Argumenta Oeconomica
Year 2025, Vol. 55, No. 2
ISSN 2720-5088
journals.ue.wroc.pl/aoe

Interactions between corporate governance, tourism growth, and corporate performance: the case of listed tourism companies in Türkiye

Setareh Katircioglu

Faculty of Economics and Administrative Sciences, University of Kyrenia, Cyprus

e-mail: setareh.katircioglu@kyrenia.edu.tr

ORCID: 0000-0003-2246-7085

Mehmet Oguzhan Ilban

Department of Gastronomy and Culinary Arts, Burhaniye Faculty of Applied Sciences, Balikesir University, Türkiye

e-mail: ilban@balikesir.edu.tr

ORCID: 0000-0002-7557-9817

Sevgi Sezer

Department of Finance and Banking, Burhaniye Faculty of Applied Sciences, Balikesir University, Türkiye

e-mail: sevgi.sezer@balikesir.edu.tr

ORCID: 0000-0001-6958-3329

Mehmet Tahsin Liceli

Department of Tourism Management, Burhaniye Faculty of Applied Sciences, Balikesir University, Türkiye

e-mail: liceli@balikesir.edu.tr

ORCID: 0000-0001-7707-0347

Quote as: Katircioglu, S., Ilban Oguzhan, M., Sezer, S., & Liceli Tahsin, M. (2025). Interactions between corporate governance, tourism growth, and corporate performance: the case of listed tourism companies in Türkiye. *Argumenta Oeconomica*, *2*(55), 151-160.

DOI: 10.15611/aoe.2025.2.10

JEL: C22, E44, L83, O16

Abstract

Aim: This study evaluates interactions between corporate governance, tourism growth, and corporate performance concerning listed tourism companies.

Methodology: Panel econometric procedures, including regressions by least squares, fixed effects, random effects and causality analyses were followed using quarterly data ranging from 2013:Q1 to 2023:Q4.

Results: The results show that company-level corporate governance proxies and country-level tourism growth exert statistically significant effects on companies financial performance, with mixed directions of corporate governance's impact. The panel causality test results exhibit two different unidirectional causalities that run (1) from company-level board size to company-level return on assets, and (2) from country-level tourism growth to company-level return on equity.

Implications and recommendations: The results reveal that tourism companies need to be encouraged to increase the number of tourists and the number of nights spent in order to achieve better corporate performance. As further research, determinants of leadership styles and their effects on financial performance would provide important clues about the management methods that should be implemented to improve competitiveness and performance.

Originality/value: Türkiye was selected as the sample, being one of the top tourist destinations, therefore the results of this study could be generalised for other major tourist destinations, especially those in the Mediterranean region. As far as research questions, econometric methodology, and data type are concerned, this study is the first of its kind to the best of the author's knowledge.

Keywords: tourism, corporate governance, corporate performance, panel data, Türkiye

1. Introduction

In recent years it has become clear that global crises and business scandals are directly linked to poor management. The negative effects of poor corporate management have increased the significance of good corporate governance. Empirical studies showed that good corporate governance practices demonstrate important advantages for enterprises and investors, while international investors consider corporate governance practices as important as financial performance (Al-Gamrh et al., 2020). There are also relevant studies on the correlation between corporate governance practices and business performance (Achim et al., 2016; Al-Najjar, 2014; Adams et al., 2010; Iwasaki, 2008).

Corporate governance includes multiple relations between the management, board of directors, shareholders, and other stakeholders, however it also provides a structure for the objectives of the enterprise and determines the achievement and performance monitoring tools. In a good corporate governance approach, management is expected to facilitate active supervision and corporate objectives based on the interests of the enterprise and stakeholders. In other words, the managerial controls are provided by the board of directors (Galletta et al., 2021; Bzeouich et al., 2019), and as a corporate governance mechanism the board of directors plays a vital role in the management of the enterprise (Menteş, 2011). Active corporate governance allows the managers to supervise and the boards and managers are responsible for the management of business assets. This supervision and accountability could improve operating performance when the effective use of resources and high response to social needs and expectations are combined, yet effective corporate governance does not guarantee better corporate performance at individual operating level (Gregory, & Simms, 1999).

There are two common assumptions on the properties of the board of directors. The first is that an unproductive board harms business value and therefore the board of directors should be reorganised, while the second is the economic assumption which posits the acceptance of the board of directors with all business and management attributes, according to which the board of directors should be organized based on the corporate environment (Pfeffer, 2019; Al-Najjar, 2014).

