Review of Contemporary Business Research
June 2015, Vol. 4, No. 1, pp. 15-23
ISSN: 2333-6412 (Print), 2333-6420 (Online)

Published by American Research Institute for Policy Development
DOI: 10.15640/rcbr.v4n1a2
URL: http://dx.doi.org/10.15640/rcbr.v4n1a2

Ownership Structure, the Board Structure, and Level of Information Disclosure: Views of Corporate Governance

Shin-Tien Chen[1]

Abstract

This research takes a view of corporate governance to discuss the following problem: How will companies' board structure and ownership structure affect their voluntary information disclosure level? To answer the above question, this research adopts stratified sampling from TSEC-listed and OTC-listed firms to select 513 as research sample. On the basis of controlling organization size, organization age, and industry, this research used hierarchical regression model to proceed examination. The empirical results showed as below: (1)Company's stocks percentage held by the government was positively related to non-financial information disclosure level; The higher company's board size was, the higher non-financial information disclosure level was; Stock percentage held by a company's board members was negatively related to non-financial information disclosure level. (2)There were no significant relationships between board structure and ownership structure and financial information disclosure level.

Keywords: The board structure, ownership structure, level of information disclosure, corporate governance

1. Introduction

The quality of corporate governance concerns the rights and interests of stakeholders. For example, the bankruptcy of Enron and the falsifying of expenses by large enterprises such as WorldCom and Merck have triggered a worldwide financial crisis. In Taiwan, the embezzlements and accounts manipulation of Infodisc Technology Co., Ltd. and Procomp Informatics Ltd., lead to the outbreak of the "landmine" shares. These events resulted in the impairment of the rights and interests of many investors, shareholders and employees, making the top managements of many companies realize the necessity to establish the separation of management control and company owners, fair and objective external supervisory mechanisms and various corporate governance mechanisms with information transparency. Among them, the credibility of financial statements and accuracy of information disclosure are especially often the crucial factors causing corporate malpractices (Whittington, 1993; Young, 2000). Many studies have found out that there is a distinct relationship between company characteristics and the extent of voluntary information disclosure (Cooke, 1991; Forker. 1992; Meek et al., 1995). These studies were mostly discussing the extent of financial information disclosure standards from the perspective of organization characteristics and financial structure (Ho and Wong, 2001; Eng and Mak, 2003; Linck, Netter, and Yang, 2008), and there were relatively fewer discussions on information disclosure issues regarding the substance of corporate governance. Even if there was, the references to information disclosure were mostly focused on discussing categories of financial information disclosure, and involve relatively less on non-financial information disclosure. As the corporate governance system in Taiwan has yet to be formed, share ownership are concentrated and management power is mostly controlled by members of the family, which causes the level of voluntary information disclosure (especially non-financial information) to be limited. Thus, this easily leads to corrupt practices as a result of the flaws.

[1]Professor of Department of Business and Management, Ming Chi University of Technology, Taiwan. Address:84 Gungjuan Rd., Taishan Dist. New Taipei City 24301, Taiwan. Email: cst@mail.mcut.edu.tw, Phone: +886-2-2908-9899 #3166

In order to further discuss such issues, our study is based on Taiwanese enterprises as the subjects of study, probing into the connection between corporate governance and company information disclosure. The main research subject is: Under the corporate environment in Taiwan, will the level of company information disclosure be influenced by the company's ownership structure and board composition?

