

## **The Impact of Corporate Governance upon the Performance Level of Jordanian Public Joint Stock Industrial Companies through Using the Balanced Scorecard (BSC)**

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### **Abstract**

The study aimed to identify the impact of corporate governance upon the performance level of Jordanian public joint stock industrial companies through using the balanced scorecard. The population of the current study consists of financial managers who were working in Jordanian public joint stock industrial companies. The number of those companies is sixty six (66) companies. The researcher of the current study proposed several recommendations. The researcher found the number of results

1. There is a statistically significant impact for having an effective framework for corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)
2. There is a statistically significant impact for equity and the main functions of the owners of property rights on the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)

These recommendations are represented in the following ones

- 1) The researcher recommended having an effective framework for implementing corporate governance due to the major impact it has upon companies' performance level
- 2) The researcher recommended increasing the transparency level of the disclosed financial statements of the company.

### **Keywords:**

Corporate Governance, Performance Level, Industrial Companies, Balanced Scorecard

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### **Introduction**

Since the last decade, much attention has been given recently to the corporate governance mechanisms and their validity due to the consequences they have upon the interests and benefits of stakeholders who are shareholders. In addition, many studies have showed that having high quality of corporate governance in the company shall be reflected positively upon the interests of stakeholders who are shareholders in the company (Lai and Chen, 2014). For instance, good corporate governance aims to prevent the occurrence of fraud, manipulation, cheating and deception and reducing the occurrence of having inconsistent information and the negative consequences resulting from that. Balanced scoreboard aims to achieve that through implementing mechanisms that can serve the interests of various parties and guarantee having a strict control upon all the economic units (Hamdan, 2014).

Investors have been seeking for companies that are characterized with having valid corporate governance framework when desiring to make investments. Such governance and its mechanisms should guarantee disclosing the organization's financial statements. They should also guarantee a certain level of transparency in these disclosed financial statements. Such governance and its mechanisms should also guarantee having a certain accepted level of clarity and accuracy in the company's financial statements (Masa'deh et al., 2012; 2013; 2014).

The financial crises that have been experienced by many countries have forced many countries and companies to search for new methods that can protect investors from the mistakes committed by the board of directors. That also forced them to seek methods that can increase the attention given to the role of corporate governance. Its role can be seen in guaranteeing having commitment to the control procedures and policies, attracting investors, and supporting countries' economics. These sought methods included laying certain foundations that can govern the relationship between the board of directors, managers, investors, and stakeholders. Those foundations should guarantee having a certain level of transparency when these parties deal with each other. Such methods and foundations can prevent the occurrence of financial crises in the future (Yahyawi and Boaslama, 2012).

The survival of business organizations highly depends on the levels of their development and performance. However, the abilities of those business organizations to meet the current and future needs of customers are considered as an indicator for identifying their performance and development levels. Meeting such needs is considered to be a major element in the world of business which has become highly competitive. The recent increase in the intensity of competition has forced those organizations to develop their business operations in a constant manner. When conducting such development, these organizations highly depend on the overall assessment of their operations. Such assessment is conducted to have a clear comprehensive idea about the various management trends and their relationship with the organization's goals and visions (Kaplan and Norton, 1996).

Many previous studies have showed that having an integral comprehensive assessment requires using comprehensive measurement tools that can measure all the various aspects of the company's work and operations and cover them all. Hence, the balanced scorecard (BSC) is considered one of the most significant measurement instrument because it's characterized with being comprehensive. This instrument has been developed to a point it

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has become an instrument for conducting comprehensive assessment for the performance level of organizations (Kaplan and Norton, 1996). In other words, this instrument has been developed to a point it become an instrument for measuring the organization's performance level and comparing it with the organization's real goals. Furthermore, the balanced scorecard (BSC) has been used much by many to assess the performance level of various trends in management (Iselin et al., 2008; Al Shaikh and Mohammed, 2007).

The balanced scorecard (BSC) aims to measure the performance level of companies through assessing the performance level of their internal and external activities and processes. Balanced scorecard is applied in internal activities to measure the company's financial efficiency through using financial measures. Such measures are represented in measuring the return on equity, return on assets, and the value added. In addition, the balanced scorecard aims to measure the performance level of the company's operational processes. In other words, balanced scorecard aims to measure the internal efficiency of the company. As for the company's external efficiency, it's the processes of teaching employees, raising company's growth and meeting customer's needs and attitudes are considered indicators for such efficiency. These things characterize the balanced scorecard instrument from other measurement instruments which do not consider the company's internal and external activities as being integral when measuring their performance level. These things also raise the significance and value of the balanced scorecard.

