

# Impact of Corporate Governance on Large and Small Size Firms Performance in Pakistan

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*The main premise of the study was to evaluate outcome of firms operations after the implementation of codes of governance in Pakistan. Study plow up the work by dividing it into two phases of performance under evaluation. First phase comprises of assessment of performance output before the implementation of governance codes in Pakistan while the second phase consists of study for corporate positions after carrying out the requirement for firms to affirm with corporate governance codes of conduct as on March, 2002. Furthermore study targeted volume of firms as a determining factor of corporate performance. Where large and small sizes are the two categories of companies based on which they have been linked and compared with final outcomes. Main keys for performance measurement are ROA, ROE and Tobin Q. while on the other hand objects of corporate governance includes CEO/Chairman, Board Size, NED, Insiders Ownership, Firm Size, Firm Leverage, Meetings, Audit Independence. Findings show that duality of CEO/Chairman has no significant impact on corporate goals achievement but is negatively related with profitability. Board size, Debt burden have negative correlation with performance. Prosperity in the organization is positively affected by presence of non executive directors in boards, meetings held by boards, audit independence and by insiders' ownership. Results elucidate that profitability of firm is significantly affected by firm size i.e. large firms are better in their profitability comparative to smaller ones. Final outcomes achieved clarifies that two phases arranged for comparison have difference of firm performance, where a rise up in performance is present in second phase after the implementation code of corporate governance.*

Key words: Firm performance, Corporate Governance, ROA, ROE, Tobin Q.

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