The importance of the tourism industry for both developing and developed countries is well established in the relevant literature (Fernández et al., 2022; Katircioglu, 2009; Balaguer, & Cantavella-Jorda, 2002), hence tourism growth might result in better corporate performance. However, there is a limited number of studies analysing empirical links between tourism growth and corporate performance (García-Gómez et al., 2022; Goffi et al., 2022; Chen, 2010; Proenca, & Soukiazis, 2008). Most of the research on the relationship between corporate governance and performance has been conducted in developed markets or traditional industries, whereas the tourism sector, particularly in developing or emerging markets, has been less studied. Furthermore, the current corporate governance frameworks may not fully capture the unique characteristics of the tourism industry, which often includes small and medium-sized enterprises (SMEs), seasonal businesses, and highly customer-centric services. Research could develop or adapt sector-specific governance models for tourism and hospitality businesses that focus on flexibility, adaptability, and local engagement.

The identification of the correlation between tourism growth and corporate performance is important and deserves attention from researchers, as there is also a limited number of studies focusing on the links between corporate governance and tourism growth (Al-Najjar, 2014).

Chen (2010) studied the effects of the macroeconomy and tourism growth on the corporate performance of Taiwanese tourist hotels and found that changes in the macroeconomic performance are more crucial than tourist growth for the overall financial performance of hotels. On the other hand, Al-Najjar (2014) searched for the links among corporate governance, tourism growth, and firm performance and founds that board independence was positively linked to company performance and the stock performance of publicly listed tourism companies in Middle Eastern countries. However, large boards were seen to enhance profitability while small company boards exhibited more efficient stock performances according to Al-Najjar (2014).

Against this backdrop in the relevant literature, this study aimed to explain interactions between corporate governance, tourism growth, and corporate performance in the case of listed tourism companies in Türkiye. The choice of Türkiye was important, and deserves interest from researchers as ranked 4th in international tourist arrivals with 50.5 million as of 2022 (UNWTO, 2023), therefore it is a very important tourist destination. Secondly, the tourism industry is also a major foreign exchange source of the Turkish economy that has financed persistent current account deficits over many years, which was mainly caused by energy-import dependency (Katircioglu, 2014). However, studies on the contribution of the tourism industry to the overall macroeconomic performance of Türkiye still create mixed findings in the relevant literature, where some studies support the tourism-led growth hypothesis for Türkiye (Gunduz, & Hatemi-J, 2005; Ongan, & Demiroz, 2005), whereas others do not validate the same view (Katircioglu, 2009). Therefore, such an ambiguity of the economic outcomes of the Turkish tourism industry in the literature makes this study more important and relevant.

This study is organized as follows: Section 2 describes data and methodology, Section 3 presents results and discussions, and Section 4 concludes.

2. Data and methodology

2.1. Setting

The study argues that the overall tourism growth and company-level corporate governance drive the financial performance of the tourism enterprises, therefore the following econometric specification is proposed, similar to that of Chen (2010):

$$CP_{i,t} = \beta_0 + \beta_1 T_{i,t} + \beta_2 CG_{i,t} + \varepsilon_{i,t}, \quad (1)$$

where *CP* stands for corporate performance proxy of company *i* at period *t* while *T* stands for the overall tourism growth proxy, and *CG* for corporate governance proxy of company *i* at period *t.*

Similar to the previous research, corporate performance is proxied by financial performance indicators which are mainly (1) return on assets (ROA) and (2) return on equity (ROE). Tourism growth is proxied by changes in (1) tourist arrivals (ΔTA) and (2) tourism revenues (ΔTR). Corporate governance is also proxied by various company-level indicators as advised in the relevant literature such as the structure of the board of directors (BD), the number of females on the board of directors (F), the size of the board of directors (S), and a dummy variable for the board of directors leadership (L). Table 1 presents a detailed description of dependent and independent variables in equation (1):

Table 1. Data description

	Intended use	Name	Abbr.	Details
Dependent variables	Tourism industry profitability indicators	Return on assets	ROA	Net Revenues / Assets
		Return on equity	ROE	(Net Profits / Equity)×100%
Independent variables	Tourism growth indicators	# of tourists	ΔTA	million
		Tourism revenues	ΔTR	million USD
	Corporate governance indicators	Board structure	BS	# of independent board members / # of board members
		Rate of female board members	FBM	# of female board members / # of board members
		Board size (dummy variable)	Size	The ideal board size was accepted as 6. Boards with 6 or fewer members were scored 0, otherwise scored 1.
		Board leadership (dummy variable)	BL	If CEO is the chair of the board, then 1, otherwise 0.

Source: Turkish Statistical Institute (2024) for dependent variables; Public Disclosure Platform (2024) for independent variables.

2.2. Data

To analyse the effects of corporate governance and tourism growth on corporate financial performance, quarterly data of seven tourism enterprises that range from 2013:Q1 to 2023:Q4 were used in the study. The Istanbul Stock Exchange (BIST) listed a total of 11 trading tourism companies, but only seven were included in the study due to data available for the said period, obtained from the Public Disclosure Platform (PDP) (2024) firm level statistics and Turkish Statististical Institute (2024) for tourist data.