The sector of industry in Jordan is considered one of the most significant pillars of the national economy. Thus, this study sought to identify the impact of corporate governance upon improving the performance level of Jordanian public joint stock industrial companies through using the balanced scorecard (BSC).

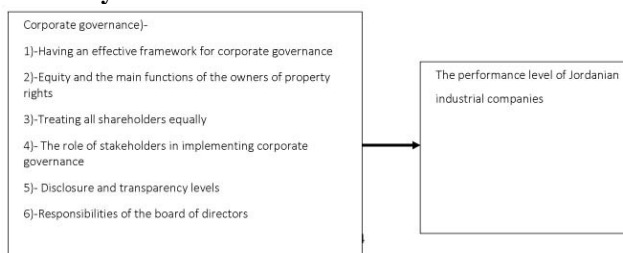
### Statement of the problem

Having good corporate governance is considered one of the most significant things that can participate in protecting the interests of shareholders. That applies whether those shareholders were holding positions of direct authority in the board of directors or other positions. However, that requires giving much attention to the process of setting pillars for corporate governance so that those pillars would guarantee having positive effects for corporate governance upon the company.

### The study's problem can be identified through the following question

Is there any statistically significant relationship – at the significance level of  $\alpha \leq 0.05$  – between corporate governance and improving the performance level of Jordanian public joint stock industrial companies through using the balanced scorecard (BSC)?

### The study's model



### **The study's hypotheses**

The researcher has proposed the following null hypotheses to be tested

**Ho1:** There is no statistically significant impact for corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)

**Ho2:** There is no statistically significant impact for having an effective framework for corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)

**Ho3:** There is no statistically significant impact for equity and the main functions of the owners of property rights on the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)

**Ho4:** There is no statistically significant impact for treating all shareholders equally upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)

**Ho5:** There is no statistically significant impact for the role of stakeholders in implanting corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)

**Ho6:** There is no statistically significant impact for disclosure and transparency levels on the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)

**Ho7:** There is no statistically significant impact for the responsibilities of the board of directors upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC).

### **The study's theoretical framework**

Having good corporate governance is considered one of the most significant things used for protecting shareholders' interests through implementing several procedures. Such procedures include guaranteeing that stakeholders are exercising their rights in full within public bodies, such as the right to elect members of the board of directors. Such procedures may include: disclosing information in the right time and guaranteeing a certain level of transparency in them. Such procedures may also include: obliging the facility to keep a clear record about stakeholders and use a trustworthy methods for ownership registration. In addition, the corporate governance system is considered really significant for shareholders. That applies whether those shareholders were holding positions of direct authority in the board of directors or other positions.

In addition, having a good corporate governance system can participate in protecting the interests of all the parties that deal with the company. It can also regulate the relationship between the company's executive management, board of director, and audit committee. That can participate in reducing the risks that the company might face and raise the market value of its stocks. In addition, having a good corporate governance system can participate in improving the efficiency of the company's management and the quality of its products. It can also participate in improving the company's efficiency in using resources, reducing costs, and fulfilling the needs and desires of its customers (Abu A'jaileh, 2009).

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Yahyaw and Boaslama(2012) conducted a study that dealt with the impact of corporate governance upon improving the financial performance level of companies. That was done through identifying the meaning of the expression “corporate governance”, its goals, the parties involved in such a process, determinants, and main principles. All of that was identified in order to identify the impact of corporate governance upon improving the financial performance level of companies. Their study concluded several results. For instance, they concluded that the companies that apply corporate governance are the ones that attract investors the most. In this manner, such companies would be more able to raise their revenue and ability to compete, provide credit, reduce costs of funding, increase market value of its shares, reduce risks and capital flight, and address corruption.

As for the study of Aulia (2013), it deals with the impact of having a good corporate governance system upon the financial performance of banks in Indonesia. Their performance was measured through measuring the return on assets, capital adequacy ratio, non-performing loans, and ratio of operational cost to operating income. It was concluded that good corporate governance is not the main factor that affects the financial performance level of banks in Indonesia.

