International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 01 January 2025
DOI: 10.47191/ijcsrr/V8-i1-21, Impact Factor: 7.943
IJCSRR @ 2025

www.ijcsrr.org

Corporate Governance Framed by Local Culture: Ownership's Power, Less-Independency Monitoring of Commissioners Board and Audit Committee

Krisna Damayanti[1], Muhammad Arsalan Khan[2*]
[1]Department of Accounting, STIESIA Indonesia
[2]Department of Accounting, Universitas Airlangga Indonesia

ABSTRACT: This study aims to discuss the involvement of local cultural factors in corporate governance. The involvement of local cultural factors results in two phenomena: (1) controlling the power of owners and (2) reduced independence of the board of commissioners and audit committee in monitoring CEO and board performance. Design/methodology/approach - This qualitative study employs in-depth interviews and focus group discussions with respondents from five private and state-owned enterprises. Interviews and discussions were conducted with CEOs, commissioners, audit committee members, and owners. Findings - The study reveals (1) owners exert significant controlling power over CEOs and boards, influencing strategic decisions and distorting professional performance. (2) Non-interventionist owners utilize the board of commissioners and audit committee for indirect control, reducing independence. (3) Controlling power of ownership is more dominant in private enterprises than state-owned enterprises, reflecting Indonesia's local culture, where CEOs and boards are perceived as "staff" accountable to owners. (4) Lack of independence among commissioners and audit committees is more prevalent in private enterprises due to cultural influences.

KEYWORDS: Board of Commissioners, CEO, Corporate Governance, Committee Members.

INTRODUCTION

A balanced organization creates high value for the global economic environment in the long term. Maintaining good relations with all stakeholders compared to only maintaining the best and most respectful relations with one stakeholder actor has proven to positively impact the company's sustainability. Spreading good influence can be a goal for achieving optimal company performance. Good relations need to be fostered between internal and external parties of the company, as expressed by Lozano et al. (2016), analyzing the role of ownership as a mechanism of good corporate governance. Lozano et al. (2016) studied cross-national differences between companies with different levels of investor protection. In addition, Lozano et al. (2016) took into account the type of owner (young family vs. non-young family business) and the relationship of the owner with the second significant shareholder (monitoring vs. collusion). When the main owner has effective control over the Company (i.e., absolute control or less than absolute control but without control of the second significant shareholder), the relationship between ownership concentration and company value is U-shaped. Lozano et al. (2016) also showed that the conflict between majority and minority shareholders is weaker for companies with higher investor protection and young family-owned businesses.

The principal and agency theory is the main reason that can be used as a strong foundation in maintaining company performance and as a stumbling block that is enough to destroy the company. When the Principal-Agency theory is based on the conflict of interest between the owners and managers of the company, this principal-agency theory also encourages the creation of a corporate governance strategy mechanism, namely the controlling and monitoring strategy mechanism (Jensen and Meckling, 1976).

The principal is a party able and has the right to carry out controlling actions because the principal is the owner of the company's capital and can also monitor the company. Meanwhile, the agency, as a party that has been given trust in managing the company by the principals, must also monitor the management of the company. Still, it does not rule out the possibility that the agency can also act to control the management of the company to contribute to improving company performance and maintaining the sustainability of the company.

Along with the conflict of interest between the Principal-Agency, Dey, A. (2008) investigated whether corporate governance is related to the level of agency conflict in the company. Dey, A. (2008) used exploratory principal component analysis on 22

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 01 January 2025
DOI: 10.47191/ijcsrr/V8-i1-21, Impact Factor: 7.943
IJCSRR @ 2025

www.ijcsrr.org

individual governance variables to derive seven factors representing different governance dimensions for a firm. Dey, A. (2008) measured the level of agency conflict in a firm based on seven proxies for agency conflict used in the literature. Dey, A. (2008) found that firms with greater agency conflict have better governance mechanisms, particularly those related to the board, audit committee, and auditors. Dey, A. (2008) also found that board composition and functions, auditor independence, and equity-based compensation are significantly related to firm performance, especially for firms with high agency conflict. Overall, the results support the theory that the existence and role of various governance mechanisms in a firm is a function of the level of agency conflict in the firm. In today's modern era, the survival of Indonesian companies at the national level for local companies that play a role in Indonesia and for Indonesian companies that play a role at the international level can no longer enjoy the convenience of tariff reductions and reductions that are calculated on the price components of goods and services, thus having a significant impact on market share acquisition, thus having an impact on company performance, which means a decrease in company profits. The change in Indonesia's status from a developing country to a developed country has an impact on the cost of selling goods and services abroad, which means that the amount of Indonesian exports has decreased. The change in Indonesia's status has caused several tariff reliefs that are usually given to export goods entering several countries to be eliminated, resulting in the selling price of goods and services entering a country increasing, and this has resulted in a decrease in the number of sales of Indonesian goods and services.