Variables ROA, ROE, TA, and TR were seasonally adjusted via seasonal and trend decomposition using the Loess (STL) decomposition method before empirical analysis. Descriptive statistics of econometric series in the study are presented in Table 2, while the correlation matrix is provided in Table 3, showing that the profitability ratios of ROA and ROE were generally correlated at low levels with their regressors in equation (1).

Table 2. Descriptive statistics

	ROA_SA	ROE_SA	TA_SA	TR_SA	BS	FBM
Mean	-3.88	-0.70	0.21	0.13	0.37	0.22
Median	-0.76	-0.53	0.22	0.12	0.40	0.29
Max.	95.41	45.24	0.44	0.57	0.50	0.40
Min.	-115.19	-29.20	-0.42	-0.27	0.29	0.00
Std. deviation	21.00	7.42	0.15	0.15	0.06	0.16
Skewness	-0.73	1.98	-2.45	0.17	0.38	-0.32
Kurtosis	13.39	17.86	12.42	5.68	2.75	1.50
Jarque-Bera	899.65	1931.09	920.72	59.70	5.22	21.67
Probability	0.00	0.00	0.00	0.00	0.07	0.00
Observations	196	196	196	196	196	196

Note: SA next to the variable indicates seasonal adjustment.

Source: authors' calculation.

Table 3. Correlation matrix

	ROA_SA	ROE_SA	TA_SA	TR_SA	BS	FBM
ROA_SA	1					
ROE_SA	0.841	1				
TA_SA	0.079	0.075	1			
TR_SA	0.097	0.123	0.815	1		
BS	-0.106	-0.059	-0.008	-0.008	1	
FBM	0.007	-0.116	-0.001	0.008	-0.353	1

Source: authors' calculation.

2.3. Methodology

The stationarity of the series was analysed using Levin, Lin, and Chu (2002, LLC), Im, Pesaran, and Shin (2003, IPS), Maddala and Wu (1999), Fisher ADF, and Fisher PP panel unit root tests. Regression analyses were conducted via three different approaches: (1) Panel LSQ (Least Squares), (2) Fixed Effects, and (3) Random Effects for comparison purposes, which enabled to cross-check and assess the consistency of results. Furthermore, the panel least squares approach provided a clear view of the data structure and relationships, which is helpful for preliminary analysis before accounting for heterogeneity across cross-sectional units, and the panel fixed effects' approach eliminated time-invariant bias and focused on within-unit variation. However, when the random effects model's assumptions held (i.e. no correlation between individual effects and regressors was detected), it was more efficient than the fixed effects model because it used both within-unit and between-unit variation. Lastly, causality tests were carried out through Dumitrescu and Hurlin's (2012) panel causality approach, which offers several advantages in econometric analysis, particularly in the context of panel data where the relationships between variables are being tested across different cross-sectional units (e.g. countries or companies) over time. Firstly, it allows for heterogeneity across cross-sectional units (e.g. countries or companies) in terms of the causal relationships between the variables. This means that the method does not require the assumption that causality is uniform across all units, which is more realistic in many economic scenarios. Secondly, the approach provides a straightforward test statistic based on the average of individual Wald statistics (from Granger causality tests) across all cross-sections, and makes the test relatively simple to implement and interpret. Thirdly, among others, the method is designed to maintain a balance between the size of the test (the probability of falsely detecting causality when there is none) and its power (the probability of correctly detecting causality when it exists). This balance is crucial for making reliable inferences in empirical research.

3. Findings

Table 4 shows the results of the panel unit root tests which indicate that the examined series appears to be stationary at levels, I(0) using various options of trend and intercept, therefore econometric estimations could be carried out using panel least squares via fixed and random effects.

Based on the findings presented in Table 5, as far as ROA is concerned as a dependent variable, the number of tourists and tourism revenues has a positive, statistically significant impact on ROA, consistent with the findings of Dritsakis (2004), Proenca and Soukiazis (2008), and Chen (2010). Furthermore, as a corporate governance proxy, there are also positive, statistically significant effects of the board leadership on ROA, which is also consistent with several studies in the literature (Tian, & Lau, 2001; Lam, & Lee, 2008; Elsayed, 2011; Kim, 2013; Guillet, 2013; Vo, & Phan, 2013; Hyarat et al., 2024). However, the board structure – another corporate governance proxy – has a negative, statistically significant impact on ROA, which is again consistent with the findings of several studies (Bhagat, & Black, 2008; Bozec, 2005; Guest, 2009; Wintoki et al., 2012; Koerniadi, & Touraniadi-Rad, 2012; Al-Abdallah et al., 2021).

