

Board Diversity and Its Impact on Corporate Performance in Jordan:

Board Size as Moderate

Prepared By

Abeer Azmi Asa'ad Mahmoud

Supervisor

Dr. Yousef Ibrahim Abu Siam

Abstract

This study aimed to investigate the effect of board diversity (multiple memberships, member's nationality, and educational qualifications of the member) on firm performance, as well as examining the effect of board size as a moderate variable on the relationship between individual board diversity and firm performance. The study used a sample consisting of 48 service companies listed on Amman Stock Exchange during the period “between” (2014-2018). The descriptive statistical methods appropriate to the study variables were used and the hypotheses were tested by using the multiple regression model. The results of the study concluded that there is a positive effect for multiple memberships and educational qualifications on firm performance, while there was no any effect for member’ s nationality and firm performance. Moreover, the results showed a positive interaction between the board size and the multiple memberships on the firm performance and a positive interaction between the board size and the educational qualifications on firm performance. The results of this study may benefit policy-makers and regulatory bodies in Jordan in strengthening the mechanisms of corporate governance that can improve and enhance the performance of companies.

Keywords: Board Diversity, Board Size, Firm Performance, Jordan.