2. Literature Review and Hypotheses

Ownership Structure and Company Information Disclosure

Ownership structure and board structure are substances of the corporate governance structural mechanism. In the past, all discussions relating to the aspect of impact on ownership structure is mostly from the three aspects of convergence of interest hypothesis (Jensen and Meckling, 1976; Guest, 2008), entrenchment hypothesis (Jensen and Ruback, 1983; Forker, 1992) and non-monotonic reasoning (Morck, Shleifer and Vishny, 1988). As for non-monotonic reasoning, it asserts that when the shareholdings held by the board of directors is between 0% - 5%, the shareholdings structure and the company value is positively correlated; when the shareholdings held by the board of directors is between 5% - 25%, the shareholdings structure and the company value is negatively correlated; and when the shareholdings held is greater than 25%, they are once again positively correlated (Morck, Shleifer and Vishny, 1988; Ho and Wong, 2001). On the aspect of government departments, Eng and Mak (2003) discovered in the study conducted on 158 enterprises in Singapore that companies with government shareholdings have positive correlation to information disclosure standards. This study considers that the government is the establishing and supervising party of corporate laws and commercial activities, and is the benchmark for the investment community in society or other corporate organizations. If its shareholdings are relatively higher, there will be a tendency toward requirement of information transparency and generate a relatively higher information disclosure standards. In view of the abovementioned reasons, this study has established the following hypotheses:

Hypothesis 1a: The higher the shareholdings ratio of the government agencies, the higher the disclosure standards of non-financial information.

Hypothesis 1b: The higher the shareholdings ratio of the government agencies, the higher the disclosure standards of financial information.

On the aspect of corporations, past studies have indicated that the capability of corporate governance will strengthen with the increase of shareholdings owned by corporations. In addition, from the viewpoint of the efficient monitoring hypothesis, external corporations have more professional knowledge and supervisory skills as compared to general investors, and even more effective in carrying out their supervisory duty (Pound, 1988). Hence, the higher the shareholders ratio of external corporate investors and the number of seats on the board of directors, the higher its ability to perform its supervisory function and demanding for transparency in enterprise information. Based on the reasons above, this study has proposed the following hypotheses:

Hypothesis 2a: The higher the shareholdings ratio of corporate investors, the higher the disclosure standards of non-financial information.

Hypothesis 2b: The higher the shareholdings ratio of corporate investors, the higher the disclosure standards of financial information.

On the aspect of the management level, when the shareholdings ratio of the managers increases, the proxy issue generated becomes even more severe. Hence, when the shareholding of the managers increase, there could be a higher possibility of actions taken to conceal negative information. Based on the reasons above, this study has proposed the following hypotheses:

Hypothesis 3a: The higher the shareholdings ratio of managers, the higher the disclosure standards of non-financial information.

Hypothesis 3b: The higher the shareholdings ratio of managers, the higher the disclosure standards of financial information.

Board Structure and Company Information Disclosure

Past topics related to the structure of board composition mostly include: (1) Study on the impact of corporate performance when the chairperson or close affiliate is also the CEO (Kesner and Dalton, 1987; Rechner, 1989; Boone, Field, Karpoff, andRaheja, 2007); (2) Relationship between shareholdings of the board and corporate performance (McConnel and Servaes, 1990; Rosenstein and Wyatt, 1990; Agrawal and Knoeber, 1996; Barnhart and Rosenstein, 1998); (3) Relationship between Board composition structure and quality of financial information disclosure (Rediker and Seth, 1995; Beasley, 1996; Wright et al., 1996; Harris and Raviv, 2006). On the aspect of board of directors, this study considers that the ideal size of the board of directors should include directors from different background, in order to contribute the professional knowledge of each respective director. Jensen (1993) pointed out that the smaller the size of the board of directors, the more effective it is with the supervision of company operations. On the other hand, Yermack (1996) pointed out that the smaller the board of directors, the higher the possibility that the major shareholder may lower the standards of information disclosure due to the pursuit of personal gains or concealment of investment losses. This study considers that when the size of the board of directors is relatively larger and the source of background of the board members is relatively diversified, the requirements toward information quality are different and there is higher possibility that the standards for information disclosure are raised. Therefore, this study proposes the following hypotheses:

Hypothesis 4a: The bigger the size of the board of directors, the higher the disclosure standards of non-financial information.

Hypothesis 4b: The bigger the size of the board of directors, the higher the disclosure standards of financial information.

