

EDITOR IN CHIEF

DINH VAN SON

DEPUTY EDITOR IN CHIEF

SECRETARY OF EDITORIAL OFFICE

PHAM MINH DAT

EDITOR IN ENGLISH

NGUYEN THI LAN PHUONG

EDITORIAL SCIENTIFIC COUNCIL

Dinh Van SON - Thuong mai University, Vietnam - President

Pham Vu LUAN - Thuong mai University, Vietnam - Vice President

Nguyen Bach KHOA - Thuong mai University, Vietnam - Deputy President

THE MEMBERS

Vu Thanh Tu ANH - Fulbright University in Vietnam, USA

Le Xuan BA - Centural Institute for Economic Managerment, Vietnam

Hervé B. BOISMERY - University of La Reunion, France

H. Eric BOUTIN - Toulon Var University, France

Nguyen Thi DOAN - Vietnam Learning Promotion Association, Vietnam

Haasis HANS - Dietrich - Institute of Shipping Economics and Logistics (isl) Bremen - Germany

Le Quoc HOI - National Economic University, Vietnam

Nguyen Thi Bich LOAN - Thuong mai University, Vietnam

Nguyen Hoang LONG - Thuong mai University, Vietnam

Nguyen MAI - Vietnam Economist Association, Vietnam

Duong Thi Binh MINH - University of Economics HoChiMinh City, Vietnam

Hee Cheon MOON - Korean Trade Research Association, South Korea

Bui Xuan NHAN - Thuong mai University, Vietnam

Luong Xuan QUY - Vietnam Economicst Association, Vietnam

Nguyen Van Song - Vietnam National University of Agriculture

Nguyen TAM - California State University, USA

Truong Ba THANH - University of Danang, Vietnam

Dinh Van THANH - Institute for Trade Research, Vietnam

Do Minh THANH - Thuong mai University, Vietnam

Le Dinh THANG - University of Québec à Trois Rivières, Canada

Tran Dinh THIEN - Vietnam Institute of Economics, Vietnam

Nguyen Quang THUAN - Vietnam Academy of Social Sciences, Vietnam

Le Nhu TUYEN - Grenoble École de Managment, France

Washio TOMOHARU - Kwansei Gakuin University, Japan

Zhang YUJIE - Tsinghua University, China

Journal of Trade Science

ISSN 1859-3666

Volume 9

Number 1

March 2021

CONTENTS

Page

1. **Lien, N. T. P. and Huong, T.T.** - Developing Consumer Credit Channels in Finance Companies under Commercial Banks in Vietnam 3
2. **Binh, D.** - Effects of Stakeholders on Green Export Strategies and Competitive Advantages of Vietnam's Exporters 14
3. **Huyen, L. T.** - The Impact of Lagged Profitability on the Financial Performance Measured by the Market Value of Food Processing Companies Listed on Vietnam's Stock Exchange 27
4. **Thuy, C. T. T.** - Characteristics of the Board of Directors and Stock Price: A Case Study of Listed Joint-Stock Companies on Vietnam Stock Market 36
5. **Ngoc, N.T. and Linh, D. T. T.** - Research on factors affecting profitability of petroleum enterprises listed on VietNam stock market 46
6. **Nam, T. T. and Hanh, N. N. and Nhung, P. T. T.** - Impacts of Job Satisfaction, Job Stress, and Organizational Support on Employees' Intention to Quit 56
7. **Hien, T.N.T.** - An Analysis on Barriers to Vietnamese Manufacturing Enterprises in the Context of Industrial Revolution 4.0 67
8. **Nhung, L.T.** - Factors Affecting the Capital Structure of Listed Cement Enterprises in Vietnam 76

CHARACTERISTICS OF THE BOARD OF DIRECTORS AND STOCK PRICE: A CASE STUDY OF LISTED JOINT-STOCK COMPANIES ON VIETNAM STOCK MARKET