Innovative corporate strategies can be used to create optimal corporate performance, which ultimately becomes the most effective weapon in maintaining the company's

LITERATURE REVIEW

1. Leadership Perspective in Creating Company Performance

The effectiveness of a company's innovative strategy is a reflection of the reliability of leadership in a company's structure. According to Guan (2013), in China, according to the competing value framework theory model, organizations interact with human resource management systems and leadership patterns. Different organizational leadership patterns will use different human resource management systems. Leadership patterns can be divided into four styles, namely adaptive leadership style innovation, compassionate style, conservation style, and objective-oriented style. Guan (2013) also found that organizational performance using a balanced development leadership pattern is much higher than the other three leadership patterns. Different human resource systems are adopted according to different leadership patterns. When different leadership patterns match the human resource system, organizational performance will vary greatly. Furthermore, the human resource system must deal with the organization's situational factors.

1.1.Leadership Towards External Investors

Investor trust as principals can also strengthen the sustainability of companies in Indonesia amidst high operational costs and tariff reductions both locally and globally. Fresh fund injections from principals are an effective innovation strategy. Even the unique characteristics of leaders are considered innovative strategies for improving company performance. Flynn and Staw (2004) found that charismatic leadership can influence external support for the organization, especially in making the company more attractive to outside investors. Flynn and Staw (2004) found two things. The first is that the shares of companies managed by charismatic leaders are more appreciated than the shares of comparable companies, even after differences in company performance are controlled. It was also found that the influence of charismatic leadership increases under more difficult economic conditions.

Second, Flynn and Staw (2004) conducted an experiment in which the salience of charismatic leadership was manipulated, along with information about the prospects for organizational turnaround, and the results showed that a charismatic leader causes increased investment in the company and the influence of the leader is greater when the prospects for organizational turnaround are more difficult. It was also found that stock contributions increase when charismatic leadership is used and that charismatic leadership influences the general risk propensity of followers.

2 Leadership in Industrial Diversity

Leadership that is able to create innovative and diverse strategies can also be proven by Andrikopoulos et al. (2019) that in the shipping industry, the network of leaders in non-shipping companies is more influential than the network of shipping companies. The shipping company network is filled with many binding constraints; the network of shipping executives and directors is filled with many cohesive groups, where the longest distance between two company leaders is two companies.

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 01 January 2025
DOI: 10.47191/ijcsrr/V8-i1-21, Impact Factor: 7.943
IJCSRR @ 2025

www.ijcsrr.org

Andrikopoulos et al. (2019) also found that interconnected company leadership can help resolve agency conflicts in the shipping industry, which have a negative impact on the number of agency costs. The level of leadership overlap is associated with board size, financial leverage, and profitability. The relationship between profit and linkage is two-way, implying that interconnected leaders have a positive effect on asset returns. 3.1.3 Leadership in Merger and Acquisition Strategy Decisions

In achieving optimal corporate performance related to the corporate merger and acquisition business strategy, leaders, according to O'Regan and Ghobadian (2010), show how key strategic decisions are made in practice in successful FTSE 100 companies. O'Regan and Ghobadian (2010) highlight successful strategy formulation and implementation, corporate strategic transformation, key elements of successful mergers and acquisitions, and leadership as important elements of corporate performance

3. Corporate Board in Influencing Performance

The involvement of the Board of Directors and the Board of Commissioners has a very significant impact on company performance as an effective monitoring actor in a study conducted by Salin et al. (2019), which tested the relationship between the board's ethical commitment and company performance. When directors instill ethics in carrying out their duties, it will prohibit fraud, unnecessary actions, and decisions that are detrimental to the company. Salin et al. (2019) found that ethical commitment by the board has a significant positive relationship with company performance. In addition, Salin et al. (2019) also tested the relationship between corporate governance and company performance and how the board's ethical commitment can affect this relationship. This study collected data for two years, namely 2013 and 2014, from the 500 largest Malaysian companies listed on the stock exchange. Corporate governance is measured based on the requirements of the Malaysian Code of Corporate Governance (MCCG), while the board's ethical commitment is measured based on the MCCG and various international best practices. Corporate performance is measured by return on equity, return on assets, net profit margin, market-to-book value, and Tobin-Q.