On the aspect of shareholdings ratio of board members and pledged ratio, Jensen and Meckling (1976) considers that when the shareholdings of the board of directors reaches a certain level where its own interests is consistent with the interests of the company, the board of directors will be able to carry out its supervisory function more readily, and prevents the managers from making any decision that is detrimental to the interest of the company. The study done by Hill and Snell (1989) indicated that the higher the shareholdings ratio of the board of directors, the stronger the desire to supervise, and the proxy issue of the company will be reduced and better business performance is achieved by the company. On the other hand, from the viewpoint of “entrenchment hypothesis”, when the shareholdings are concentrated among a minority number of directors, in view of their self-interest, decisions that are based on personal preferences or their own benefits will be adopted, the proxy issue will be more severe and the performance of the company will be relatively poor. Hence, when the director pledges his/her shareholdings and because the assumed risk increases, there may possibly be a motive to increase manipulation of retained earnings and concealment of unfavorable company stock information, thus lowering the information disclosure standards of the company. Based on the reasons above, this study has proposed the following hypotheses:

Hypothesis 5a: The higher the shareholdings ratio of board members, the lower the disclosure standards of non-financial information.

Hypothesis 5b: The higher the shareholdings ratio of board members, the lower the disclosure standards of financial information.

Hypothesis 6a: The higher the ratio of shareholdings being pledged by board members, the lower the disclosure standards of non-financial information.

Hypothesis 6b: The higher the ratio of shareholdings being pledged by board members, the lower the disclosure standards of financial information.

3. Methodology

Research Data

This study is primarily based on public listed companies with openly circulating shares, and stratified sampling is adopted according to industry type. 513 companies have been extracted from within and incorporated as study samples. On the dimension of corporate governance, this study mainly includes the two parts, ownership structure and board of directors’ structure. The research data is derived from the 2012 annual reports of public listed companies, prospectuses and the database examined and sorted by “Taiwan Economic Journal”.

The dimension of standards of information disclosure covers both the aspects of non-financial information and financial information. Besides deriving information from the annual reports disclosed by the respective public listed companies, this study has also changed the checklist on company information disclosure into two parts, non-financial information (including general information and strategic information) and financial information according to the information categories or items mentioned in the information disclosure checklist developed by Eng and Mak (2003), to facilitate the proceedings of this study.

Measurement of Variables

(1) Ownership structure

. Shareholdings ratio of corporate investors:

Based on the number of shares held by corporate investors as at the end of the year divided by the total number of shares issued by the company, examples of the so-called corporations termed by the study are domestic and foreign investment companies, domestic and foreign financial institutions, as well as domestic and foreign-funded corporations.

. Shareholdings of government agencies:

Based on the number of shares held by government agencies as at the end of the year divided by the total number of shares issued by the company.

. Shareholdings ratio of managers:

Based on the number of shares held by managers as at the end of the year divided by the total number of shares issued by the company, examples of so-called managers termed by this study are CEOs, Vice-Presidents and professional managers.

(2) Board of directors' structure:

. Size of board of directors:

The measurement value is based on the number of board members.

. Shareholdings ratio of board members:

Based on the number of shares held by board members as at the end of the year divided by the total number of shares issued by the company.

Ratio of Shareholdings being Pledged by Board Members:

Based on the number of shares pledged by board members as at the end of the year divided by the total number of shares held by board members.

(1) Standards of Information Disclosure

This study has divided the information into financial information and non-financial information to carry out its empirical analysis, both includes mandatory and voluntary disclosure items. Mandatory disclosure refers to the necessary disclosure items within the annual report as stipulated according to the Regulations Governing Information to be Published in Annual Reports of Public Companies, among which includes financial statements prepared according to GAAP. Any information provided by the company at its own discretion beyond the Regulations Governing Information to be published in Annual Reports of Public Companies is known as voluntary disclosure.

(2) Control Variables

In general, the systems in companies of a larger scale are relatively wholesome, and more likely to disclose all necessary information according to relevant laws (Hossain et al., 1994; Meek et al., 1995). In addition, due to the different industry characteristics, the standards of information disclosure are most certainly different (Cooke, 1991; Meek et al., 1995). Therefore, during the course of the empirical analysis, this study has controlled the size of companies and industry types to reduce the risk of exaggerated interpretation.

