

A Mata-Analysis of The Corporate Governance Impact on Foreign Direct Investment in Kuwaiti Financial Sector

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Abstract
This study uses mata-analysis of the existing empirical research to identify and interpret multiple dimensions of the relationship between corporate governance and foreign direct investment in the financial sector of Kuwait. Previous studies are more focused on regression analysis and rarely any holistic interpretations are generated towards a collective understanding of these relationships. There are two main focal findings emerged in this study. Firstly, the study has shown variant correlations across sixty-seven different studies, showing temporal and regional differences for the relationships between CG and FDI. Secondly, the study had compiled a collective list of fourteen components of CG and FDI in the sixty-seven different studies. These components are linked back to a unified theoretical lens developed based on agency and stewardship. The study suggests that both theoretical and practical attempts towards relating CG to FDI, particularly in the financial sector be looked at the factors where there are agency hazards but at the same time a trust component is operating. Therefore, factors such as related to the nationality of foreign investors and perception of the same in the locality are significant to be explore more in future.
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Introduction
Recently the role of Corporate Governance (CG) in strengthening managerial entities in terms of its relationships with legitimate stakeholders (Tricker & Tricker, 2015). CG dictates systematic policies, rules, and practices to the board of directors and managers by screening internal and external factors and is available with financial and operational efficiency (Mitchell, 2017). Therefore, well-defined CG is crucial for financial well-being of business and its growth (Lange et al., 2017). CG, nevertheless, demands an increased focus ownership structure (Almujamed & Alfraih, 2020), such as it being dispersed or concentrated, will affect governance quality (Abdallah & Ismail, 2017). In the gulf and MENA regions, a more dispersed ownership from foreign sources and its collaboration of Government and local firms appraise financial performance (Bunn, 2022). This is, perhaps, largely because a foreign direct investment (FDI) of an entity promotes business interests and controls ownership in a business in the host country in the form of both vertical and as well as horizontal FDI (Krajewski, 2019). It is, therefore, FDI is found to be contributing significantly to the economy (Azam et al., 2014; Padia, 2019; Raza et al., 2021)

Previous studies have researched the relationships of CG and FDI in isolated inquiries(), with rarely any efforts to consolidate these results towards a more theoretically guided and unified framework. This is particularly critical in emerging markets (Gök, 2020). Therefore, this paper aims bridge the factors of CG practices CGs MENA region (Uyar et al., 2019), using a mata analysis of the existing studies and thus derive a more unified framework related to the moderating role of corporate governance and quality governance contributes to FDI and financial development (Islam et al., 2020). Through mata analysis, this paper firstly interprets the role of FDI and factors that regulated FDI in the Kuwait financial institutions (KFIs). Second to identify the constraints to the efficacy of CG and its relationship with FDI. Thirdly, it explores the status of CP and future implications in Kuwait. Finally, it determine the relationship between CG for attracting FDI in the financial sector of Kuwait.

This study and its mata-analysis approach are inspired the available literature authenticates the positive relationship between related factors such as market size, human capital, infrastructure, financial development, and geographical location and FDI, but the results related to role of corporate governance and financial markets performances in Kuwait is neglected in a national context (Hossain & Zayed, 2017). The distinguishing factor of the study underlines the application of FDI in the financial sector in Kuwait and its contribution to economic and financial well-being through a mata-analysis approach using theoretical underpinning for unified generalizability. The financial sector is of particular interest because the resilient performance of the banking sector gauges corporate governance practices and reforms and showcase contribution towards FDI. The upgrade of Kuwait as an emerging economy has affirmed foreign investor attractiveness and improved performance among GCC countries. It has been interpreted that adaptation to CG and nurturing the private sector cultivates profitable economic contribution. The heavy reliance on oil curtails the economic well-being where price fluctuations reduce profitability and contract margins. The Kuwait Vision 2035 affirms economic diversification to neutralize reliance on Corporate Governance and overcoming adversities. Foreign investors also look for policy reforms and adaptation to modern standardized procedures for boosting inflows and investments and diversifying the economy to non-oil sectors (Olver-Ellis, 2020). Kuwait is perceived to be a state-owned and family-owned business that restricts corporate practices and governance. The diminishing differences between State-owned and private-owned enterprises feature high-quality governance and market orientation (Grøgaard et al., 2019). The competitiveness among GCC requires strict internal audit and control for maximizing performances and reaping the benefits of strengths.

Theoretical background

The theory of CG aims to overcome the governance challenges and discern relationships between stakeholders. The discipline of CG contributes to development and provides a snapshot to further develop these theories (Mallin, 2016). Primarily, two perspectives are popular. First is the agency theory, which argues on shareholders' wealth maximization and hold board of directors responsible for acting as agents of the shareholders (Chapple et al., 2020). The underlying factor of agency problems is related to agent and principal, where Steven Ross (1973) defined agency relationship as: "An agency relationship has arisen between two or more parties when one, designated as the agent (acts for, on behalf of, or as representative of) other, designated as principal, in a particular domain of decision problems" (Thomsen & Conyon, 2019). The agency theory promotes the principal (shareholders) of company hires and delegate agents (board of directors) to carry out business activities and agents are entitled to confer decision making in best interest of principals. The critiques oppose agency theory on the fact that agents may prefer self-interests and their opportunistic behavioural implications may disintegrate with principal and may result in agency cost (Aras & Ingley, 2016; Kausar Alam et al., 2019).The conflicts of interests are managed through settling proxies of agency costs and governing the relationship of agent and principal. The agency theory supports aligning agents' interests with principals and minimizing agency costs (Aras & Ingley, 2016).