Chu Thi Thu Thuy
Thang Long University
Email: thuyctt@thanglong.edu.vn

Received: 31st August 2020

Revised: 21st September 2020

Approved: 5th October 2020

The research focuses on analysing the impact of characteristics of Board of Director (BOD) on stock price (MP) of listed joint-stock companies on Vietnam Stock Market with the multiple regression method applied. The characteristics of BOD include the number of BOD members (BS), the duality of BOD (Dual), the number of independent members of BOD (BI), the number of BOD meetings (BM) and the number of foreign members of BOD (AB). The data of 661 listed joint-stock companies on Vietnam Stock Market in 2018 is collected and used in this research. The research clarified that BM affects significantly and negatively MP whereas the other variables (BS and AB) have positively significant impacts on MP and two remaining variables (Dual and BI) have insignificant relationship to MP.

Keywords: *Characteristics of Board of Director, listed joint-stock companies, Vietnam Stock Market, stock price.*

1. Introduction

Corporate governance plays an important role in improving company's performance, thereby contributing to the increase in the company's stock price. There are various conflicts of interest that can impact manager's decisions to act in shareholders' interests. Managers are supposed that in some situations, they may make decisions to maximize their own wealth rather than shareholders' wealth. Therefore, Board of Director is set up to monitor manager's activities and manage effectively company's resources. The effect of characteristics of BOD on MP are mentioned in many theories consisting of the agency theory, the resource dependence theory, and the stewardship theory. Experimental studies which are performed in different contexts and period, also give divergent results. Some research

proved the positively significant effects of BOD characteristics on MP such as the research of Brick & Chidambaran (2010), the research of Silla et al (2017)... In contrast, some research pointed out the negatively significant impacts of BOD characteristics on MP, including the research of Lipton & Lorsch (1992) and the research of Pi & Timme (1993) or some researches pointed out that the characteristics of BOD affect insignificantly MP (Baliga et al, 1996; Daily & Dalton, 1997; Dahya & McConnell, 2005)

The objective of the study is to demonstrate the impacts of the BOD's characteristics on the MP of joint-stock companies listed on the Vietnamese Stock Exchange. The characteristics of BOD includes BS (measured by the number of members of BOD), Dual (if the chairman or vice chairman of

BOD is also the director or general director of the company, Dual will receive the value of 1 and will receive a value of 0 if neither the director nor general director is the chairman or vice chairman of BOD), BI (measured by the ratio of independent members to the total number of members of the BOD), BM (measured by the number of meetings of the BOD in the year), AB (as measured by the ratio of foreign members to the total number of members of the BOD). The MP is measured by the average daily closing price of companies listed on the Vietnamese Stock Exchange.

In addition to the abstracts and introduction, the research is structured into the following sections: Part 2 presents an overview of research related to MP and characteristics of BOD. The research model is detailed in section 3. Part 4 gives the results of research and some discussions. Finally, there are some conclusions about the research results as well as some suggestions and recommendations made in section 5.

2. Literature reviews

2.1. Corporate governance theories

Agency theory: The agency theory focuses on studying corporate governance methods based on conflicts of interest between owners (shareholders) and managers. Shareholders of joint-stock companies tend to hire representative directors to operate and manage the company's operations. Executives must meet the requirements of shareholders (qualifications, ethics and professional ability) and all their activities are in order to the unique purpose of maximizing the value of shareholders' assets which measured by the value of equity on the stock market - the market value of stocks.

Executives are entitled to make decisions and conduct business activities of a company. They receive salaries, bonuses and other benefits. The chief executives are supposed to work for the benefit of the company, but in reality, executives have their own desires and interests. The main cause of the conflict of interest between shareholders and managers comes from self-interests. A company is

incurred agency costs to maintain an effective representation relationship (Jensen & Meckling, 1976). Agency costs include monitoring, opportunity and structuring costs. The cost of agency affects the performance of corporate governance in both positive and negative directions. Firstly, agency costs which a company expend, show the level of professionalism in the operation of the company. Moreover, the agency costs are shared for both shareholders and representatives. This means that the agency costs represent the fairness for related parties in the representative contract. The negative impact of agency costs on company's performance includes an increase in the management costs, the complicated management structure because of the existence of the supervisory department and the abuses of manager power. Thus, in order to ensure the BOD monitors the operations of executive directors efficiently, according to the agency theory, the members of BOD should have non-executive directors. This is to assure the independence of BOD and the BOD can make an honest and independent judgment during the supervising the managers' activities. As a result, the conflicts of interest between managers and shareholders can be reduced (Coleman et al, 2007). Otherwise, CEO duality occurs when the same person serves as both CEO and board chairman or board vice chairman.