Salin et al. (2019) found that board ethical commitment is perceived as significant in increasing the strength of the relationship between corporate governance and firm performance. This finding is robust to alternative performance measures and lags firm performance by one year.

In addition, Cutting and Kouzmin (2000) argue that in social institutions are experiencing changes in their power patterns as they are realigned with an increasingly complex world and the onset of the new information economy. Attention has been paid particularly to the need to improve corporate governance as a means to enhance corporate accountability and improve firm performance. Cutting and Kouzmin (2000) then explore the distribution of corporate power and the processes that can encourage better decision-making and action by boards.

Cutting and Kouzmin (2000) investigate the fundamental differences between the exercise of leadership, management, and political power in an organization and, in particular, the responsibilities and power relationships between the organization and its board. Cutting and Kouzmin (2000) assert that if power patterns are well understood, then some things can be said about the patterns that are likely to emerge and what structures are likely to be more effective than others. Cutting and Kouzmin (2000) conclude by arguing that the manner and style of corporate governance could benefit from some further refinement.

3.1.Composition of the Company's Board of Directors

In stating that board composition has an effect on company performance, Elsayed (2011) argues in the literature against large and small board sizes. Econometric analysis provides strong evidence for the application of this hypothesis and shows that board size positively affects company performance in the presence of a non-duality CEO (a board leadership structure that divides the CEO role and the chairman role). In addition, board size is shown to have a negative effect on company performance in the presence of a duality CEO (a board leadership structure that assigns the CEO and chairman roles to the same person). Elsayed (2011) reinforces the use of multiple measures of company performance, control variables, and econometric models.

Thus, Elsayed (2011) casts doubt on the bulk of the existing evidence that argues that board size, either large or small, is always the best alternative to follow in all organizations. Likewise, Othman (2011) examines the impact of board structure and disclosure process (hereinafter BSPD) on firm performance, depending on the prevailing Anglophone versus Francophone business culture in emerging markets in Africa. Othman (2011) finds that African firms from countries with historical ties to the UK exhibit significantly higher BSPD values than firms from countries with historical ties to France. The effect of BSPD levels on firm performance is more pronounced for Anglophone African financial firms than for non-financial Anglophone African firms.

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 01 January 2025
DOI: 10.47191/ijcsrr/V8-i1-21, Impact Factor: 7.943
IJCSRR @ 2025

www.ijcsrr.org

METHODS

This paper uses a qualitative method by utilizing Focus Group Discussion (FGD). This approach is also considered in accordance with the objectives of this study, namely an in-depth exploration of the involvement of the controlling role of owners and the Level of Independence of the Board of Commissioners and Audit Committee in the implementation of corporate governance in PT. (Perusahaan Terbatas) Private and BUMN in Indonesia.

This qualitative study also collects Literature used as a reference comes from journals in the Quartile 1 and Quartile 2 categories only, which discuss the concept of leadership in the Board of Directors from the perspective of company management, then the Board of Commissioners, Audit Committee from the monitoring side can help Ownership from the controlling side influence the company in creating optimal company performance. The management, monitoring, and controlling mechanisms framed by moderating environmental and cultural factors will make the relationship stronger or even weaker.

TYPE AND SOURCE OF DATA

This study collects primary data by conducting in-depth interviews with several influential and competent people in providing valid and reliable information. Respondents interviewed in this study were the CEO, Auditor Commissioner, and owner. The four respondents interviewed were each from 5 companies consisting of 3 private companies PT. (Limited Liability Company) (EH, OM, MAS) and 2 BUMN companies (SR, TL) in Surabaya and Jakarta so that the total respondents who were successfully interviewed was 20 respondents. In addition to one-way interviews, several respondents also conducted forum group discussions with researchers, according to the respondents' competence and problems.

Face-to-face interviews took place at the head office, each for 30 minutes - 1 hour. During the remaining time, interviews were conducted indirectly through the "Messenger" application or by telephone or email. Interviews were conducted during working hours or depending on the availability of informants. Several respondents were interviewed between two and four times. This study uses pseudonyms, not the respondents' real names, to maintain confidentiality and encourage informants to provide important information. According to Berg (2007), anonymity "requires each researcher to systematically change the subject's real name to a pseudonym or case number when reporting data." Anonymity is important because the information obtained from each bank respondent can be used as a public or private document in printed or electronic format (Creswell, 2007).