Secondly, the stewardship theory entrusts directors and company executives with stewards who are designated to safeguard stakeholders' wealth maximization through firm performance (Mallin, 2016). The motivation and satisfaction encourage corporate success and confers autonomy of activities for collective attainment of organizational objectives and complement intrinsic factors. The role of professional managers is extended in corporate governance against owners for managing complexities. The theory opposes conflicts of interests and empowering corporate control for maximizing corporate profit (Bainbridge & Todd Henderson, 2018). These two theoretical perspectives are particularly important for the Kuwaiti economy in-terms of the new CG requirements and its use for enhancing FDI.

The need for CG enhancement in Kuwaiti economy

These two In the Kuwait economy it has been depicted the resilient performance after financial crisis 2008-2009 and large-scale projects are likely to fuel FDI. The FDI inflows tapped $ 104 million in 2019 with major decline on YoY basis due to less economic diversity and unexpected drop in oil prices. The government financial support with policy reforms and law amendments complemented foreign ownership, taxation laws and infrastructure development. The inculcation of CG is likely to reduce state intervention and private sector development. The four year FDI data represents \$3.2 billion direct investment between 2015 and March 2019 accompanies by \$514 million during April 2019 and March 2019 (Butter, 2020; Grais, 2012).The new Kuwait vision 2035 announced growth prospects for Kuwait and the country is undergoing through transitional process based on seven pillars and five strategic directions. The vision 2035 cultivates transparency, accountability, and efficiency where administrative and bureaucratic reforms intend to complement FDI in Kuwait (Chaichan & Kazem, 2018). The Kuwait's economic performance on Ease of Doing Business index is prospering and Getting Credit and Enforcing contracts are nourishing where Kuwait is attracting FDI with strong institutional and investor-friendly regulations. In addition to that, Trading across Borders index has also positive influence on FDI inflow and Kuwait's policy reforms are economic catalysts for boosting efficiency and Kuwaiti government plans to spend \$ 32 billion in investment projects including New Refinery (\$ 16 billion), Clean Fuel project (\$ 13 billion), New Mubarak port (\$7.9 billion), international airports expansion (\$ 5.8 billion with rail and metro development) (Caetano, 2020). Insolvency, taxation and legal system, dispute settlement and rule of law are areas of improvement in Kuwait which ensure transparency for FDI. The credit reporting system, effective collateral and bankruptcy laws also need attention for securing legal rights of investors to articulate security. The domestic legal and procedural restrictions are also hindering FDI which require corrective actions (Chaichan & Kazem, 2018). Structural reforms, political instability, oil-reliant economy, state intervention, business restrictions for foreign ownership are key development areas in Kuwait to encourage FDI.

The CG driven FDI in Financial sector of Kuwait

The financial sector of Kuwait is dominated by banking sector with 23 banks where foreign banks operates through branches and accounts for 4% of consolidated banking assets. The non-banking financial sector infuses investment companies, which are declining since GFC, and insurance sector is also facing shocks with a nominal 1% contribution to GDP. The Islamic banking and finance holds the major share and banks have high concentrations to single borrowers, large depositors, and sectors. The risks of banking sector are external stemming from fluctuations in oil prices, geopolitical tensions, and global financial developments (Nunn, 2022). Kuwait's banking sector has showcased resilient performances among GCC peers in the current unexpected price fluctuations in oil sector and Covid-19 breakout. The central bank of Kuwait has curtailed its discount rates by a cumulative 125bp to reduce the cost of lending and supporting domestic growth. The banks also strongly holds liquidity with government support as liquidity in Kuwait is independent to foreign remittances and external funding and banks with adequate capital ratios and precautionary reserves are likely to absorb unexpected losses without consuming capital (Alnashmi et al., 2022) The adoption of vision 2035, encourages economic diversification and therefore foreign ownership and tax benefits are enabled, which are likely to facilitate FDI. With stable growth, the banking sector has the capability to lead and manage Kuwait's large projects and provide opportunities for foreign ventures. The opening of bond market will also attract FDI where legal and policy reforms will allow the issuance of 30-year bonds and issuance of sovereign Sukuk or Islamic bonds (Augustine, 2022)

In this emergent Kuwaiti context, the new CG practices will play a significant role in realising the FDI in future. Next some key components of the CG are discussed.

Board of Directors & Audit Committee

The board of director is recognised as internal instrument for CG. It is argued that willingness and abilities of board members regarding the monitoring of efficient role is relied on board size and board independence. Large number of directors can lead to dysfunctional board and fail to assess the important policies of firm (Awadh & Alareeni, 2018), whereas less numbers of board members are cost efficient and less effective. The agency theory criticise, a greater number of board members as it can be perceived as symbolic mechanism of governance and eventually turned out to be the management part, because maintenance of effective monitoring, the companies are required to escalate the board size (Agyemang et al., 2019). Similarly, independence, size, duality of CEO has significant effect on performance of company. The duality of board can be referred as the situation where chairman of board is also performing the role of CEO simultaneously. The Chairman and CEO can be held by two different individuals, it can enhance the monitoring quality (Alfraih & Almutawa, 2017). It is, however, also criticised from the resource dependency and stewardship point of view, as such a duality is useful for promotion of flexible and more focused leadership. It is also useful for facilitation of effectiveness of organisation in dynamic environment of business (Haque et al., 2016). As the effect, performance of company might boost up. The empirical literature examine the impact of duality of board on performance of company and yield inconsistent and mixed results (Dibra, 2016), thus show the relevance of both perspectives. The board duality variable is mainly subjected to past performance of company.