CEOs act in the interest of shareholders by making use of the stronger and unified leadership that comes with duality. Unified leadership mitigates coordination and information acquisition costs and facilitates effective decision making and adaptability, which is crucial for firms operating in competitive and dynamic environments.

Resource dependence theory: The assumptions of resource dependence theory is that resources have an important influence on an organization's decisions and operations. On the other hand, the resources of a company are affected by the external environment, and other companies also achieve these resources (Pfeffer & Salancik, 1978). The strategies of companies are set up to be able to gain

resources and use these resources effectively and these lead to increase the company's dependence on the external environment (Hillman et al, 2000). Three main factors of company's resource dependence are the concentration of resources, the available uncertainty of resources and the linkations of resources (Coleman et al, 2007). Companies can reduce their dependence on external resources by increasing the internal strength of the organization, creating available resources to minimize the uncertainty of scarce resources. Such strategies include taking political action, increasing the organization's scale of production, diversifying, and developing links to other organizations. Moreover, as uncertainty and dependencies increase, the need for links to other organizations or BOD's roles also increases. Therefore, the BOD plays an important role in helping a company acquire the necessary resources, reduce the uncertainty of resource availability and increase the linking of resources within the company. According to this theory, companies adjust their structure and members of the Board of Directors to adapt to change in operating environment. (Daily et al 2003).

Stewardship theory: A view contrary to the agency theory, stewardship theory assumes that The executive manager far from being an opportunistic shirker, essentially wants to do a good job, to be a good steward of the corporate assets (Fink et al, 2006). Managers who identify with their organisations and are highly committed to organisational values are more likely to serve organisational ends. Therefore, managers always make decisions to achieve the best financial performance, in order to increase the value of the company (Daily et al, 2003). According to the steward theory, the small size of the BOD helps the efficiency of communication in the company and the decision-making of managers improved. Moreover, for faster and more efficient decision-making, the chairman of BOD and CEO should be the same person (Hillman et al, 2000).

2.2. Characteristics of board of directors and stock price

Number of members of BOD (BS) and MP: The operational strategy of a company is set up by the BOD. Beside, manager's activities are also supervised by the company's BOD. The BOD can give appropriate advises for company directors in managing company's operations. As a result, the more members of the Board of Directors, the more effective recommendations is given (Dalton et al 1999). Otherwise, BS also showed the ability to extract resources from the external environment (Goodstein et al, 1994). In fact, the larger the companies are, the more complex the operation is, so the large companies need more consultation and supervision than small companies (Coles et al, 2008). However, large BS also has some disadvantages in the management of the company because of conflicts of interest (Lipton & Lorsch, 1992; Jensen, 1993). Comparing to members of BOD in companies having large BS, members in small size of BOD usually tend to focus in participating in company's activities, interacting and debating more in making decisions (Firstenberg & Malkiel, 1994). In addition, companies with small BS, there is have a high cohesion of members of the BOD and they are able to achieve consensus easily (Judge & Zeithaml, 1992). On the other hand, companies with large BS can have some difficulties in company's restructuring and they are able to react slowly in crisis situations (Goodstein et al, 1994). In practice, BS depends on the characteristics of companies. Jensen (1993) showed that the relationship between BS and MP tends to be negative if BS reaches 7 or 8 members. In line with the pointview of Jensen, Lipton & Lorsch (1992) also proposed a reverse relationship between BS and MP when BS reached a membership of 8. The negative relationship between BS and MP occurs only if the BS are too large, so the addition of members of the BOD is able to increase MP. The first reason is that the more members have, the more more relationships the company has. The second reason is that the increase in highly expertise members helps BOD set up the

more suitable strategies and control managers more effectively. As a result, the company's competitiveness are improved (Lipton & Lorsch, 1992; Jensen, 1993; Larmou & Vafeas, 2010). On the basis of studies, the first hypothesis is given as follows:

H1: BS has a significant impact on MP of joint-stock companies listed on Vietnam Stock Exchange

CEO duality and MP: There are two different point views of relationship between CEO Duality and MP. The first view is that there should be a separation between CEO and the chairman of BOD. This separation helps the Board of Directors supervise the CEO more effectively. This will help improve the financial performance of the company (Fama & Jensen, 1985). The increase in financial performance leads to increase in investor's expectations for the value of company and this positively affects MP (Thuy, 2018). The second view is that the CEO of duality helps the operational strategy be set up and implement unified, this lead to enhance the financial performance of company. In practice, splitting titles of CEO and chairman of BOD makes the information sharing costs and the contradiction between the operational strategy developed by the BOD and the CEO's implementation of this strategy. This inconsistency is the reason of decrease in both financial performance and MP (Stoerberl & Sherony, 1985; Anderson & Anthony, 1986; Pi & Time, 1993). However, the research showed that CEO duality has no effect on the financial performance (Baliga et al, 1996; Daily & Dalton, 1997; Dahya & McConnell, 2005). Therefore, the hypothesis is given as follows:

H2: CEO Duality has a significant impact on MP of joint-stock companies listed on Vietnam Stock Exchange

Independent members of BOD (BI) and MP: The relationship between the supervisory role of BOD and MP has been studied by many researchers (Jensen & Meckling, 1976; Fama & Jensen, 1985), but the results of research on BI's monitoring role and its impact on MP have been different (Hermalin & Weisbach, 2003; Denis & McConnell, 2003;

Hermalin & Weisbach, 1988). Some studies show that independent members are potential consultants, so they are able to give many valuable advices for BOD. Furthermore, according to studies by Mariolis (1975) and Koenig et al (1979), The companies are able to have more new business opportunities because of the external relationships of independent members. BI also played an important role in increasing financial performance through supervision of company's activities, this contributes to increasing in MP (Weisbach, 1988; Byrd & Hickman, 1992; Cotter et al, 1997; Anderson et al, 2004). In contrast, Agrawal & Knoeber (1996) and Bhagat & Black (2001) proved that the relationship between BI and MP is negative. Meanwhile, Morck et al (1988), Hermalin & Weisbach (1991) and Klein (1998) found that BI affect insignificantly MP. So, the hypothesis is given as follows:

H3: BI has a significant impact on MP of joint-stock companies listed on Vietnam Stock Exchange

Numbers of board meetings (BM) and MP: BM is one of measures of the performance of management. Companies with low financial performance often need a higher level of supervision, so BM will be more than companies with high financial performance (Vafeas, 1999). The frequency of BM is one of the important factors which affects the company's value. The frequency of BM increases when the company faces difficulties or development opportunities. The frequency of BM can bring some benefits to shareholders. The first benefit mentioned is the increased frequency that helps the BOD more time to consider, set out the company's strategies and supervise company's operations (Vafeas, 1999). The second benefit is that regular meetings will reduce the level of misconduct in the presentation of financial reporting, increase the transparency of bonuses and predict more accurately earnings (Carcello et al, 2002). Some studies pointed to the positive effect of BM on MP (Vafeas, 1999; Brick & Chidambaran, 2010). Contrastly, some studies clarified to the negative effect of BM on MP (Yermack, 1996) while the other studies pointed

outh that BM has insignificant effect on MP (Coleman et al, 2007). The research hypothesis is given as follows:

H4: BM has a significant impact on MP of joint-stock companies listed on Vietnam Stock Exchange