Table 4. Panel unit root test results

	LLC		IPS		Fisher ADF		Fisher PP	
	w/constant	w/constant and trend	w/constant	w/constant and trend	w/constant	w/constant and trend	w/constant	w/constant and trend
ROA	-3.97*** (0.00)	-1.58* (0.05)	-4.64*** (0.00)	-2.54*** (0.00)	57.57*** (0.00)	33.27*** (0.00)	61.25*** (0.00)	47.62*** (0.00)
ROE	-4.14*** (0.00)	-3.15*** (0.00)	-4.18*** (0.00)	-3.14*** (0.00)	46.77*** (0.00	39.65*** (0.00)	50.19*** (0.00)	40.29*** (0.00)
TA	41.53 (1.00)	50.06 (1.00)	-1.74** (0.04)	-0.09 (0.46)	18.03 (0.20)	7.59 (0.90)	168.97*** (0.00)	153.80*** (0.00)
TR	33.14 (1.00)	42.93 (1.00)	-0.27 (0.39)	-1.94** (0.02)	9.66 (0.78)	-1.77** (0.03)	167.41*** (0.00)	148.07*** (0.00)
BS	0.57 (0.71)	0.17 (0.57)	0.30 (0.62)	-0.52 (0.29)	3.02 (0.55)	4.69 (0.32)	33.18** (0.02)	25.28** (0.03)
FBM	0.04 (0.51)	0.08 (0.53)	-61 (0.26)	-1.00 (0.15)	2.72 (0.25)	3.78 (0.15)	14.79** (0.02)	23.14** (0.01)

Note: Optimum lags were determined with Akaike information criterion. ***, ** and * mark stationarity at 1%, 5% and 10% significance levels, respectively.

Source: authors' calculation.

The results of this study did not identify any statistically significant effects of the number of female board members on ROA, while this effect was significant in the case of ROE. There was a significant correlation between the number of female board members and return on equity, but the direction of the effect was mixed across model options in Table 5. There was no consensus on whether business performance differed depending on the number of female board members. Contradictory findings were also reported in other studies, e.g. Marimuthu and Kolandaisamy (2009a, 2009b) revealed significant effects of the ratio of females in upper management on financial performance. Darmadi (2012) identified negative, statistically significant effects of the number of females in upper management on financial performance, whereas Dezső and Ross (2008) pointed out that the presence of at least one woman in top management exerts positive, statistically significant influence on financial performance, yet there is no evidence that a female CEO impacts on financial performance – see Dezső and Ross (2008). However, Smith et al. (2005) found that senior female managers improve corporate financial performance, which varies depending on their other qualifications. Finally, it was not possible to conclude that the number of female board members or the presence of female managers affects the profitability levels of companies, hence the corporate financial performance as documented by the above-mentioned studies.

This study also revealed that tourism revenues exert positive, statistically significant influence on ROE, which is also consistent with several studies in the literature (Dritsakis, 2004; Proenca, & Soukiazis, 2008; Chen, 2010). Furthermore, the effects of the board leadership on ROE are also positive and statistically significant, and in line with other studies (cf. Tian, & Lau, 2001; Lam, & Lee, 2008; Elsayed, 2011). It is unlikely that the board structure and board size exert negative, statistically significant influence on ROE, which is similar to the findings of other studies (e.g. Koerniadi, & Touraniadi-Rad, 2012; Joecks et al., 2013; Davila, 2013).

Finally, Table 6 presents the results of the panel causality tests based on Dumitrescu and Hurlin (2012). It was observed that there are unidirectional causalities that run (1) from board structure to ROA and (2) from tourism proxies (the number of tourists and tourism revenues) to ROA and ROE. The test statistics of the other pairs did not indicate significant estimations in Table 6, hence it was concluded that changes (1) in the structure of the board at company level and (2) in the overall tourism growth would precede changes in profitability levels of tourism enterprises in Türkiye.