The composition of audit committee is, however, highly significant for improved level of CG. It is useful for monitoring and assessment of financial reporting reliability of companies. The audit committee and board of director are founded for monitoring of behaviour of management and ascertain that manager can act for the best interest of shareholders instead of self-interest. It has also revealed, the perspectives of agency theory that audit committee can be useful for reduction of conflict of interest among managers and shareholders. The role, significance and contribution of corporate governance are obvious for mechanism of corporate governance among different states.

The board of directors are allocated on the basis of suggestion of shareholders who are controlling and who represent the interest incurred the misalignment of interest among foreign shareholder and controlling shareholders. The control and ownership are not separated, based on duality where domestic shareholders can be affiliated frequently with expectation that foreign shareholders would lead to independent monitoring and efficient management (Tsang et al., 2019). The foreign shareholders tolerate the liabilities of foreigners with respect to accessibility of information that can lead to their preference for accountability and transparencies for better and improved CG. Therefore, global structure of governance can be enhanced by foreign investors and play essential role for raising the value of firm by enhancement of company's reputation in market and provides the roadmap for attributed foreign domestic investment (Garas et al., 2017).

Foreign Ownership

The Kuwaiti firms are surrounded by state-owned, dominant family, individuals and institutional investors and foreign ownership strict laws restrict corporate governance implications and FDI inflow (Alanssari, 2019). The firms with concentrated ownerships are more likely to alleviate conflict of interest between agent and principal (Fang et al., 2019). The ownership structure supports corporate governance policies and objectives for enhanced control (Hassan & Marimuthu, 2015). The contribution of FDI with Foreign ownership, on the other hand, is positive and it encourages market growth, trade openness, and infrastructure developments. However, Kuwait is evaluated to restrict foreign ownership to secure its natural oil-rich reserves (Zidi & Ben Ali, 2016). Foreign ownership contributes to CG implications in banking sector and complements cost effectiveness (Fang et al., 2019). The foreign ownership reduces the bank opacity, with implications of CG and yields regulators and governments' facilitation which ultimately cultivates FDI and foreign investment. This interpretation of FDI in Kuwait more focusing on the oil reserves and rely less on FDI. Whereas, under vision 2035, the concentration for economic diversification encourages foreign ownership and therefore Kuwait is undergoing policy reforms and laws amendments to facilitate foreign ownership under Law No.116/2013, Law #74/1979 (Real Estate ownership law), and Law #68/1980 (Article 23/24 of Kuwaiti Commercial Code) under Royal Decree no 694/2018. The foreign investor or holding group entitles to own up more than 49% of Consumer and Retail, Healthcare, Telecom and Technology sector (Lopez & Bendix, 2020). Amendments in laws facilitated foreign ownership with tax breaks and other related benefits to encourage FDI. Under the policy reforms and law amendments, foreigners are allowed to own more share in financial sectors and Kuwait is attempting to loosen its capital market rules to attract foreign investors in Kuwait.

The state-owned Kuwait firms' structures are more likely to be replace oil-reliance and with adaptation of CG initiatives, the economic diversification is progressing (Council et al., 2030). It has been identified that Kuwait's economy be declared as an emerging economy which is likely to adopt policy reforms and foreign ownership laws are creating transitions for complementing corporate governance (Elfeituri, 2018), where FDI and CG are likely to inter-relate and reducing the barriers of inter-relatedness.

Corporate Governance Mechanism

The Corporate governance mechanism promotes accountability, transparency, justice, and integrity which is deployed in Kuwait's financial sector for regulating growth prospects and encouraging Islamic and Sharia compliant banking. The corporate governance policies, values and framework has been encouraged for risk management, disclosure, and transparency (Alfraih & Almutawa, 2017; Salin et al., 2017) favoured voluntary disclosure for ensuring transparency and concluded its effectiveness for corporate governance. Internal audit is important for corporate governance policies for facilitating foreign investment (Alhajri, 2017). It has been evaluated that protection of investor rights, transparency, workforce talent and economic openness attracts FDI and Kuwait's growing corporate governance initiatives serve the factors and FDI is likely to increase as an outcome of corporate governance mechanism (Czech & Wielechowski, 2021).

The CG and business ethics practices in Kuwaiti banks and listed companies are found consistent enforcement and governance mechanism requires attention.(Khaled et al., 2020). CG with strict monitoring and supervision can reduce the negative implications of governance in Kuwaiti financial sector. The Kuwait's inclination for strengthening investor's protection rights and enhancing corporate information disclosure resonate with corporate governance policies and complement FDI. The quality of innovation, corporate governance contributes to FDI inflow in emerging economies and cultivates profitable performances (Kayalvizhi & Thenmozhi, 2018). The FDI Influx will cover the corporate governance and positive relationship will encourage the investment opportunities and strengthen the relationship (Stănilă, 2021).