Research Objectives

This study aims to discuss the involvement of local cultural factors in corporate governance in order to create optimal and sustainable company performance; the involvement of local cultural factors results in the phenomenon of 1) controlling power from ownerships and 2) less-independency monitoring from the board of commissioners and audit committees towards the achievement of optimal company management performance by the CEO and Board of Directors.

Conceptual Framework

This study is based on corporate governance involving local culture. An easy way to comply with the conference paper formatting requirements is to use this document as a template and simply type your text into it. Wherever Times is specified, Times Roman or Times New Roman may be used.

RESULTS AND DISCUSSION

Controlling Power of Ownerships

Owner Intervention to the CEO and Board of Directors in Achieving Optimal Company Performance with the Inclusion of Local Culture. The owner, as the principal who controls the CEO, and the board of directors, as the company manager, have the full right to be involved/intervene directly in the management of the company to create optimal and sustainable company performance.

The owner, as the principal who controls the CEO, and the Board of Directors, as the company manager, will have the full right to be involved/intervene to directly interfere in the management of the company in creating optimal and sustainable company performance, but there are local cultural factors that can have an impact on company performance.

International Journal of Current Science Research and Review
ISSN: 2581-8341
Volume 08 Issue 01 January 2025
DOI: 10.47191/ijcsrr/V8-i1-21, Impact Factor: 7.943
IJCSRR @ 2025

www.ijcsrr.org

Less-Independency Monitoring of Commissioners Boards and Audit Committee

Owner Intervention to the CEO and Board of Directors Through the Board of Commissioners and Audit Committee in Achieving Optimal Company Performance with the Inclusion of Local Culture. The owner, as the principal who controls the CEO, and the Board of Directors, as the company manager, will have the full right to be involved/intervene interfere indirectly through the Board of Commissioners and the Audit Committee monitor the company management carried out by the CEO and the Board of Directors as the company manager in creating optimal and sustainable company performance.

The owner, as the principal who controls the CEO, and the Board of Directors, as the company manager, will have the full right to be involved and intervene indirectly, namely through the Board of Commissioners and the Audit Committee monitor the company management carried out by the CEO and the Board of Directors as the company manager in creating optimal and sustainable company performance moderated by Local Culture factors.

Local Culture Framing Ownership, CEO and Board of Directors Relationship

This study found that the owner is the party who has strong controlling power in influencing the CEO and the Board of Directors directly in company management, namely decision-making related to company strategy, both short and long term so that the professionalism of the CEO and Board of Directors' performance is distorted in achieving optimal company performance.

Sense of Belonging Ownership

Controlling the power of ownership is more dominant in private companies than in BUMN, where local culture in Indonesia reflects that the owner is the party in power, or the sense of belonging of the owner becomes very dominant. This causes the CEO and Board of Directors to be impressed as "staff/employees" who receive compensation from the owner and must obey the owner's orders.

The Sense of Belonging of the owner also dominates the role of the Board of Commissioners and the Audit Committee in carrying out their functions to monitor the performance of the CEO and Board of Directors in achieving optimal company performance, resulting in a sense of monitoring from the Board of Commissioners and the Audit Committee being reduced or not optimal. This description can be seen in Figure 1.

Local Culture Framing Ownership, Commissioners Boards and Audit Committee,

This study also found that owners who do not intervene/control excessively use the involvement of the Board of Commissioners and the Audit Committee in carrying out indirect controlling of the CEO and Board of Directors in producing the creation of optimal company performance so that in this case reducing the lack of independence of the Board of Commissioners and the Audit Committee.

Sense of Monitoring of the Board of Commissioners and Audit Committee

The lack of independence of the Board of Commissioners and Audit Committee is greater in private companies than in BUMN, where local culture creates the impression once again that the Board of Commissioners and Audit Committee are appointed with the involvement of the owner. The lack of independence of the Board of Commissioners and Audit Committee arises because of local culture; namely, the sense of monitoring is reduced due to control by the owner, who has a dominant sense of belonging. The explanation can be seen in Figure 1.