4. Analysis and Discussion

Descriptive Analytical Statistics

The relevant data on the highest value, lowest value, average number and standard deviation for each variable of this study is shown in Table 1. The correlation coefficient between each respective variable is shown in Table 2.

Thomas and Williams (1991) consider that where the correlation coefficient is lower than 0.65, there is relatively no collinearity issue from an empirical standpoint. The highest correlation coefficient between the respective variables among the samples in this study is the 0.295 (lower than 0.65) between the shareholdings ratio of directors/supervisors and shareholdings ratio of corporate investors, significantly lowering the phenomenon of biased errors caused by collinearity between the respective variables from an empirical standpoint.

Table 1: Descriptive Statistical Analysis of Variable

Research variable	Lowest value	Largest value	Average value	Standard deviation
1. Shareholdings ratio of Government agencies	0.00	0.44	0.23	0.17
2. Shareholdings ratio of corporate investors	0.00	0.92	0.27	0.19
3. Shareholdings ratio of managers	0.00	0.23	0.54	1.77
4. No. of board members	6.00	28.00	12.86	3.36
5. Shareholdings ratio of board members/supervisors	0.03	0.66	0.37	0.14
6. Ratio of shareholdings pledged by board members/supervisors	0.00	0.97	0.13	0.23
7. Disclosure standards of non-financial information	2.00	5.00	2.81	0.66
8. Disclosure standards of financial information	1.00	15.00	9.09	2.38

Note: N=513

Table 2: Correlation Coefficient between the Respective Variables

Research Variables	1.	2.	3.	4.	5.	6.	7.	8.
1. Shareholdings Ratio of government agencies	1							
2. Shareholdings ratio of corporate investors	-.003	1						
3. Shareholdings ratio of managers	-.048	-0.19	1					
4. Size of board of directors (number of directors and supervisors)	.184**	.133*	-.067	1				
5. Shareholdings ratio of board members/supervisors	.040	.295**	-.036	-.091*	1			
6. Ratio of shareholdings pledged by board members/supervisors	.006	.051	.117**	.087*	-.155**	1		
7. Disclosure standards of non-financial information	.172**	.012	.033	.213**	-.202**	.059	1	
8. Disclosure standards of financial information	.118*	-.059	-.023	.039	.023	-.038	.210**	1

Note: N=513; *p<.05, **p<.01

Ownership Structure, Board Structure and Correlation to Information Disclosure

Following on, under the prerequisite of controlling the size of organization and industry type, this study has separately verified the influence that all the three variables of the ownership structure (shareholdings ratio of the government agencies, shareholdings ratio of corporations and shareholdings ratio of managers) and all three variables of the board structure (size of board of directors, shareholdings ratio of board members and ratio of shareholdings pledged by board members) have toward the information disclosure standards of the company. During the verification process, this study has categorized the information disclosure items according to disclosure types as non-financial information and financial information, hierarchical regression is then applied to carry out the verification process. Non-financial information and financial information include mandatory disclosure and voluntary disclosure. The verification result is shown in Table 3. This study discovered that on the aspect of ownership structure, the correlation of shareholdings ratio of government agencies and shareholdings ratio of non-financial disclosure standards shows a significant positive correlation (β=0.119, P<0.1).

The correlation of shareholdings ratio of corporations and shareholdings ratio of managers with non-financial standards shows a negative but insignificant correlation. This part is as shown in the positive correlation model 1 under the non-financial information of Table 3. On the aspect of board structure, the size of the board of directors and disclosure standards of non-financial information show significant positive correlation ($\beta=0.200$, $P<0.01$), and the correlation with the ratio of shareholdings pledged by board members/supervisors and the disclosure standards of non-financial information is negative and insignificant. This part is as shown in model 2 in the non-financial information of Table 3.