Table 5. Panel regression analysis results

	Model 1 (dependent variable ROA)			Model 2 (dependent variable ROA)			Model 3 (dependent variable ROE)			Model 4 (dependent variable ROE)		
	Panel LSQ	Fixed effects	Random effects	Panel LSQ	Fixed effects	Random effects	Panel LSQ	Fixed effects	Random effects	Panel LSQ	Fixed effects	Random effects
TA	6.36* (0.08)	11.15 (0.19)	11.20 (0.18)	-	-	-	1.85 (0.19)	3.70 (0.15)	3.68 (0.16)	-	-	-
TR	-	-	-	6.51* (0.05)	13.47 (0.14)	14.00 (0.11)	-	-	-	2.94* (0.05)	6.02* (0.07)	6.13* (0.06)
BS	-50.94*** (0.00)	-16.84 (0.76)	-49.28* (0.09)	-51.89*** (0.00)	-19.02 (0.72)	-49.38* (0.09)	-27.33*** (0.00)	-13.91 (0.61)	-18.61 (0.17)	-27.47*** (0.00)	-14.67 (0.58)	-18.61 (0.17)
FBM	0.32 (0.92)	17.39** (0.04)	0.76 (0.95)	0.90 (0.80)	14.13 (0.34)	0.78 (0.95)	-5.27*** (0.00)	16.66*** (0.00)	-6.77 (0.11)	-5.59*** (0.00)	14.98* (0.09)	-6.76 (0.11)
Size	-0.74 (0.51)	-2.01 (0.46)	3.73 (0.28)	-0.54 (0.63)	-1.54 (0.60)	3.84 (0.27)	-1.87*** (0.00)	0.11 (0.93)	-0.35 (0.80)	-1.92*** (0.00)	0.33 (0.81)	-0.30 (0.83)
BL	3.57*** (0.00)	2.71** (0.03)	3.92*** (0.00)	3.66*** (0.00)	2.75* (0.05)	3.98*** (0.00)	1.47*** (0.00)	2.72*** (0.00)	1.31** (0.01)	1.50*** (0.00)	2.66*** (0.00)	1.33** (0.01)
$Constant\ ter$	12.75*** (0.0)	-4.85 (0.81)	8.70 (0.47)	13.40*** (0.00)	-2.87 (0.88)	9.19 (0.44)	9.67*** (0.00)	-1.60 (0.87)	6.30 (0.25)	9.86*** (0.00)	-0.97 (0.91)	6.24 (0.25)
R^2	0.17	0.12	0.07	0.17	0.13	0.09	0.21	0.13	0.03	0.23	0.14	0.04
$\bar{R}^2$	0.14	0.07	0.04	0.14	0.07	0.06	0.19	0.08	0.01	0.21	0.09	0.02
$F\ stat.$	7.83 (0.00)	2.45 (0.00)	1.09 (0.36)	7.80 (0.00)	2.51 (0.00)	1.23 (0.29)	10.57 (0.00)	2.63 (0.00)	1.46 (0.20)	11.45 (0.00)	2.84 (0.00)	1.85 (0.10)

Note: ***, ** and * denote that the related coefficient was statistically significant at 1%, 5% and 10% significance levels, respectively.

R^2 is the coefficient of determination and $\bar{R}^2$ is the adjusted coefficient of determination, and reflect the percentage of the variance explained in dependent variable by the model. *F* statistic denotes whether the independent variables explained the dependent variable significantly.

Source: authors' calculation.

Table 6. Dumitrescu and Hurlin (2012) panel causality test results

	Optimum lag	LM autocorrelation test	Heteroscedasticity test	Causality direction	F statistics
Model 1	2	52.97 (0.33)	82.67 (0.22)	$TA \rightarrow ROA$	1.13 (0.32)
				$BS \rightarrow ROA$	3.02* (0.05)
				$FBM \rightarrow ROA$	0.03 (0.96)
				$Size \rightarrow ROA$	1.04 (0.35)
				$BL \rightarrow ROA$	0.02 (0.97)
Model 2	2	56.34 (0.16)	84.92 (0.25)	$TR \rightarrow ROA$	1.39 (0.25)
				$BS \rightarrow ROA$	3.02* (0.05)
				$FBM \rightarrow ROA$	0.03 (0.96)
				$Size \rightarrow ROA$	1.04 (0.35)
				$BL \rightarrow ROA$	0.02 (0.97)
Model 3	1	58.66 (0.61)	68.23 (0.65)	$TA \rightarrow ROE$	3.28* (0.07)
				$BS \rightarrow ROE$	0.10 (0.75)
				$FBM \rightarrow ROE$	1.11 (0.29)
				$Size \rightarrow ROE$	0.0004 (0.98)
				$BL \rightarrow ROE$	0.21 (0.64)
Model 4	1	65.36 (0.89)	71.48 (0.71)	$TR \rightarrow ROE$	3.33* (0.06)
				$BS \rightarrow ROE$	0.10 (0.75)
				$FBM \rightarrow ROE$	1.11 (0.29)
				$Size \rightarrow ROE$	0.0004 (0.98)
				$BL \rightarrow ROE$	0.21 (0.64)

Note: * denotes causality from the first variable to the second at 10% significance level. Probabilities are presented in parentheses.

Source: authors' calculation.

4. Conclusion

In the presented study, the roles of company-level corporate governance and country-level tourism growth in corporate financial performance in tourism enterprises in Türkiye were examined using panel data analysis. The results demonstrate that the number of tourists, tourism revenues, and board leadership exert positive and statistically significant impact, while board structure and size have negative and statistically significant effects on the financial performance of tourism companies.