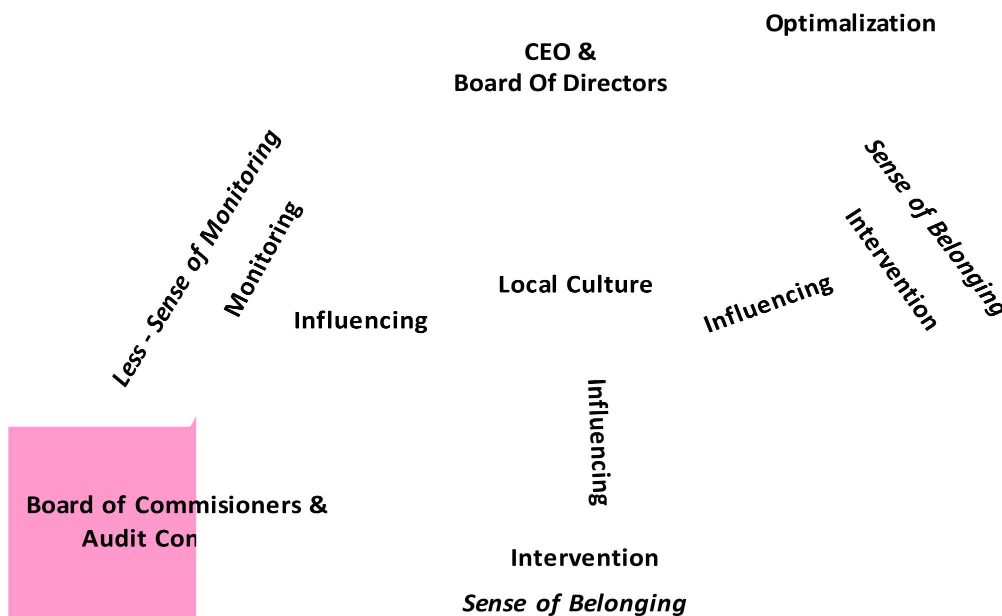

Figure 1. Local Culture Framing Ownership, Commissioners Boards and Audit Committee, CEO and Board of Directors Relationships

4. CONCLUSION AND IMPLICATIONS

Internal and external factors of the company are important foundations for company management, so it is necessary to create the best relationship in order to produce optimal and sustainable company performance. Achieving optimal company performance is not enough to just build good relationships between the principal and the agency, but also the apparatus within it, namely the Board of Commissioners and the Audit Committee, and not underestimate the role of local culture originating from the environment where the company is located. Effective and efficient innovative strategies need to be built to achieve the company's best targets and, at the same time, maintain the company's existence when it is in an optimal position.

Companies generally compete to create the best strategies that are innovative, effective, and efficient in achieving optimal and sustainable company performance. The reliability of leaders, owners, and managers and the involvement of the supervisory board that monitors also contribute to providing the best efforts. Even local culture also needs to create an environment that is positive and has a positive impact on stakeholders.

REFERENCES

1. Adams, S.M., A., Gupta dan J.D. Leeth, (2009). Are female executives over-represented in precarious leadership positions? *British Journal of Management*, 20 (1), pp. 1-12.
2. Agrawal, A. S., Schaefer dan T. Funke. (2018). Incorporating Industry 4.0 in corporate strategy**.** *Analyzing the Impacts of Industry 4.0 in Modern Business Environments*, pp. 161-176.
3. Andrikopoulos, A., A. Georgakopoulos, A. Merika dan A. Merikas. (2019). corporate governance in the shipping industry: board interlocks and agency conflicts. *Corporate Governance (Bingley),* 19 (4), pp. 613-630.
4. Al-Shamsi, O. dan M. Ajmal, (2018). Critical factors for knowledge sharing in technology-intensive organizations: evidence from UAE service sector. *Journal of Knowledge Management*, 22 (2), pp. 384-412.
5. Bian, Y. dan L. Zhang, (2014). Corporate social capital in Chinese guanxi culture. *Research in the Sociology of Organizations*, 40, pp. 421-443.