Table 3: Analysis on Influence of Ownership Structure and Board Structure toward Disclosure Standards of Non-Financial Information

Variables	Non-financial information		Financial information	
	Model 1	Model 2	Model 1	Model 2
Constant term	2.754***	2.271***	9.337***	9.056***
Ownership structure				
Shareholdings of government agencies	.119**	.098*	.062	.060
Shareholdings of corporations	-.018	-.002	-.019	-.001
Shareholdings of Managers	-.026	-.042	-.041	-.035
Board structure				
Number of board members		.200***		.045
Shareholdings of board members/supervisors		-.103*		-.068
Ratio of shareholdings pledged by board members/supervisors		-.027		-.027
Adjusted R^2	.080	.117	.170	.168

Note: a: N=513

b: *p<0.1 **p<0.05 ***p<0.01

c: This table is the result of analysis carried out using the respective variables from control variables.

Similarly, regarding the aspect of financial information, on the basis of controlling the three variables of size of organization and industry type, this study has discovered that there are no significant correlation between the respective ownership structure variables of the shareholdings ratio of government agencies, shareholdings ratio of corporations and shareholdings ratio of managers with the standards of financial information disclosure.

Discussion

On the aspect of board structure, the size of the board of directors and disclosure standards of non-financial information show significant positive correlation. The shareholdings ratio of board members/supervisors and standards of non-financial information disclosure on the contrary has shown significant negative correlation. With regard to such results, the explanation of this study is: (1) The reason could be that when the size of the board of directors is relatively larger, and the background source of board members is relatively diversified, the demand toward information is most certainly different and therefore they may demand for the company to increase the expanse and depth of its information disclosure standards. (2) As to the shareholdings ratio of board members/supervisors and disclosure standards of non-financial information, significant negative correlation is displayed. The reason for this could be: According to the entrenchment hypothesis, when the shareholdings are concentrated among a minority number of directors, in view of their self-interest, decisions that are based on personal preferences or their own benefits will be adopted. In addition, on the aspect of financial information, this study has discovered that there is no significant correlation between the respective variables of ownership structure or board structure with the disclosure standards of financial information. With regard to such results, perhaps it is due to the reason that most financial information is mandatory disclosure items. According to the Regulations Governing Information to be published in Annual Reports of Public Companies, public listed companies are required to disclose its financial-related information based on these regulations.

5. Conclusions and Managerial Implications

Conclusion

In 1988, on a worldwide scale, the Organization for Economic Co-operation and Development (OECD) proposed the principles for corporate governance; in 2001, in Taiwan, the Securities and Futures Institute standardized the specific methodology to corporate governance. However, the corporate governance framework discussed locally and overseas does not deviate from having wholesome composition for board of directors, building comprehensive financial markets and market mechanisms…etc. Its purpose is to ensure the rights and interest of organizational stakeholders and to enhance the value of companies. After the Enron fraud case, related topics on information disclosure and financial transparency within corporate governance gradually received the attention and discussion within the industry, government and academic circles. Just that past studies relating to company information disclosure have mostly probed on the correlation between company characteristics and information disclosure standards (e.g., Cooke, 1991; Forker, 1992; Hossain et al., 1994; Meek et al., 1995), and the measurement of information disclosure standards is mostly emphasized on the discussion of financial information. Hence, non-financial information and strategic business information of companies is brought up for probing less often (Ho and Wong, 2001; Eng and Mak, 2003). The topics discussed in this study can fill in the gaps left out by past studies relating to information disclosure.

Management Implication

Through the discussion elaborated in the above sections, the discoveries of this study convey the three following implications:

(1) A corporate governance model associated with ownership: This study has proven empirically and discovered that there is positive correlation between the shareholdings ratio of government agencies and the standards of non-financial information disclosure within the ownership structure, seemingly conveying the message that external supervisory mechanisms originating from outside the company should help with full disclosure of non-financial information, and help to secure the rights and interest of stakeholders.

