is correct or not coded test was used. Due to the level of a symbolic test (0.7149) is larger than 0.05, so the null hypothesis of this test has been verified that the linear model and the model error is not specified. Summary results are presented in table above.

Tab. 6. Picture of the results of the statistical assumptions of the model (1)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>P-Value</td>
<td>$F$</td>
<td>$D$</td>
<td>$P-Value$</td>
<td>$F$</td>
<td>P-Value $\chi^2$</td>
</tr>
<tr>
<td>0.714</td>
<td>8.4861</td>
<td>2.35</td>
<td>0.0296</td>
<td>1.0624</td>
<td>0.6692 1.67</td>
</tr>
<tr>
<td>9</td>
<td>1.67</td>
<td>58</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tab. 7. Picture of the first hypothesis test results using fixed effects

Dependent variable structure of corporate governance
Views: 636 years - the company

<table>
<thead>
<tr>
<th>Relation</th>
<th>P-Value</th>
<th>T-statistics</th>
<th>Factor</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>0.0175</td>
<td>1.3940</td>
<td>0.0215</td>
<td>Fixed component</td>
</tr>
<tr>
<td>Negative</td>
<td>0.0257</td>
<td>-1.3377</td>
<td>-0.0009</td>
<td>Fluctuations in income</td>
</tr>
<tr>
<td>Negative</td>
<td>0.0185</td>
<td>-1.8492</td>
<td>-0.0036</td>
<td>Independence of Board of Directors</td>
</tr>
<tr>
<td>Positive</td>
<td>0.0479</td>
<td>1.1103</td>
<td>0.0014</td>
<td>Growth opportunities</td>
</tr>
<tr>
<td>Positive</td>
<td>0.0394</td>
<td>-1.3990</td>
<td>-0.0007</td>
<td>Company life</td>
</tr>
<tr>
<td>Positive</td>
<td>0.0197</td>
<td>1.1041</td>
<td>0.0164</td>
<td>Free cash flow</td>
</tr>
</tbody>
</table>
Reviews significant factors in the results presented in the figure, since the probability of the t-statistic for variable rate fluctuations, revenue is less than 0.05 (0.0257), resulting in a significant relationship between income volatility and the structure of corporate governance of the companies in the confidence level 95% is confirmed. The fourth hypothesis was accepted and we can say with 95% confidence between revenue volatility and corporate governance structure of companies, there is a significant relationship. A negative coefficient for this variable (-0.0009) showed a negative correlation between income volatility and corporate governance structure of the company, the company also reduced unit 0.0009. Thus, according to the analysis made in relation to the fourth hypothesis can be concluded that the fluctuations in income and corporate governance structure of the company, there are significant inverse relationship.

The results of the second hypothesis:

In the second hypothesis relationship between board independence and corporate governance structure the company, studied and statistical hypothesis is stated as follows:

**H0:*** the independence of corporate boards and corporate governance structure, there is no significant relationship.

**H1:*** between board independence and corporate governance structure of companies, there is a significant relationship.

This hypothesis using converters (1) for panel data estimation, and if the coefficient B5 is significant at 95% confidence level will be verified.

\[
\text{ModifiedG-index}_{it} = a_i + \beta_1 \text{STDEVs}_{it} + \beta_2 \text{CEO & Chair}_{it} + \beta_3 \text{MVE}_{it} + \beta_4 \text{AD/EBIT}_{it} + \beta_5 \text{Ind}_{it} + \beta_6 \text{MTB}_{it} + \beta_7 \text{Age}_{it} + \beta_8 \text{Size}_{it} + \beta_9 \text{FCF}_{it} + \beta_{10} \text{LTD}_{it} + \beta_{11} \text{NSEGS}_{it} + \epsilon_{it}
\]

\[
\begin{align*}
H_0 &: \beta_5 = 0 \\
H_1 &: \beta_5 \neq 0
\end{align*}
\]

Reviews significant factors in the results presented in table above, since the possibility of variable coefficient t-statistic for the independence of the board is smaller than 0.05 (0.0185), resulting in a significant relationship between board independence and corporate governance structure of companies at 95 percent is approved. The fifth research hypothesis is accepted and can say with 95% confidence between board independence and corporate governance structure of companies, there is a significant relationship. A negative coefficient for this variable (-0.0036) showed a negative relationship between board independence and corporate governance structure of the company increased by 1 unit so that the independence of the board of directors, the company's corporate governance structure 0.0036 reduction unit Find. Thus, according to the analysis made in connection with the fifth research hypothesis can be concluded that the independence of the board and corporate governance structure of the company, there is a significant inverse relationship.

The results of the third hypothesis:

The third hypothesis to examine the relationship between growth opportunities and corporate governance structure of the company, and statistical hypothesis is stated as follows:

**H0:*** the company's growth opportunities and corporate governance structure, there is no significant relationship.

**H1:*** between growth opportunities and governance structure of the company, there is a significant relationship.

This hypothesis using converters (1) for panel data estimation, and if B6 ratio is significant at 95% will be approved.

\[
\text{ModifiedG-index}_{it} = a_i + \beta_1 \text{STDEVs}_{it} + \beta_2 \text{CEO & Chair}_{it} + \beta_3 \text{MVE}_{it} + \beta_4 \text{AD/EBIT}_{it} + \beta_5 \text{Ind}_{it} + \beta_6 \text{MTB}_{it} + \beta_7 \text{Age}_{it} + \beta_8 \text{Size}_{it} + \beta_9 \text{FCF}_{it} + \beta_{10} \text{LTD}_{it} + \beta_{11} \text{NSEGS}_{it} + \epsilon_{it}
\]

\[
\begin{align*}
H_0 &: \beta_6 = 0 \\
H_1 &: \beta_6 \neq 0
\end{align*}
\]

Reviews significant factors in the results presented in table above, since the probability of the t-statistic for variable rate of growth opportunities is smaller than 0.05 (0.0479), resulting in a significant relationship between growth opportunities and corporate governance structure of the company at 95 percent is approved. The sixth research hypothesis is accepted and can say with 95% confidence between growth opportunities and governance structure of the company, there is a significant relationship. The positive coefficient for this variable (0.0014) show a direct relationship between growth opportunities and the company's corporate governance structure so that an increase of 1 unit growth opportunities, company's corporate governance structure to increase the unit 0.0014. Thus, according to the analysis made in connection with the sixth hypothesis can be concluded that the opportunities for growth and governance structure of the company, there was a significant relationship.

REFERENCES