Alrawashdeh (2012) aimed to identify the significance of corporate governance in raising banks’ efficiency. He also categorized corporate governance determinants into internal and external ones. The internal determinants include (the board of directors and shareholders) and the external ones include (accounting, financial and market determinants).

As for the study of Kim et al. (2013), they aimed to identify the most significant dimensions of corporate governance that have an impact upon the company’s efficiency. These dimensions are represented in: the appropriateness of the audit committee, board of directors and disclosure levels of information. Such dimensions also include: distribution of profits, debt ratio, and the rate of the return on assets. As for the study of Velnampy (2013), it has showed that there is an impact for the corporate governance determinants in industrial companies – represented by the board’s structure, size, number of its meetings, and committee – upon their performance. Such performance was measured through measuring the return on assets and the return on equity. The same was concluded by the study of Alalade et al. (2014).

Abu Nassar and Zedan (2014) have identified the impact of (shareholders, foreign and governmental ownerships, and separating the CEO position from the chairman position) upon performance of joint stock companies. Their study’s results indicated that having good corporate governance along with its mechanism has a major positive influence upon companies’ performance - which was identified through measuring the return on assets and the return on equity. Both of the researchers have proposed several recommendations. For instance, they recommended conducting more research about the impact of corporate governance mechanisms in other kind of companies. They also recommended merging the positions of CEO and chairman into one position. They also recommended turning the corporate governance principles into obligatory principles due to their significance. The same was emphasized by Al- Haddad et.al (2011) who conducted a study about the impact of corporate governance upon the performance level of Jordanian public joint stock industrial companies

The study of Hassan and Ahmed (2012) showed that the following dimensions of corporate governance: (the board's composition, institutions' contributions, audit committee, and compensations) have a major impact upon the financial performance of industrial companies in Nigeria.

### **Standards of corporate governance**

Corporate governance has been receiving great attention. That forced many institutions into proposing standards that can guarantee applying corporate governance properly. That is because having a proper application for governance can participate in achieving the desired goals. The Organization for Economic Co-operation and Development (OECD) has set five (5) standards for corporate governance in 1999 and made amendment upon them in 2004 to become six (6) standards instead of five (5) ones. Those six corporate governance standards can be represented in the following ones (Omar, 2009):

1)-Guaranteeing having an effective corporate governance system:

Through this standard, it is believed that corporate governance system must participate in achieving transparency and market efficiency. It is also believed that such system must be consistent with the provisions of the law and must state clearly the ways it shall follow for assessing the processes of (supervision, organization, implementation and control)

2)-Protecting shareholders' equity

3)- Treating all shareholders equally

4)-Disclosure and transparency:

This standard concerns the company's disclosure level of its significant information. It also shed a light upon the role of auditors in the company. Through this standard, it is believed that the company must disclose its information with guaranteeing a certain level of transparency. That shall be done in the right time and in a fair manner for the benefits of both of the stakeholders and shareholders.

5)-Responsibilities of the company's board of directors

This standard concerns the board's structure, its legal obligations, tasks, method of choosing its members and its role in supervising the financial management.

6) Role of stakeholders in exercising powers of the company's management:

The term "stakeholders "usually refer to banks, employees, bondholders, suppliers, agents and etc... In the light of this standard it is believed that stakeholders' legal rights must be respected and they must be compensated when committing any violation against any of their rights. This standard aims to provide mechanisms that can guarantee having an effective participation by all stakeholders in the company's control process.

### **The balanced scorecard**

The balanced Scorecard has been receiving much attention by researchers, academicians and practitioners. There have been several definitions provided for the expression "balanced Scorecard". For instance, Sawalqa et al. (2011; p.1120) has defined it as being as a measurement system that can assist organizations in translating their visions and strategies into actions that must be implemented. As for Nadim (2013), he has defined this expression as being a tool that can assist the organization in translating its vision and strategies into goals and measurements. This tool also aims at proposing a group of interconnected ideas and principles that can constitute a map for the organization's course of actions. This map should help the organization into translating its vision into coherent measurements that can measure the performance level. Such measurements aim to assist the organization in achieving tasks and setting strategies for working and communicating

through having consistency between the organizational and individual performance in order to achieve the desired goals.

In addition, the expression “balanced scoreboard” can be defined as being a tool used for conducting a strategic assessment and identifying the organization's business operations to be conducted through innovating leading indicators on the basis of the organization's visions and strategies (Yuksel and Dagdeviren, 2010).