Economic development

FDI is an encouraging impetus of economic development for elevating competitiveness and GDP growth (Hakimi & Hamdi, 2017). It is argued that corruption limits FDI and Kuwait is observed to face governance issues triggered by corruption and adaptation to corporate governance can alleviate the adversities (Alrashidi, 2020). The economic environment of Kuwait facilities FDI as it ranks higher for business perception, economic fundamentals and institutional framework accompanied by financial services sector. The financial access and financial depth are adequate to support economic development. The role of institutional framework in Kuwait is strong to regulate the economic performance and related to corporate governance implications. The transparency, innovation, investor rights and governance require attention which regulates the FDI and encourage foreign investors. The Kuwait's vision 2035 aims to facilitate economic development and corporate governance to reduce the barriers of FDI (Olver-Ellis, 2020).

The relationship of economic growth and FDI is interpreted and a causal relationship between FDI and economic growth has been found (Abdouli & Hammami, 2020). The increase in FDI is facilitated through cost of economic development by introducing favourable conditions for FDI inflow. The increase of Kuwait in "Ease of Doing Business" complements FDI and Kuwait is also committed to minimize its solvency risk and showing recovery. The quality of judicial process index also ranks Kuwait as 7.5 which is quite adequate to fetch FDI (Dkhili & Dhiab, 2018). There is positive relationship of economic growth and FDI and contributes to corporate governance. it has been studied that economic well-being has a positive impact on FDI and corporate governance and linked with both positively. The economic performance of Kuwait is considered contributory to corporate governance and FDI inflow.

Research Methodology

This paper employs a mix of qualitative and quantitative approaches to analysis mata analysis procedure (Gravetter & Forzano, 2016). The meta-analysis considers qualitative and quantitative factors and draws conclusions based on rigorous analysis of carefully selected studies in a discipline (Cleophas & Zwinderman, 2017). The research study has followed ethical considerations and focuses on limitations to assess CG and FDI in Kuwait's financial sector. The research is presumed to contribute to economic diversification and recommends financial sector development in Kuwait to fetch FDI. The key factors of board independence, foreign ownership, transparency, accountability and security, corporate objectives, and corporate culture determine good governance. The consumer attitudes towards environmental, social, and governance (ESG) also incite corporate governance codes and Kuwait financial sector is likely to adopt policy reforms and legislative compliance. The research study aims to encourage shareholders' involvement, foreign investors, employees, customers, and internal and external market forces that regulate economic performances.

This study has approached different relevant articles in Google Scholar, EBSCOhost, ProQuest, Emerald, and others to evaluated studies having findings related to CG impact on FDI in Kuwait financial sector. The process was deployed with the help of key words including as FDI, foreign direct investment, corporate governance, board of director, foreign ownership based on specific state of Kuwait. However, it was challenging to gather all information from Kuwait, therefore, data were gathered from Arab region such as GCC countries, Saudi Arabia, and global level. The relevant strategy provided 67 articles that are published in referenced academic journals. The relevant articles comprises of different pertinent variables related to corporate governance that are generally utilized by researcher in discipline of associated research about the foreign domestic investment. Nevertheless, the research is restricted to different articles that contain pearson correlation for the purpose of analysis and correlation score among different independent and dependent variables are tabulated and coded.

Analysis & Results

We followed Hedges-Olkin Meta-Analytical (HOMA). HOMA intends for the recognition of consistencies of outcomes, which are recognized as random and fix effects. The fixed effect models assume of homogeneity, whereas that random model is based on heterogeneity among research outcomes. As the characteristic of data of this research gathered from articles utilized diver's dependent variable measurement, therefore, utilization of random effect for analysis of data is more suitable and appropriate. Random effect is based on highly realistic presumptions (Endrikat et al., 2014). Furthermore, the R also called as Pearson Product-Moment Correlation is selected as effect size for further analysis process. The fundamental argument for choice of this procedure is based on the fact that measurement is more scale –free and interpreted easily with respect to linear relationship. Hence, it is widely used in meta-analytical research. In HOMA test, the optimal effect size measure is based on inverse weight variance whereas usage of relevant weights, the endeavour of meta-analysis intends on standard error, effect size and confidence interval that can be computed in more precise manner.

The meta-analysis is based on quantification of results from similar but separate studies and offers an extensive estimation of explicit impact of interest. In these methods, varied weightage are allocated to different research for computation of pooled or summary effect. The weightage is affiliated with inverse of standard error or sample size in indirect manner as mentioned in studies. The studies having large sample size and lower standard error are allocated with more weightage in computation of effect size (pooled).

The fixed effect model assumes that research can share summary effect and general true effect based on estimation of size of common effect. In random effect model the true effect diverge among summary effect and among studies and based on weighted average of reported effect in varied studies (Hang et al., 2018). The random effect intend to provide more conventional estimation in terms of broader confidence interval, however, the outcomes from two models in generally varied when there is lack of heterogeneity. For heterogeneity, random effect is mostly favoured. The forest plot is based on outcome of varied outcomes with total effect and 95% CI that are graphically demonstrated in the form of forest plot. Software named “MedCalc” is used for the relevant research project for performing the meta-analysis. This software utilized the HOMA test based on the Hedges-Olkin for computation of correlation coefficient weighted summary based on fixed effect. It also utilized the “Fisher Z- transformation” regarding the correlation coefficients. In addition, the heterogeneity statistic can be integrated. The data related to different studies can be entered in spread sheet. The no. of cases comprises of different variable contained the total cases in varied studies. The correlation coefficient comprises of variable contained the reported correlation coefficient in varied studies.