It is evident that tourism growth would result in a better corporate financial performance of tourism companies, whilst several studies report the positive effects of board leadership on return on assets. Profitability is the primary determinant of business performance, and performance is directly affected by leadership styles and management behaviour as demonstrated in the relevant literature (Bycio et al., 1995; Riaz, & Haider, 2010; Arsezen, 2017). This also demonstrates the necessity of analysing corporate leadership styles in institutionalising businesses. Regarding further research, determinants of leadership styles and their effects on financial performance would provide important clues about the management methods that should be implemented to improve competitiveness and performance.

The research results show that board leadership has a positive impact on corporate financial performance and reveal that, for example, when the CEO and the Chair of the Board of Directors are the same person, strong leadership is ensured, leading to faster and effective decision-making. Moreover, when the CEO and the Chair of the Board of Directors are the same person, it is considered as a solution to the agency problem, which is a significant corporate governance issue. The agency theory is applicable for businesses where principal-agent conflict is the main problem and ownership is unevenly distributed (Jensen, & Meckling, 1976). However, in businesses where the ownership is centralised and the company is owned by only a few individuals or groups (e.g. a family), a principal-principal conflict is observed between the majority owner and the minority owner (Chung, & Luo, 2008; Douma et al., 2006; Wright et al., 2005; Young et al., 2008). Therefore, it could not be argued that a single individual serving as CEO and the Chairman of the Board would eliminate all agency problems, thus, as is true in the Turkish context, the agency issue entails a conflict between the majority owners and the minority owners, not between shareholders and management (Skate, & Bektas, 2008). Hence, the fact that the CEO and Chairman of the Board are the same person relatively reduces the conflicts and agency problems, but they could not be completely resolved.

The results of this study also suggest that a higher number of independent board members would hurt the financial performance based on a board structure that comprises a number of independent board members. In the previous studies on board structure, the main problem was to ensure a majority of independent members in the Board of Directors; according to Saito and Dutra (2006), this problem occurs due to conflicts between senior management and shareholders. Thus, when the majority of board members are also members of executive management, the autonomy of the business management would be at risk, therefore businesses prioritize independent members when selecting their board of directors. The board size variable reflects the size of the board of directors, hence a more numerous board could reduce the business performance owing to prolonged decision-making processes or deadlocks in the board due to a greater number of board members. Furthermore, businesses with a less numerous board perform better controls, and the board can work more efficiently. Moreover, they experience less red tape, leading to better financial outcome (Dogan, 2015).

Tourism plays a key role in economic development. Growth in the tourism industry improves export diversification. The industry has significant connections to the national economy, and employment growth in other industries (Cattaneo, 2009). The tourism industry is an important determinant of growth and reduction of poverty in developing countries. Travel and reservation transactions are generally conducted in the country of origin, and these segments are important for added value. Registered travel agencies and tour operators mostly reside in these countries and have an important market share in tourism transactions. Despite this monopolist structure, technological and data flow advances in reservations and tour operations (such as reservations or tours sold made on the Internet) allow various players to enter the market (Christian, 2012). In this new environment, the service and product providers in tourist destinations can access potential customers from abroad (OECD, 2008).

Several links in the tourism value chain other than international air tickets are characterized by their organizational, ownership, and operational business structures. Large businesses in the tourism value chain could work with small or micro-enterprises, whilst international tourism requires sophisticated coordination and marketing levels at the countries of origin. Businesses with coordination and marketing capacity create further added value. The actors in international distribution and hotels managed by foreign brands in tourism destinations fulfill these functions (Christian et al., 2011).

References

Achim, M. V., Borlea, S. N., & Mare, C. (2016). Corporate governance and business performance: Evidence for the Romanian economy. *Journal of Business Economics and Management*, *17*(3), 458-474.

Adams, R. B., Hermalin, B. E., & Weisbach, M. S. (2010). The role of boards of directors in corporate governance: A conceptual framework and survey. *Journal of Economic Literature*, *48*(1), 58-107.

Al-Abdallah, S. Y. S., Adous, S. M. M., Al-Momany, I. A. A., & Bouguerra, I. (2021). The Impact of Board of Directors Characteristics on Roe and Roa; An Analytical Study in Non-Financial Companies. *Journal of Management Information and Decision Sciences*, *24*(S1), 1-9.

Al-Gamrh, B., Ku Ismail, K. N. I., Ahsan, T., & Alquhaif, A. (2020). Investment opportunities, corporate governance quality, and firm performance in the UAE. *Journal of Accounting in Emerging Economies*, *10*(2), 261-276.

Al-Najjar, B. (2014). Corporate governance, tourism growth and firm performance: Evidence from publicly listed tourism firms in five Middle Eastern countries. *Tourism Management*, *42*, 342-351.