Based on the aforementioned definitions, it can be concluded that balanced scoreboard is a significant tool to be used in the organization's management process (including the processes of planning and making decisions). For instance, applying the concept of balanced scoreboard can achieve many benefits that can serve the organization. Such benefits are represented in the following ones)-

- 1)- Applying the concept of balanced scoreboard can shift the attention of the organization's managers to become highly concerned with strategic management. That is because strategic management can translate the organization's vision into actions in order to implement this vision instead of focusing on the financial aspect of the organization. Thus, that means that the balanced scoreboard aims to shift the organization's attention from being concerned with the financial performance – that measures the performance level of implementing short term goals – to become highly concerned with performance on the long and short term levels
- 2)-Applying the concept of balanced scoreboard aims to connect short term annual plans with long term strategy. In this context, Niven (2011) believed that it may be useful to make decisions that have benefits on the short term level, but they may be harmful on the long term level.
- 3)- Applying the concept of balanced scoreboard aims to achieve deeper understanding by the organization's managers for the associative relationship between decision making process and the process of implementing the organization's strategic goals. For instance, balanced scoreboard is considered one of the most significant tools that can achieve organizational integration. Such integration can't be achieved without having consistency between the decision making process and the process of implementing the organization's strategic goals (Kaplan and Norton, 2013).
- 4)-The balanced scoreboard is considered one of the most significant tools for implementing strategic management (including for implementing processes of planning and achieving the organization's strategic goals in the light of the ongoing processes of control and accountability). Thus, keep being committed to the planned strategic goals and their implementation would become the employees' priorities in the organization. In this context, many previous studies have dealt with the constructive interaction between strategic control and assessing intangible resources in business organizations. For instance, balanced scoreboard considers (learning and building relationships with customers)as being intangible measures for measuring performance
- 5)- The balanced scoreboard aims to connect the organization's strategic goals with standard measurements. It can be said that it provides all the organization's employees with strategic learning opportunities. For instance, one of the organization's duties is to inform all of its employees about the main goals that much be implemented. That is done in order to set priorities for each managerial level. That means that there must be a communication tool used for explaining the organization's strategic goals for its employees. Furthermore, balanced scoreboard aims to achieve a balance between measurement and assessment. It aims to achieve such a balance because the things that are difficult to be assessed

financially are usually the things that have a major influence upon the organization's survival

- 6)- The balanced scoreboard aims at measuring the organization's performance level. Organizations usually give much attention to the process of performance measurement in order to detect errors and deviations. Thus, balanced scoreboard provides managers with adequate information to make the right decisions without needing to resort to superfluous information which can confuse them when making the desired decision.
- 7)-Using the balanced scoreboard can provide the organization with a scientific method for having a link between the organization's vision and its available human and financial resources. That can guarantee having an optimal utilization for the organization's resources (Al-Karkhi, 2010)

### **Perspectives of using the balanced scoreboard**

The core element of balanced scoreboard is represented in the number of its perspectives because such number differs from one company to another due to using different strategies and having different competitive abilities (Sawalqa et al., 2011). For instance, some companies may be focusing on one perspective, and others may focus on two perspectives, etc.... However, there are companies that focus on four perspectives of the balanced scoreboard. These four perspectives are represented in the following ones)-

#### **First: The financial perspective**

This perspective aims to identify the way the organization should look to the eyes of its shareholders. There is no doubt that shareholders' main concern is represented in the profit gained by the organization that they are contributing in financially. Thus, financial measurements are still the ones used much when assessing the financial performance level of the organization. That's why this perspective provides shareholders with financial facts that are represented in the form of numbers and percentages to be compared with the expectations they have about profits, growth, and financial risks. Based on the aforementioned, it can be said that this perspective is highly concerned with providing answers for the following two questions: (a)- Did the organization achieve the results that were expected by its shareholders? (b)- How do shareholders perceive the organization? (Vratskikh, et al., 2016; Yahyawi and Waldar, 2011). The financial perspective aims to reveal the results and events that have really took place and the decisions that have been really made regardless of their reasons, and causes. This perspective also aims to provide the organization with various financial measures that can be used to measure the performance of many financial aspects. Such measures also aim at helping the organization to survive, and prosper and raising the organization's ability in growing and inventing. Such measures also aim at identifying the financial strengths and the shortcomings in the process of implementing the organization's financial policies and decisions (Nadim, 2013).