S. No.	Variables	Measurement
1	Corporate risk disclosure (CRD)	CRD is related with the statement of information communication.
2	Board Independence	Proportion of foreign ownership across the board
3	ROA	ROA is the indicator of profitability of company as compared to total assets.
4	Foreign Ownership	Proportion of owned shared for foreign investors.
5	Foreign direct investment	FDI role is critical for reduction in poverty and development of state. It is also considered as economic growth engine.
6	Corporate governance mechanism	Corporate Governance Perception Index
7	Board Size	Number of board members
8	Institutional Ownership	Proportion of share possessed by institution
9	Government Ownership	Proportion of share held by government
10	CEO Duality	It entails the situation when board position for CEO and chairman are occupied by one individual.
11	Audit Committee	It comprises of dynamic monitoring mechanisms for assistance in internal responsibilities.
12	GDP	Monetary value of wholly finished goods /services for particular period.
13	Inflation	It is persistent rise of general level of price an economy over specific time period.
14	Economic Development	It comprises of Welfare & Growth values

Table 1: Measurement of variables

The following results are obtained from the meta-analysis conducted with the help of software.

Study			Fixed	Random
Omer Saeed , 2017	0.241	0.133 to 0.344	3.28	3.39
Agyemang, 2016	0.627	0.388 to 0.787	0.39	2.89
Seth, 2020	-0.155	-0.592 to 0.352	0.15	2.28
Nor Asma Lode , 2018	0.543	0.343 to 0.696	0.66	3.1
Fisayo, 2019	0.48	0.175 to 0.701	0.34	2.83
Ghassan, 2016	0.83	0.0565 to 0.981	0.032	1.01
Padachi, 2017	0.34	0.0129 to 0.601	0.36	2.85
Shakib, 2017	0.54	0.363 to 0.679	0.83	3.17

Table 2: Meta-Analysis

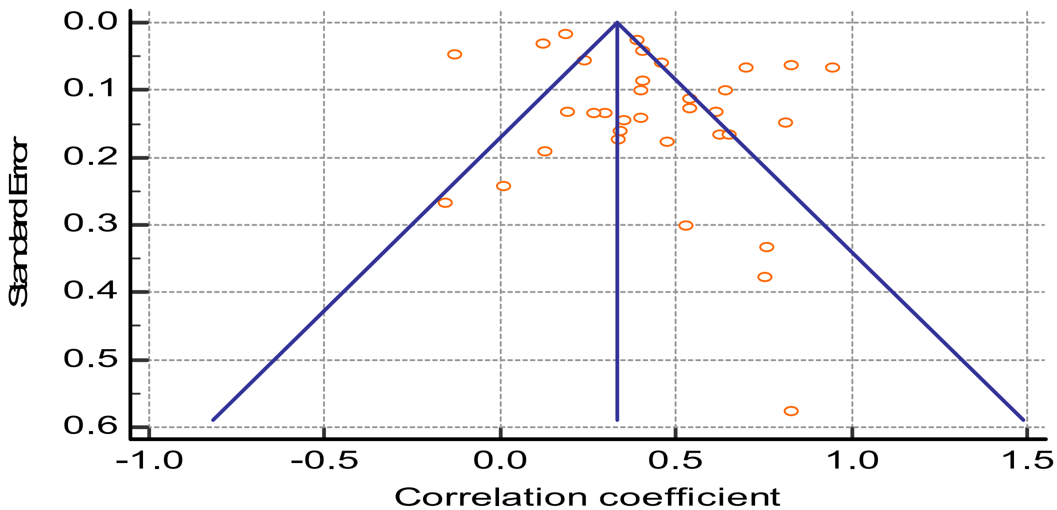
Q	1067.7804
DF	33
Significance level	$P < 0.0001$
I^2 (inconsistency)	96.91%
95% CI for I^2	96.31 to 97.42