6. Cardon, P.W., Y. Huang dan G. Power. (2019). Leadership Communication on Internal Digital Platforms, Emotional Capital, and Corporate Performance: The Case for Leader-Centric Listening. *International Journal of Business Communication.*
7. Calantone, R.J., S.K. Vickery dan C. Dröge, (1995). Business Performance and Strategic New Product Development Activities: An Empirical Investigation. *Journal of Product Innovation Management*, 12 (3), pp. 214-223.
8. Cornfeld, L. (2017). Expo afterlife: corporate performance and capitalist futurity in the Carousel of Progress. *Women and Performance*, 27 (3), pp. 316-333.
9. Cutting, B. dan A. Kouzmin, (2000). The emerging patterns of power in corporate governance – Back to the future in improving corporate decision making. *Journal of Managerial Psychology*, 15 (5), pp. 477-507.
10. Cho, J., T., Kwon dan J. Ahn, (2010). Half success, half failure in Korean Affirmative Action: An empirical evaluation on corporate progress. *Women's Studies International Forum*, 33 (3), pp. 264-273.
11. Daily, C.M. dan D.R. Dalton, (1992). The relationship between governance structure and corporate performance in entrepreneurial firms. *Journal of Business Venturing,* 7 (5), pp. 375-386.
12. Damayanti, K. and Setyawardani, L. (2019), "Alliance cooperation joint ATM network: exploring the banking sector in Indonesia," *Qualitative Research in Financial Markets*, Vol. 11 No. 3, pp. 342-351.
13. Einwiller, S.A. dan M. Boenigk. (2012). Examining the link between integrated communication management and communication effectiveness in medium-sized enterprises. *Journal of Marketing Communications*, 18 (5), pp. 335-361.
14. Elsayed, K. (2011). Board size and corporate performance: The missing role of board leadership structure. *Journal of Management and Governance*, 15 (3), pp. 415-446.
15. Flynn, F.J. dan B.M. Staw. (2004). lend me your wallets: The effect of charismatic leadership on external support for an organization. *Strategic Management Journal*, 25 (4), pp. 309-330.
16. Guan, F. (2013). An empirical study on relations among human resource systems, leadership patterns, and organization performance. *Information Technology Journal*, 12 (22), pp. 6954-6960.
17. Hassanain, M. (2017). An overview of the performance improvement initiatives by the Ministry of health in the Kingdom of Saudi Arabia. *Inquiry (United States),* 54.
18. Herrera, M.E.B. (2016). Innovation for impact: Business innovation for inclusive growth. *Journal of Business Research*, 69 (5), pp. 1725-1730.
19. Huang, M., P. Li, F. Meschke dan J. P. Guthrie, (2015). Family firms, employee satisfaction, and corporate performance. *Journal of Corporate Finance*, 34, pp. 108-127.
20. Jabeen, F. dan M. Behery, (2017). Exploring the status and effects of balanced scorecard adoption in the non-western context: Evidence from the Middle East. *Journal of Management Development*, 36 (8), pp. 1063-1075.
21. Jensen, M.C dan W. H. Meckling. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics*, 3, pp. 305-360.
22. Jun, W. dan C. Rowley (2014). Change and continuity in management systems and corporate performance: Human resource management, corporate culture, risk management and corporate strategy in South Korea. *Business History*, 56 (3), pp. 485-508.
23. Kwarteng, A. dan F. Aveh. (2018). Empirical examination of organizational culture on accounting information system and corporate performance: Evidence from a developing country perspective. *Meditari Accountancy Research*, 26 (4), pp. 675-698.
24. Leszczyńska, M. (2018). Mandatory Quotas for Women on Boards of Directors in the European Union: Harmful to or Good for Company Performance? *European Business Organization Law Review*, 19 (1), pp. 35-61.
25. Mabey, C. (2013). Leadership development in organizations: Multiple discourses and diverse practice. *International Journal of Management Reviews*, 15 (4), pp. 359-380.
26. O'Hagan, S.B. (2017). An exploration of gender, interlocking directorates, and corporate performance. *International Journal of Gender and Entrepreneurship*, 9 (3), pp. 269-282. -Q2
27. O'Regan, N. dan U. Lehmann. (2008). the impact of strategy, leadership and culture on organisational performance: A case study of an SME. *International Journal of Process Management and Benchmarking,* 2 (4), pp. 303-322.