Foreign members of BOD (AB) and MP: The Diversity of BOD plays an important role in corporate governance (Kirsch, 2018). Diversity is one of material factors in improving the management system of company. Diversity can increase the independence of the governance system (Carter et al, 2003). The diversity of BOD lead to perform their strategic functions more effectively including supervision and consulting. With the diversity of BOD, BOD makes decisions on the base of their variety of ideas, views, experiences and business knowledge, which will ultimately increase the financial performance of the company (Johnston & Malina, 2008; Lincoln & Adedoyin, 2012; Triana et al, 2014). Many studies demonstrated the negative impacts of BOD diversity on MP in both short-term and long - term (Carter et al, 2003; Adams & Ferreira, 2009; Baranchuk & Dybvig, 2009). Diversity of BOD is measured in a variety of measures including gender, age, foreign members, qualifications... In this study, diversity of BOD is measured by the participation of foreign members in BOD. In practice, each different country has different leadership philosophy, management and business methods. Therefore, the participation of foreign members in BOD helps to improve the financial performance, thereby increasing in MP. The research hypothesis is given as follows:

H5: AB has a significant impact on MP of joint-stock companies listed on Vietnam Stock Exchange

Moreover, two control variables which are given in the research model, are size of the company (SIZE) and returns on assets (ROA).

SIZE is a weighty factor affecting MP (Zhou & Zhu, 2019; Sharif et al, 2015). Large companies have advantages in terms of size, long age of company, financial management ability and strongly financial situation, so MP tend to be higher than

those of small companies. The research hypothesis is given as follows:

H6: SIZE has a positively significant impact on MP of joint-stock companies listed on Vietnam Stock Exchange

The returns on total assets (ROA) is one of the measures of the financial performance of the company. ROA has a positive effect on MP and is proven in many theoretical and experimental studies (KabaJeh et al 2012; Menaje, 2012; Sukhija, 2014). So the research hypothesis is given as follows:

H7: ROA has a positively significant impact on MP of joint-stock companies listed on Vietnam Stock Exchange

3. Research model and methods

Research model: To test the impact of characteristics of BOD on MP, the model research is given as followings:

$$MP_i = a_0 + a_1 * Dual_i + a_2 * BI_i + a_3 * BM_i + a_4 * AB_i + a_5 * BS_i + a_6 * SIZE_i + a_7 * ROA_i + \epsilon_i$$

MP: MP is calculated as the daily average of stock price in 2018. The stock price is the closing price of the last trading session of a day. The closing price represents daily MP of listed joint-stock companies because the closing price shows the continuously market value of the daily equity traded on the stock market. The closing price is the price of the last trading session in a day and is determined by the at a close order (ATC). The closing price is also the reference price of the next day.

BS: the number of members of BOD

Dual: Dual is zero if chairman or vice chairman of BOD is not CEO of company. Dual is one if chairman or vice chairman of BOD is CEO of company.

BI: The ratio of the number of independent members to the number of BOD's members

BM: The number of board meetings

AB: The ratio of the number of foreign members to the number of BOD's members

SIZE: Logarithm of total assets

ROA: The ratio of earnings after taxes to total assets

Table 1: *Discriptive statistics*

Variables	Observation	Minimum	Maximum	Mean	Standard deviations
Dual	661	0.00	1.00	0.53	0.50
BM	661	0.00	101.00	10.47	10.65
BS	661	0.00	18.00	5.64	1.44
BI	661	0.00	0.50	0.03	0.10
AM	661	0.00	1.00	0.04	0.13
MP	661	796.94	244,466.17	23,148.58	27,510.28
SIZE	661	4.91	19.07	13.33	1.73
ROA	661	-0.47	0.61	0.06	0.08

Source: Calculated with the support of SPSS 22 software

Research data and methods: To analyse the impact of BOD's characteristics on MP, a sample of 661 companies listed on the Vietnamese stock exchange in 2018 is collected. Research data consists of BS, Dual, BI, BM and AB which are collected in the corporate governance report, annual report in 2018. MP is collected on the website www.hsx.vn and www.hnx.vn. The research methods include descriptive statistics, auto-correlation test, multi-collinearity test, constant error variation test, and linear regression methods with the support of SPSS 22 software.

after taxes. SIZE is measured as logarithm of total assets and its mean is 13.33. The mean of number of board meetings is 10.47 and the mean of BS is 5.64. The average of BI is 3 percent and the mean of AB is 4 percent.