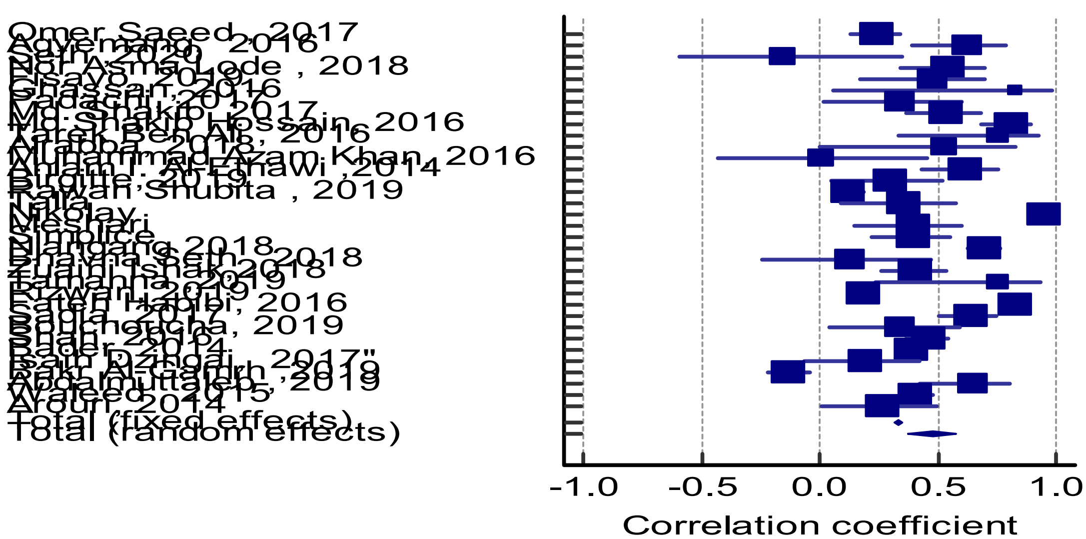
Table3: Test for heterogeneity

Test for heterogeneity comprises of different values such as Heterogeneity Cohran's Q where the value of Q is based on weighted sum of square across the standardised scale. It is associated with-value as low value of P-revealed the existence of heterogeneity. Q is more feasible for testing heterogeneity when there is large number of studies. The value of I_2 statistic shows the proportion of total observed variation that is because of real heterogeneity instead of change. It can be computed as

$$I2 = 100\% * (Q - df)/Q$$

Where, Q is known as Cochran's heterogeneity statistic and df has been referred as degree of freedom. Negative 12 values are place equivalent to zero and 12 lie among the range of 0% to 100%. A zero value revealed that there is no heterogeneity whereas for the relevant case, the value is found to be 96.91% that entails that there is maximum heterogeneity.





The descriptive statistics for correlation coefficient is shown in following table.

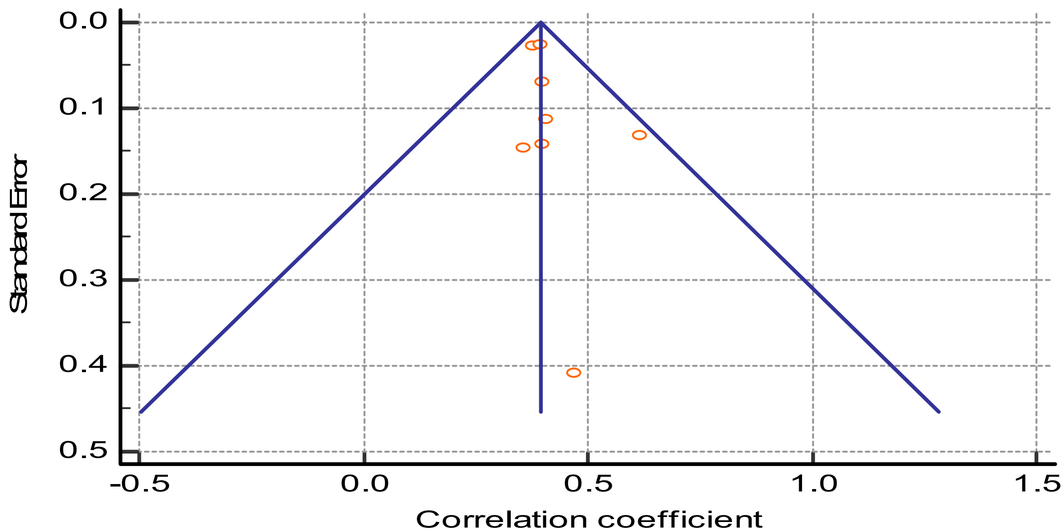
Variable	Correlation Coefficient
Sample size	34
Lowest value	-0.1552
Highest value	0.9500
Arithmetic mean	0.4398
95% CI for the Arithmetic mean	0.3445 to 0.5351
Median	0.4100
95% CI for the median	0.3441 to 0.5562
Variance	0.07462
Standard deviation	0.2732
Relative standard deviation	0.6211 (62.11%)
Standard error of the mean	0.04685
Coefficient of Skewness	-0.2620 (P=0.4949)
Coefficient of Kurtosis	-0.2987 (P=0.8223)
D'Agostino-Pearson test for Normal distribution	accept Normality (P=0.7725)

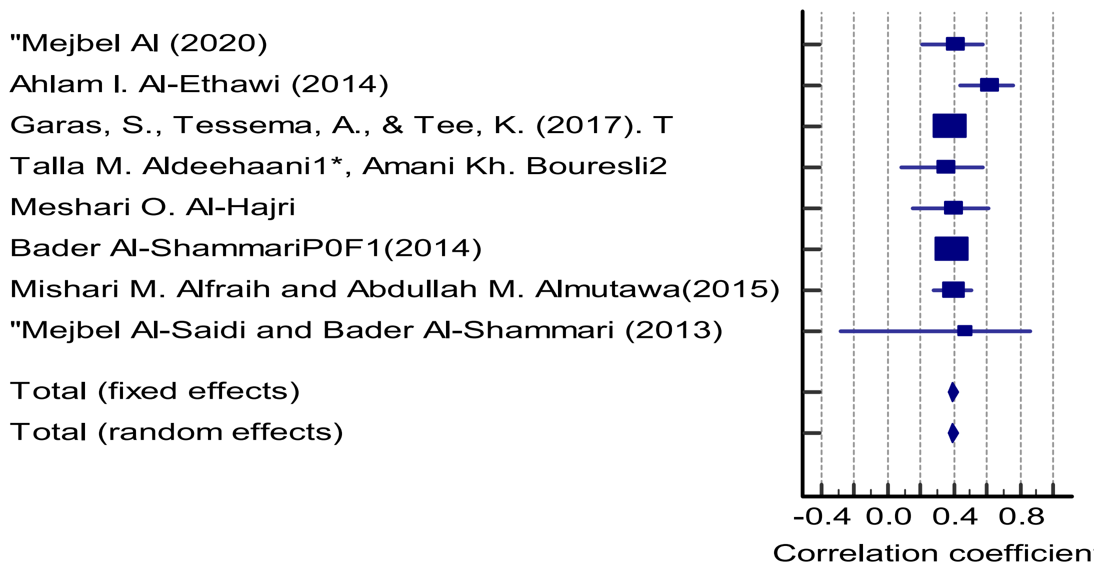
Table 4: descriptive statistics for correlation coefficient.