28. ---------------A. Ghobadian. (2010). A serial successful strategic transformer of businesses: An interview with Anthony Habgood, Chairman of Whitbread plc, Reed Elsevier plc and former CEO and Chairman, Bunzl plc. *Journal of Strategy and Management,* 3 (1), pp. 72-78.
29. Othman, H.B. (2011). The effect of board structure and process disclosure on corporate performance in the emerging African markets. *Managerial Auditing Journal,* 27 (2), pp. 156-174.
30. Oyewobi, L.O., A.O. Windapo dan R.O. Bamidele James. (2015). an empirical analysis of construction organisations' competitive strategies and performance. *Built Environment Project and Asset Management*, 5 (4), pp. 417-431.
31. Pillemer, J., E. R. Graham dan D. M. Burke. (2014). the face says it all: CEOs, gender, and predicting corporate performance. *Leadership Quarterly*, 25 (5), pp. 855-864.
32. Pirade, A. E., H. Siregar, E. Eriyatno dan S. Djohar. (2018). the influence of leadership and corporate behavior on corporate capability and performance: Empirical evidence from Indonesia. *International Journal of Civil Engineering and Technology,* 9 (9), pp. 1849-1868.
33. Samuelson, B.A., C.S. Galbraith dan J.W. Mcguire, (1985). *Organizational Performance and Top-Management Turnover. Organization Studies*, 6 (3), pp. 275-291.
34. Salin, A.S.A.P., Z. Ismail, M. Smith, A. Nawawi. (2019). Board ethical commitment and corporate performance: Malaysian evidence. *Journal of Financial Crime,* 26 (4), pp. 1146-1164.
35. Silitonga, P.E.S. (2017). Company performance model: Corporate cultural analysis and company development of motivation work. *Man in India*, 97 (24), pp. 249-271.
36. Shehata, G.M. (2015). Leveraging organizational performance via knowledge management systems platforms in emerging economies: Evidence from the Egyptian information and communication technology (ICT) industry. *VINE*, 45 (2), pp. 239-278.
37. Shahzad, F., M. Hussain Baig, I.U. Rehman, F. Latif dan B.S. Sergi, (2019). What drives the impact of women directors on firm performance? Evidence from intellectual capital efficiency of US listed firms. *Journal of Intellectual Capital.*
38. Thanetsunthorn, N. dan R. Wuthisatian, (2016). Current state of corporate governance: global business and cultural analysis. *Management Research Review,* 39 (11), pp. 1431-1446.
39. Tseng, S.M. (2010). The correlation between organizational culture and knowledge conversion on corporate performance. *Journal of Knowledge Management*, 14 (2), pp. 269-284.
40. Uribe-Bohorquez, M.V., J. Martínez-Ferrero, I.-M. dan García-Sánchez. (2019). Women on boards and efficiency in a business-orientated environment. *Corporate Social Responsibility and Environmental Management*, 26 (1), pp. 82-96.
41. Van Reine, P.P. dan B. Dankbaar, (2011). A Virtuous Circle? Co-evolution of Regional and Corporate Cultures. *European Planning Studies*, 19 (11), pp. 1865-1883.
42. Wilderom, C.P.M., P.T. Van den Berg dan U.J. Wiersma. (2012). A longitudinal study of the effects of charismatic leadership and organizational culture on objective and perceived corporate performance. *Leadership Quarterly*, 23 (5), pp. 835-848.
43. Xu, K. (2011). Causal attributions for corporate performance: A cross-cultural comparison of Chinese and U.S. American companies. *Journal of International and Intercultural Communication,* 4 (3), pp. 221-239.
44. Dey. A. (2008). Corporate Governance and Agency Conflict. *Journal of Accounting Research,* 46 (5), pp. 1143-1181
45. Fama. E. F. (1980). Agency Problems and the Theory of the Firm. *The Journal of Political Economy*, 88 (2), pp. 288-307.
46. Lozano, M.B., Beatrizmartínez dan J. Pindado. (2016). Corporate Governance, Ownership and firm Value: Drivers of Ownership as a Good Corporate Governance Mechanism *International Business Review* 25, pp. 1333–1343
47. Beck, M. J dan E. G. Mauldin. (2014). Who's Really In Charge? Audit Committee versus CFO Power and Audit Fees. *The Accounting Review* 89 (6) pp. 2057–2085.
48. Villalonga, B. dan R. Amit. (2006). How Do Family Ownership, Control and Management Affect firm Value? *Journal of Financial Economics*, 80, pp. 385–417.

Cite this Article: Damayanti K., Khan M.A. (2025). Corporate Governance Framed by Local Culture: Ownership's Power, Less-Independency Monitoring of Commissioners Board and Audit Committee. International Journal of Current Science Research and Review, 8(1), 208-215, DOI: https://doi.org/10.47191/ijcsrr/V8-i1-21