#### **Second: Customers' perspective**

The second balanced scoreboard perspective is represented in the customers' perspective. It represents the relationship between the organization and its customers. The customers' perspective is considered to be the core element of non-financial measures. That's because consumers favor the organizations that are excellent in the following four categories:

- a)-The time or duration that the organization needs to meet customers' needs
- b)- Quality: This category aims to identify the number of defects and flaws in the organization's products from the perspective of its customers.

- c)-Reducing costs of production to the minimum limit as much as possible
- d)-Having integration between the service and performance levels. For instance, such integration aims to identify whether the relevant product has contributed to creating value for the organization's customers (Butler, 2011).

**Third: Internal processes perspective**

This perspective is highly concerned with the internal processes of the organization. Such processes have a major impact upon the degree of customers' satisfaction and achieving the financial goals of the organization. Due to the significance of such processes, the organization must analyze its internal processes in order to identify the quality and quantity of resources and the capabilities that are needed to develop itself. The organization must also investigate the relationship between its internal processes and their counterparts in other cooperating organizations. Such organization may include banks, raw materials suppliers and the organization and bodies that are responsible for handling the matters of its work and workers.

The organization can identify the weaknesses and strengths of its internal processes through assessing them and measuring the performance level that is associated with them. In this manner, the organization can focus on its strengths and weaknesses in order to address these weaknesses through developing and enhancing its processes and /or controlling its costs. Assessing internal processes and measuring the associated performance level can also participate in examining the main production processes and identifying their ability to meet customers' needs and the competitive advantages they have achieved (Ibrahim, 2013).

**Fourth: Learning and growth perspective**

Organizations used to look at employees as being things that cost them money in exchange for implementing their operations. However, this perception has changed in the contemporary period. For instance, organizations have started to perceive "human capital" as being one of the most significant assets they possess. In addition, organizations have become in need for appointing employees who have adequate knowledge about the tasks that are assigned for them to achieve. Such need has arisen due to the increase in the intensity of the competition that has resulted from the economic and cultural globalization that has taken place. In order to provide the organization with such employees, this balanced scoreboard perspective aimed to achieve that. For instance, this perspective is highly concerned with the intellectual abilities, skills and talents that are possessed by the organization's employees. Furthermore, this perspective is highly concerned with the organization's information systems and administrative procedures and it seeks make them consistent with the changing working methods. That is done to achieve employee's satisfaction, encourage them to keep working within the organization, boost their morale, and increase their productivity.

Many previous studies have indicated that through this perspective the organization has three main resources; people, system, organization procedure. These three main resources represent the organization's infrastructure which the organization must develop. The organization must seek developing those three resources in order to achieve sustainable development and keep being capable of conducting improvements constantly in the light of the contemporary global environment that is characterized with being highly competitive. Based on the aforementioned, it can be concluded that the perspective of

learning and growth focuses on translating the organization's strategy and vision into works and actions that can enhance the organization's capabilities through improving the capabilities of its employees (Sawalqa et al., 2011).

#### **The study's population**

The population of the current study consists of financial managers who were working in Jordanian public joint stock industrial companies. The number of those companies is sixty six (66) companies. The researcher distributed sixty six (66) questionnaire forms; one questionnaire form per company. However, fifty (50) questionnaire forms were retrieved. Thus, the retrieval rate is (75.75 %).

#### **Data collection methods**

The current study adopted two primary type of resources to collect the relevant data. These type of resources are represented in the following ones)-

- 1)-Primary resources: Such resources include the instrument of the current study which is represented in the questionnaire. The questionnaire was distributed to the study's respondents to obtain the required data. The researcher benefitted from the study of Hashem et al. (2016) in order to measure the dimensions of corporate governance.
- 2)-Secondary resources: Such resources include books, and references which are relevant to the studies' problem.

#### **Statistical analysis and discussion**

The researcher calculated the values of arithmetic means and standard deviations for each questionnaire item. These values are used to identify respondents' attitudes toward the study's variables. These values are presented below in Table (1).