The software has listed the findings of individual studies considered in meta-analysis. It comprises of cases, 95% confidence interval and number of cases. The pooled value of R is provided for both random effect and fix effect. The random model intend to provide more conservative estimation with broader confidence interval, however, the results of two model agree generally when there is lack of heterogeneity. In case of presence of heterogeneity, random effect model is mostly considered. Moreover, the outcome of varied studied and pooled value of R has shown in the form of forest plot. Only few articles are related with the relevant with Kuwait. The meta-analysis is separately performed for determining the impact of corporate governance on FDI in Kuwait.

Authors	**Countries**	**Sample Size**	**Pearson (R-Value)**
Mejbel Al (2020) Saidi	Kuwait	81	0.41
Ahlam Al-Ethawi (2014)	Kuwait	60	0.619
Garas, Tessema, A., & Tee, K. (2017)	Kuwait		0.38
Talla Aldeehaani1, Amani Kh. Bouresli	Kuwait	50	0.356
Meshari Al-Hajri	Kuwait	53	0.4
Bader Al-Shammari(2014)	Kuwait	1461	0.394
Mishari Alfraih and Abdullah Almutawa(2015)	Kuwait	206	0.4
Mejbel Al-Saidi and Bader Al-Shammari (2013)	Kuwait	9	0.47

Table 5: Studies for Meta-Analysis of Kuwait


0.0
0.1
0.2
0.3
0.4
0.5
Standard Error
-0.5
0.0
0.5
1.0
1.5
Correlation coefficient


"Mejbel Al (2020)
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Garas, S., Tessema, A., & Tee, K. (2017). T
Talla M. Aldeehaani1*, Amani Kh. Bouresli2
Meshari O. Al-Hajri
Bader Al-ShammariP0F1(2014)
Mishari M. Alfraih and Abdullah M. Almutawa(2015)
"Mejbel Al-Saidi and Bader Al-Shammari (2013)
Total (fixed effects)
Total (random effects)
-0.4 0.0 0.4 0.8
Correlation coefficient

Variable for studies	Study
Variable for number of cases	N
Variable for correlation coefficients	Correlation_Coefficient

Study	Sample size	Correlation coefficient	95% CI	z	
"Mejbel Al (2020)	81	0.410	0.210 to 0.577		
Ahlam I. Al-Ethawi (2014)	60	0.619	0.433 to 0.754		
Garas, S., Tessema, A., & Tee, K. (2017). T	1302	0.380	0.333 to 0.426		
Talla M. Aldeehaani1*, Amani Kh. Bouresli2	50	0.356	0.0862 to 0.577		
Meshari O. Al-Hajri	53	0.400	0.145 to 0.605		
Bader Al-ShammariP0F1 (2014)	1461	0.394	0.350 to 0.436		
Mishari M. Alfraih and Abdullah M. Almutawa (2015)	206	0.400	0.279 to 0.509		
"Mejbel Al-Saidi and Bader Al-Shammari (2013)	9	0.470	-0.282 to 0.864		
Total (fixed effects)	3222	0.393	0.364 to 0.422	23.517	<0.00
Total (random effects)	3222	0.393	0.364 to 0.422	23.517	<0.00

Test for heterogeneity

Table 6: Analysis of Kuwait specific studies

The above results revealed that value of I^2 for the articles related to Kuwait are found to be 0.00%. The value confirms that there is no heterogeneity for meta-analysis of Kuwait related articles.

Discussion

After reviewing different articles on the basis of selected process, the research identified 14 independent variables. In pre-coded process, it has been confirmed that every independent variable possess identical conceptual manner for the relevant research. The chosen variables that can be utilized for further evaluation have been observed to be the board, size, ownership, governance, political, audit, directors, stability, government & committee. The additional classification of the variables utilized in past research is related with the FDI, ownership, and corporate governance as most dominant phenomenon related with relevant research. Therefore, board size entails the reflection of board composition that aligned with self-capabilities that might have different foundation in small companies as compared to more diverse and large companies. Larger board comprises of outsiders that aid in more vigilant policies of decision make as cost of reputation is higher in contrast to private advantage if the project seems to be highly profitable. The impact of composition of board on performance of company is based on hypothesis for examination of relation among board composition that comprises of performance of firm and independent directors (Agyemang et al., 2019). The results also confirm that independent director have no effect on economic performance of company, however, they revealed that independent director can aid the benefit for maximum transparencies. It is because the appointment of independent director contains positive and significant effect on performance of company (Alfraih & Almutawa, 2017). Whereas the prime responsibility of CEO is based on deployment of strategic decision making. In addition, it is the responsibility of board of director for controlling and monitoring of different decisions perused by CEO.