Arsezen, P. (2017). An Analysis of the Relationship Between Workaholism Behavior in Tourism, Job Satisfaction, and Business Performance, and the Mediating Role of Emotional Commitment to the Organization: A Case Study of Managers in Five-Star Accommodation Enterprises in Antalya.

Balaguer, J., & Cantavella-Jordá, M. (2002). Tourism as a long-run economic growth factor: The Spanish Case. *Applied Economics*, *34*(7), 877-884.

Baltagi, B. H. (1995). *Econometric Analysis of Panel Data*. John Wiley & Sons Ltd.

Bycio, P., Hackett, R. D., & Allen, J. S. (1995). Further assessments of Bass's (1985) conceptualization of transactional and transformational leadership. *Journal of Applied Psychology*, *80*, 468478.

Bzeouich, B., Lakhal, F., & Dammak, N. (2019). Earnings management and corporate investment efficiency: Does the board of directors matter? *Journal of Financial Reporting and Accounting*, *17*(4), 650-670.

Chen, M. H. (2010). The economy, tourism growth and corporate performance in the Taiwanese hotel industry. *Tourism Management*, *31*(5), 665-675.

Chung, C.-N., & Luo, X. (2008). Institutional logics or agency costs: The influence of corporate governance models on business group restructuring in emerging economies. *Organization Science*, *19*(5), 766-784.

Dezső, C. L., & Ross, G. D. (2008). *Girl Power, Female Participation in Top Management and Firm Performance*. Robert H. Smith School Research Paper. Retrieved from http://ssrn.com/abstract=1088182

Douma, S., George, R., & Kabir, R. (2006). Foreign and domestic ownership, business groups, and firm performance: Evidence from a large emerging market. *Strategic Management Journal*, *27*(7), 637-657.

Dristakis, N. (2004). Tourism as a long-run economic growth factor: An empirical investigation for Greece using causality analysis. *Tourism Economics*, *10*(3), 305-316.

Dumitrescu, E.-I., & Hurlin, C. (2012). *Testing for Granger Non-Causality in Heterogeneous Panels*. Economic Modelling, 29, 1450-1460.

Ekonomik Kalkınma ve İşbirliği Örgütü (OECD). (2015). *G20/OECD principles of corporate governance*. Ankara.

Fernández, J. A. S., Martínez, J. M. G., & Martín, J. M. M. (2022). An analysis of the competitiveness of the tourism industry in a context of economic recovery following the COVID19 pandemic. *Technological Forecasting and Social Change*, *174*, 121301.

Galletta, S., Mazzù, S., & Naciti, V. (2021). Banks' business strategy and environmental effectiveness: The monitoring role of the board of directors and the managerial incentives. *Business Strategy and the Environment*, *30*(5), 2656-2670.

García-Gómez, C. D., Demir, E., Chen, M. H., & Díez-Esteban, J. M. (2022). Understanding the effects of economic policy uncertainty on US tourism firms' performance. *Tourism Economics*, *28*(5), 1174-1192.

Goffi, G., Masiero, L., & Pencarelli, T. (2022). Corporate social responsibility and performances of firms operating in the tourism and hospitality industry. *The TQM Journal*, *34*(6), 1626-1647.

Granger, C. W. J. (1969). Investigating causal relation by econometric models and crossspectral methods. *Econometrica*, *37*, 427-438.

Granger, C. W. J., & Newbold, P. (1974). Spurious regressions in econometrics. *Journal of Econometrics*, *2*(2), 111-120.

Greene, W. H. (2002). *Econometric Analysis.* (Fifth Edition). Prentice Hall.

Gregory, H. J., & Simms, M. E. (1999). *Corporate Governance: What It Is And Why It Matters.* 9th International Anti-Corruption Conference, Durban, South Africa.

Gujarati, D. N., & Porter, D. C. (2010). *Econometrics.* McGraw-Hill.

Gunduz, L., & Hatemi-J, A. (2005). Is the tourism-led growth hypothesis valid for Turkey? *Applied Economics Letters*, *12*(8), 499-504.

Hyarat, H., Husin, N., & Jos, R. (2024). The impact of the board of directors on companies' performance: The moderating role of ownership concentration. *Journal of Governance and Regulation*, *13*(1), 241-252. https://doi.org/10.22495/jgrv13i1art22

Im, K. S., Pesaran, M. H., & Shin, Y. (2003). Testing for unit roots in heterogeneous panels. *Journal of Econometrics*, *115*, 53-74.

Iwasaki, I. (2008). The determinants of board composition in a transforming economy: Evidence from Russia. *Journal of Corporate Finance*, *14*(5), 532-549.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305-360.

Kanca, O. C. (2015). Turizm Gelirleri ve Ekonomik Büyüme: Türkiye Örneği. *Marmara Sosyal Araştırmalar Dergisi*, *8*, 1-14.