**Table 1: Arithmetic means and standard deviations of the sample's attitudes toward the study's variables**

<b>No.</b>	<b>Statement</b>	<b>Arithmetic Mean</b>	<b>S. Deviation</b>
1	Having an effective corporate governance framework has an impact upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)	4.27	.76238
2	Equity and the main functions of the owners of property right have an impact upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)	4.084	.75926
3	Treating all shareholders equally has an impact upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)	4.0867	1.05368
4	The role of stakeholders in implementing corporate governance has an impact upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)	4.17	.75929

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5	Disclosure and transparency levels have an impact upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)	4.2800	.69002
6	The responsibilities of the board of directors have an impact upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)	3.9833	1.01923
7	Corporate governance has an impact upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)	4.42	.6626

The table above shows that respondents showed positive attitudes towards the aforementioned variables because the statements' means exceed the mean of scale 3

#### **Reliability of the study's instrument**

The researcher conducted Cronbach Alpha test in order to measure the reliability of the study's instrument. It was concluded that the value of  $\alpha$  is 0.924 which is considered as being an excellent value because it far exceeds the accepted value (0.60).

#### **Hypotheses testing**

H<sub>01</sub> : There is no statistically significant impact for corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)

**Table 2: Model Summary**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.738 <sup>a</sup>	.545	.481	.47734

Predictors: (Constant), ind6, ind3, ind5, ind4, ind2, ind1

**Table 3: ANOVA**

ANOVA <sup>s</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.717	6	1.953	8.570	.000 <sup>b</sup>
	Residual	9.798	43	.228		
	Total	21.515	49			

The researcher conducted a multiple regression analysis to test the above hypothesis. After conducting it, the researcher found that the calculated (F) value is significant at the significance level of (0.01). This means that the aforementioned null hypothesis is rejected. Thus, that means that there is a statistically significant impact for corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC). In addition, the value of the Pearson correlation coefficient is 0.738 which is a high value.

In order to test the rest of the study's 'hypotheses, the researcher conducted a multiple linear regression analysis. The results of this analysis are presented in the table below:

**Table 4: Hypotheses testing results**

Hypothesis	R	R Square	F	*Sig.	b	Constant
2	.710	.504	48.796	.000	0.651	1.621
3	.578	.334	24.086	.000	0.532	2.227
4	.557	.310	21.593	.000	0.369	2.890
5	.736	.542	56.780	.000	.678	1.574
6	.330	.109	5.848	.019	0.334	2.971
7	.296	.088	4.614	.037	0.193	3.653

\*At the significance level of (0.05)

It is found that the calculated (F) values are significant at significance level of (0.05) for each hypothesis and the values of (r) are within the range of (0.296-0.710). Thus, that means that all the aforementioned null hypotheses are rejected.

## Result

### The researcher found the number of results

- 1- There is a statistically significant impact for having an effective framework for corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)
- 2- There is a statistically significant impact for equity and the main functions of the owners of property rights on the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)
- 3- There is a statistically significant impact for treating all shareholders equally upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)
- 4- There is a statistically significant impact for the role of stakeholders in implementing corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)
- 5- There is a statistically significant impact for disclosure and transparency levels on the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)
- 6- There is a statistically significant impact for the responsibilities of the board of directors upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC)
- 7- There is a statistically significant impact for corporate governance upon the performance level of Jordanian public joint stock companies that are listed on the Amman Stock Exchange through using the balanced scorecard (BSC).

Previous results demonstrate the importance of applying corporate governance in companies in order to increase their performance level. And this results matches with previous studies.

### **Recommendations**

The researcher of the current study proposed several recommendations. These recommendations are represented in the following ones:

The researcher recommended having an effective framework for implementing corporate governance due to the major impact it has upon companies' performance level;

The researcher recommended increasing the transparency level of the disclosed financial statements of the company;

The researcher recommended utilizing the institution's resources optimally in order to develop its corporate governance frameworks and employees' capabilities. The researcher also recommended raising its employees' awareness about the significance of corporate governance;

The researcher recommended applying a balanced scoreboard model in full due to its significance in improving the effectiveness of investment decisions in industrial companies;

The researcher recommended adopting indicators forth balanced scoreboard model which can participate in improving the effectiveness of investment decisions in industrial companies;

The researcher recommended holding more training courses for training employees in a way that can participate in achieving the maximum possible benefit from the indicators of balanced scoreboard model;

The researcher recommended conducting more studies in the future that aim at investigating the impact of using the balanced scorecard (BSC) upon companies' performance level in other sectors.

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