Further, it is suggested that organizational survival is subjected to separation of control and ownership (Tsang et al., 2019). The management decisions, devoid of deployment of control procedure, are more prone for making decisions which can diverge from the firm organizational interest. In addition, the duality of CEO is used for restriction of dissemination of information towards board members. This will, however, can enhances agency cost as well as can delay the management decision making. It is, therefore, more likely that this duality would diminish the effectiveness of board for promotion of economic value of corporation. In the same manner, it is asserted that turnover of CEO to performance of corporate is lesser if there is unification of both titles (Garas et al., 2017).

In addition, duality of CEO can be perceived as positive indicator, that can lead to an improved corporate performance. It is also observed that companies contain clear vision and explicit leadership that provide clear direction to the company. This instance is also supported by resource dependency and stewardship theory, which reinforce the unified command with respect to CEO roles as well as chairman for facilitation of action that embraced by CEO and eventually lead to improved performance. The analysis of empirical evidence also revealed returns can be improved by integrating the role of chairman and CEO position, because that presence of duality of CEO and director would unify the command and control and consequently lead to greater performance (Garas et al., 2017).

The institutional ownership is projected to moderate the relation among firm performance and common standard of reporting (Haque et al., 2016). The institutional ownership entails, that it enriches the performance of institution and also found that foreign ownership would have positive and significant impact on debt that enhances the accessibility of company towards more financing. It has been confirmed that rise in foreign ownership can boost up the performance of company, while foreign ownership maximize the financial performance. In context of Kuwait, the relation between performance and mechanism of CG for non-financial enterprises across Kuwait have shown a positive relation among role duality and measure of performance of company (Al-Shammari & Al-Sultan, 2009). In context of Kuwait, listed companies are not governed by laws for separating the role of chairman of firm and managing director or CEO. Therefore, it is aligned with theoretical aspects and considering the different companies across the world to integrate both roles. The commercial company law of Kuwait revealed that board of director comprises of not lower than 3 members (Al-Shammari & Al-Sultan, 2009). Hence, the legislator of Kuwait also shows opportunities for selection of adequate size of board in alignment with strategies and needs. As the board size varies across listed firms of KSE, therefore with a greater number of directors on board, it is projected that collaborated expertise, experience as well as qualification will raise the policies of affect disclosure. It can also enhance the prevalence of independent board director and enhances the abilities for releasing greater voluntary information in annual report.

In addition, a large number of directors can enhance the abilities for representation of extensive stakeholder range. In Kuwait, lack of regulation is observed for organisation of non-executive proportion and the legislator left it to be decided by the board for determination of adequate proportion. It is projected, that they intend for the maximisation of wealth of shareholders and aimed for controlling the opportunities attitude of executive directors. In the same manner, the ownership of government is recognised as main element of publicly listed companies of Kuwait. The government have the ownership of mainstream leading companies via different government agencies. Hence, ownership of governmental agencies would have significant impact on disclosure policy because of their evident prevalence overboard of director. The prevalence of governmental members of board can enhance the confidence level of investor across the entire capital market. The effective government have significant impact on foreign investment and negative effect on prevailed foreign ownership.

Conclusion

The purpose of this research was exploring the relation between Foreign Direct Investment and Corporate Governance in Kuwait. The study draws implications for the stewardship theory and agency theory in terms of informing the role CG in enhancing the FDI in Kuwait. The mata analysis suggest, CG of Kuwaiti financial firms is primarily informed by the comments such as corporate risk disclosure, board independence, return on investment, foreign ownership, foreign direct investment, corporate governance mechanism, board Size, institutional ownership, government ownership, CEO duality, audit Committee and other external factors such as the gross domestic products, inflation, and economic development. The meta-analysis is distinctly performed for determining the impact of corporate governance on FDI in Kuwait. It is concluded that FDI can accelerates and proliferate the economic growth by escalating the labour force productivity by inception of sophisticated and new technology. The uninterrupted FDI inflow can be ascertain by needs of developing states to emphasise on adequate governance practices for better accountability, transparency, and enhancement of effectiveness of government. It is suggested that the regulatory authorities and policy makers are required to formulate some proactive and affirmative action for procurance of indicator of governance for reinforcement of foreign and domestic investors as well as enhancement of FDI inflow across developing countries. The domestic and international level regulatory are required to extend the paradigm of corporate governance based on consideration of shareholders interest in long term in addition to self-enforcement of ethical values shareholders. It specifically emphasized on greater professional conduct for encouragement of foundation of sustainable and balance performance. I also evades the unethical and unprofessional conduct of business. As the consequent, it is useful for prevention of crises related to foreign ownership and corporate governance. Whereas, the agency issue, it is suggested to examine the relation among information asymmetry level and foreign ownership in Kuwait. A comparative analysis is also recommended among domestic and foreign investors and provides the vital guidelines. The future research may focus on foreign investor identity and nationality, with respect to foreign ownership and transparent disclosure. Though there are some limitations are identified and may be overcome as the absence of longitudinal data in Kuwait and other Arab countries be more useful. It is recognised as the general issue with different studies and asserted the requirement of high quality and improved data for Arab states. Future research can select corruption incidence as well as press freedom during exploring the relation among FDI and CG. It can also restrict the reliability of outcomes. It is advised to gather few of missing variables from financial statement.

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