Before analysing the linear regression, auto-correlation, multi-collinearity (Table 2) and constant error variance test (table 3) are performed. According to table 2, it showed that the VIF coefficients are smaller than 2 and Tolerance coefficients are larger than 0.1, so the the model does not have multi-collinearity of independent variables.

Table 2: *Auto-correlation and multi-collinearity test*

Biến	Dual	BI	BM	AB	BS	SIZE	ROA
Tolerance	0.98	0.953	0.885	0.932	0.89	0.79	0.947
VIF	1.02	1.049	1.131	1.074	1.124	1.265	1.056

Durbin - Watson coefficient = 1.990

Source: Calculated with the support of SPSS 22 software

4. Research results and discussions

Table 1 presents the discriptive statistics of all variables in the research model. According to table 1, the mean of MP in 2008 of 661 companies is VND 23,148.58 The average of ROA is 0.06 meaning that VND 100 total assets make VND 6 earnings

Otherwise, the Durbin - Watson's test showed that Durbin-Watson coefficient is 1.99 in the range from 1.603 to 2.397, so the model does not have auto - correlation.

Table 3: Constant error variance test

ABSZE_1	Dual	BM	BS	BI	AM	ROA	SIZE
Spearman's rho	0.044	-0.004	0.239	0.081	0.223	0.254	0.290
Sig. (2-tailed)	0.256	0.926	0.206	0.137	0.520	0.401	0.169

Source: Calculated with the support of SPSS 22 software

As a result of Table 3, the Spearman's rho test shows that the Sig value between the variables and the absolute value of the residual value (ABSZE) is greater than 5%, so the error variance of model is constant.

According to Table 4, the adjusted R-square of the model is 0.36 meaning that the independent variables of the model explain 36% of the change in the MP of joint-stock companies listed on Vietnam Stock Exchange. The Sig value of the model is less than 5% meaning that the coefficients of independent variables of the model are not simultaneously equal to zero or the model is useful to explain the change in MP in practice. The effect of independent variables on the MP is explained in detail as follows:

Firstly, two variables including Dual and BI variable has no significant impact on MP at the value level of 5%. This means that there is insufficient basis for asserting the H2 and H3 hypotheses. The result shows that the Dual variable has insignificant effect on the MP of companies listed on Vietnam Stock Exchange. This result is in sync with studies by Baliga et al (1996), Daily & Dalton (1997), Dahya & McConnell (2005). Thus, the Agency theory and Stewardship theory are not applied for explanation of duality of BOD in the context of Vietnam's companies. In addition, the supervisory role of independent members (BI) of BOD also does not have a significant impact on MP

of Vietnam's companies. The results of the study are consistent with those of Morck et al (1988), Hermalin & Weisbach (1991) and Klein (1998).

Secondly, the remaining independent variables including BM, AB, BS, SIZE and ROA have the Sig value of less than 5% so they have the significant impact on MP meaning that it is sufficient basis to confirm the H1, H4 and H5 hypotheses. The impact of these independent variables on MP are analyzed as follows: First of all, BS with a positive coefficient (3,349.2) shows that BS has positively significant effect on MP. The BS coefficient of 3,349.2 shows that adding one member in BOD leads to rising of MP of VND 3,349.2. Companies with large BS are able to come up with a suitably operational strategy as well as monitor effectively the company's executive operations more than company with small BS. Members of BOD have high qualification in various fields involving in finance, accounting, marketing, human resources, technique or technology, so they will be possible to plan appropriate development strategies as well as monitor activities in an effective way. In addition, the large number of members of BOD also helps the company to make use of the external resources and relationships in a maximum way. This helps to improve financial performance in both the short term and long term, as a result, the value of the company increases. The results of the study are consistent with those of Dalton et al