Katircioglu, S. T. (2009). Revisiting the Tourism-led-growth Hypothesis for Turkey Using the Bounds Test and Johansen Approach for Cointegration. *Tourism Management, 30*(1), 17-20.

Katircioglu, S. T. (2014). International Tourism, Energy Consumption, and Environmental

Pollution: The Case of Turkey. *Renewable & Sustainable Energy Reviews*, *36*, 180-187.

Kim, H. Y., Chen, M. H., & Jang, S. C. (2006). Tourism expansion and economic development: The case of Taiwan. *Tourism Management*, *27*(5), 925-933.

Lee, C. C., & ve Chien, M. S. (2008). Structural breaks, tourism development and economic growth: Evidence from Taiwan. *Mathematics and Computers in Simulation*, *77*(4), 358-368.

Levin, A., Lin, C. F., & Chu C. (2002). Unit root tests in panel data: Asymptotic and finite-sample properties. *Journal of Econometrics*, *108*, 1-24.

Maddala, G. S., & Wu, S. (1999). A Comparative Study of Unit Root Tests with Panel Data and a New Simple Test. *Oxford Bulletin of Economics and Statistics*, *61*, 631-652.

Marimuthu, M., & Kolandaisamy, I. (2009a). Can demographic diversity in top management team contribute for greater financial performance? An empirical discussion. *Uluslararası Sosyal Araştırmalar ergisi* (*The Journal of International Social Research*), *2*(8), 273-286.

Marimuthu, M., & Kolandaisamy, I. (2009b). Demographic diversity in top level Management and its implication on firm financial performance: An empirical discussion. *International Journal of Business and Management*, *4*(6), 176-188.

Menteş, S. A. (2011). An analysis on relationship between board size and firm performance for Istanbul Stock Exchange (ISE) National Manufacturing Index Firms. *Namık Kemal Üniversitesi Sosyal Bilimler Enstitüsü Sosyal Bilimler Metinleri 3*, 1-21.

Ongan, S., & Demiroz, D. M. (2005). The contribution of tourism to the long-run Turkish economic growth. *Ekonomický časopis/Journal of Economics*, *53*(9), 880-894.

Pfeffer, J. (2019). Size and composition of corporate boards of directors: The organization and its environment. In R. I. Tricker (Ed.), *Corporate Governance* (pp. 53-64). Gower.

Proenca, S., & Soukiazis, E. (2008). Tourism as an economic growth factor: A case study for Southern European countries. *Tourism Economics*, *14*(4), 791-806.

Public Disclosure Platform (2024). *Data Services*. Retrieved January 20, 2024 from https://www.mkk.com.tr/en/corporate-governance-services/pdp-public-disclosure-platform

Riaz, A., & Haider, M. H. (2010) Role of transformational and transactional leadership on job satisfaction and career satisfaction. *Business and Economic Horizons*, *1*, 29-38.

Saito, R., & Dutra, M. G. L. (2006). Boards of directors of publicly-held companies in Brazil: Profile and implications for minority shareholders. *Corporate Governance*, *14*(2), 98-106.

Seetanah, B. (2011). Assessing the Dynamic Economic Impact of Tourism for Island Economies. *Annals of tourism research*, *38* (1), 291-308.

Topçuoğlu, Ö., & ve Bozkurt, E. (2013). Türkiye'de Ekonomik Büyüme ve Turizm İlişkisi. *Gümüşhane Üniversitesi Sosyal Bilimler Enstitüsü Elektronik Dergisi*, *4*(7), 91-105.

Türkcan, B. (2018). Türkiye'de İç Turizm Harcamaları ile Ekonomik Büyüme İlişkisi. *Efil Journal*, *1*(1), 158-171.

Turkish Statistical Institute (2024). *Statistical Data Portal*. Retrieved January 25, 2024 from https://data.tuik.gov.tr/Kategori/GetKategori?p=Ticaret-ve-Hizmet-115

UNWTO. (2023). *Tourism Data & Statistics*. Retrieved December 20, 2023, from http://www.unwto.org

Wooldridge, J. M. (2013). *Introductory Econometrics: A Modern Approach.* (Fifth Edition). Cengage Learning.

Wright, M., Filatotchev, I., Hoskisson, R. E., & Peng, M. W. (2005). Strategy research in emerging economies: Challenging the conventional wisdom. *Journal of Management Studies*, *42*(1), 1-33.

Young, M. N., Peng, M. W., Ahlstrom, D., Bruton, G. D., & Jiang, Y. (2008). Corporate governance in emerging economies: A review of the principle-principle perspective. *Journal of Management Studies*, *45*(1), 196-220.

Received: January 2024, revised: August 2024