(1999), Goodstein et al (1994), Coles et al (2008) and inconsistent with the results of Lipton & Lorsch (1992) and Jensen (1993). Secondly, the number of meetings of members of the Board of Directors (BM) has a negatively significant impact on MP with a regression coefficient of -172.5. The regression coefficient of -172.5 shows that when companies increase the number of meetings by 1 time per year, the MP will decrease by VND 172.5. In the normal condition, the BOD tends to hold only annual and regular meetings to evaluate the performance and develop a periodic strategy. For companies with unfavorable results of business, the increase in frequency of BM helps BOD evaluate and supervise business activities more regular in order to overcome difficulties faster. Therefore, the companies of high frequency of BM often have low stock values. The results of the study are consistent with the research of Yermack (1996). Finally, the percentage of foreign members in the total number of members of BOD (AB) has a positively significant impact on MP with a regression coefficient of 14,352.4. The

skills and qualification, thus they usually give effective advice on operational strategies and monitor well the operating system of companies. The results of the study are consistent with those of Kirsch (2018), Johnston & Malina (2008), Lincoln & Adedoyin (2012), Triana et al (2014), Carter et al (2003); Adams & Ferreira (2009), Baranchuk & Dybvig (2009). In addition, the two control variables (ROA and SIZE) also have the positively significant impact on MP meaning that the H6 and H7 hypothesis are confirmed. SIZE coefficient of 3,439.2 shows that when the SIZE increased by 1%, MP will increase by VND 3,439.2. Large-scale companies often have higher MP due to financial reputation and management experience. On the other hand, companies with high performance (high ROA) are evaluated greater than companies with low performance by investors. As a result, MP of these companies have higher MP than companies having low performance. The ROA's coefficient of 145,433.1 shows that when the ROA increases by 1 unit (%), MP will increase by VND 145,433.1.

Table 4: Regression results

Variables	Constant	Dual	BI	BM	AB	BS	SIZE	ROA
Coefficient	-54,396.9	-710.4	5,348.9	-172.5	14,352.4	3,439.2	3,837.7	145,433.1
Sig. Value	0.000	0.682	0.554	0.044	0.033	0.000	0.000	0.000
Adjusted R² = 0.36				Sig value of model = 0.000				

Source: Calculated with the support of SPSS 22 software

regression coefficient of 14,352.4 shows that when the company increased AB by 1%, the MP will increase by VND 14,352.4. The results show that the diversity of cultures of different countries has a positive effect on the performance of the company. Foreign members of BOD have high experience,

5. Conclusions

Based on the research sample of 661 joint-stock companies listed on Vietnam Stock Exchange in 2018, the study proved the impacts of characteristics of BOD on the stock price. The results of the study pointed out that the participa-

tion of members of the Board of Directors who are foreigners has a positively significant effect on the stock price. Moreover, the size of the board also has the positively significant impact on the stock price. It means that companies with large board size are often able to take advantage of good resources (resource dependence theory), which enhances operational efficiency and increases MP. The study also showed that companies with a high frequency of board meetings have low stock prices due to inefficient operations, so they need to be an increase in board supervision. However, the research showed that the CEO Duality and the participation of independent members in BOD affect insignificantly MP meaning that the agency theory and stewardship theory is not suitable to explain the change of MP of joint-stock companies listed on Vietnam Stock Exchange. Although some results have been achieved, but the study still has some limitations relating to the time of research data, industry factors and company characteristics that affect the structure of the board of directors. These limitations will be perfected in the forward research. ♦

References:

1. Adams, R. B. & Ferreira, D. (2009), *Women in the boardroom and their impact on governance and performance*, Journal of Financial Economics, 94, 291-309.
2. 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(3), 377-397.
3. Anderson, C. A. & Anthony, R. N. (1986), *The new corporate directors: Insights for board members and executives*, Newyork: Willey.
4. Anderson, R. C., Mansi, S. & Reeb, D. (2004), *Board characteristics, accounting report integrity, and the cost of debt*, Journal of Accounting and Economics, 37, 315-342.
5. Baliga, B. R., Moyer, R. C. & Rao, R. S. (1996), *CEO duality and firm performance: what's the fuss?* Strategic Management Journal, 17(1), 41-53.
6. Baranchuk, N. & Dybvig, P. H. (2009), *Consensus in Diverse Corporate Boards*, Review of Financial Studies, 22(2), 715-747.
7. Bhagat, S. & Black, B. (2001), *The non-correlation between board independence and long-term firm performance*, Journal of Corporation Law, 27(2), 231-274.
8. Brick, I. E. & Chidambaran, N. K. (2010), *Board meetings, committee structure, and firm value*, Journal of Corporate Finance, 16, 533-553.
9. Byrd, J. & Hickman, K. (1992), *Do outside directors monitor managers? Evidence from tender offer bids*, Journal of Financial Economics, 32, 195-221.
10. Carcello, J., Hermanson, D., Neal, T. & Riley, J. (2002), *Board Characteristics and Audit Fees*, Contemporary Accounting Research, 19, 365-384.
11. Carter, D. A., Simkins, B. J. & Simpson, W. G. (2003), *Corporate Governance, Board Diversity, and Firm Value*, The Financial Review, 38, 33-53.
12. Coleman, A., Adjasi, C. & Abor, J. (2007), *Corporate Governance and Firm Performance: Evidence from Ghanaian Listed Companies*, Corporate Ownership and Control, 4, 123-132.
13. Coles, J. L., Daniel, N. D. & Naveen, L. (2008), *Boards: Does one size fit all?* Journal of Financial Economics, 87(329-356).

14. Cotter, J., Shivdasani, A. & Zenner, M. (1997), *Do independent directors enhance target shareholder wealth during tender offers?*, Journal of Financial Economics, 43, 195-218.

15. Dahya, J. & McConnell, J. J. (2005), *Outside directors and corporate board decisions*, Journal of Corporate Finance, 11(1-2), 37-60. doi: <https://doi.org/10.1016/j.jcorpfin.2003.10.001>

16. Daily, C. M. & Dalton, D. R. (1997), *Separate, But Not Independent: Board Leadership Structure in Large Corporations*, Corporate Governance, 5(3), 126-136. doi: <https://doi.org/10.1111/1467-8683.00053>

17. Vafeas, N. (1999), *Board meeting frequency and firm performance*, Journal of Financial Economics, 53, 113-142.

18. Weisbach, M. (1988), *Outside directors and CEO turnover*, Journal of Financial Economics, 20(431-460).

Summary

Mục tiêu của bài viết là nghiên cứu tác động của đặc trưng Hội đồng quản trị (HĐQT) đến giá cổ phiếu (MP) của các công ty niêm yết trên thị trường chứng khoán (TTCK) Việt Nam bằng phương pháp hồi quy bội. Đặc trưng của HĐQT bao gồm số lượng thành viên HĐQT (BS), sự kiêm nhiệm của HĐQT và Ban giám đốc (Dual), số lượng thành viên độc lập (BI), số lượng các cuộc họp (BM), số lượng các thành viên nước ngoài (AB). Nghiên cứu sử dụng số liệu của 661 công ty cổ phần niêm yết TTCK Việt Nam năm 2018. Kết quả của nghiên cứu đã chỉ ra rằng BM có ảnh hưởng tiêu cực đến giá cổ phiếu trong khi các biến còn lại bao gồm BS và AB có ảnh hưởng tích cực đến giá cổ phiếu và hai biến Dual và BI không có ảnh hưởng đáng kể đến sự thay đổi của giá cổ phiếu.

CHU THI THU THUY

1. Personal Profile:

- Name: **Chu Thi Thu Thuy**
- Date of birth: 27th February 1981
- Title: Doctor
- Workplace: Thanglong University
- Position:

2. Major research directions:

- Corporate Finance
- Management Accounting
- Auditing
- General economics

3. Publications the author has published his works:

- Journal of economics & Development - National Economics University, Vietnam
- Journal of Asian Business and Economics Studies - University of Economics Ho Chi Minh City, Vietnam
- Economics Study - Vietnam Institute of Economics
- Review of Finance - Ministry of Finance, Vietnam
- Journal of Accounting and Auditing - Vietnam Association Accounting