(2) A corporate governance model associated with board structure: This study has discovered that there is significant negative correlation between the shareholdings ratio of the current board members and disclosure standards of non-financial information. This is consistent with the fact that when the shareholdings of directors are high, from an entrenchment viewpoint, the standards of information disclosure will be deliberately lowered.

Size of board of directors: This study discovered that there is significant positive correlation between the size of the board of directors and disclosure standards of non-financial information. This conveys the message that when the size of the board of directors gets bigger, an effect of mutual supervision will naturally be formed between the respective directors, and more likely there will be no entrenchment motive. Disclosure of information will also be comparatively more thorough and transparent.

References

Shleifer, A. and Vishny, R. W. (1997).A Survey of Corporate Governance.The Journal of Finance, 52(2), 737-783.

Agrawal, A. and Knoeber, C. R. (1996).Firm Performance and Mechanisms to Control Agency Problem between Managers and Shareholder.Journal of Financial and Quantitative Analysis, 31(3), 377-397.

Alkhafaji, A. F. (1990). Effective Boards of Directors：An Overview.Industrial Management and Data Systems, 90(4), 18-26.

Barnhart, S. W. and S. Rosenstein (1998). Board Composition, Managerial Ownership, and Firm Performance: An Empirical Analysis. The Financial Review, 33(4), 1-16.

Beasley, M. S. (1996). An Empirical Analysis of the Relation between the Board of Directors Composition and Financial Statement Fraud.The Accounting Review, 71(4), 443-465.

Boone, A. L., Field, L. C., Karpoff, J. M., &Raheja, C. G. (2007). The determinants of corporate board size and composition: Anempirical analysis. Journal of Financial Economics, 85(1), 66–101.

Botosan, C. A. (1997). Disclosure Level and the Cost of Equity Capital.The Accounting Review, 72(3), 323-349.

Cadbury, A. (1999). What are the Trends in Corporate Governance? How will They Impact Your Company? Long Range Planning, 32(1), 12-19.

Cooke, T. E. (1991). An Assessment of Voluntary Disclosure in the Annual Reports of Japanese Corporations.The International Journal of Accounting, 26(3), 174-189.
Dalton,D. R. andKesner, I. F..(1987). Composition and CEO Duality in Board of Directors：An International Perspective.Journal of International Business Studies, 18(3), 33-42.
Eng, L. L., and Mak, Y. T. (2003).Corporate Governance and Voluntary Disclosure.Journal of Accounting and Public Policy, 22(4), 325-345.
Fama, E. F. (1980). Agency Problems and the Theory of the Firm.Journal of Political Economy, 88(2), 288-307.
Firth, M. (1979).The Impact of Size, Stock Market Listing and Auditors on Voluntary Disclosure in Corporate Annual Reports.Accounting and Business Research, 9(36), 273-280
Forker, J. J. (1992).Corporate Governance and Disclosure Quality.Accounting and Business Research, 22(86), 111-124.
Guest, P. M. (2008). The determinants of board size and composition: Evidence from the UK. Journal of Corporate Finance, 14(1), 51–72.
Harris, M., and Raviv, A. (2006).A theory of board control and size.Review of Financial Studies, 21(4), 1797–1832.
Hill, C. W., and Snell, S. A. (1989).Effects of Ownership Structure and Control on Corporate Productivity.Academy of Management Journal, 32(1), 25-46.
Ho, S. S. M., and K. S. Wong.(2001). A Study of the Relationship between Corporate Governance Structures and the Extent of Voluntary Disclosures.Journal of International Accounting, Auditing and Taxation, 10(2), 139-156.
Hossain, M., Perera, M. H. B., and Rahman, A. R. (1995).Voluntary Disclosure in the Annual Reports of New Zealand Companies.Journal of International Financial Management and Accounting, 6(1), 69-87.
Hossain, M., Tan, L. M. and Adams, M. (1994). Voluntary Disclosure in an Emerging Capital Market：Some Empirical Evidence from Companies Listed on the Kuala Lumpur Stock Exchange. International Journal of Accounting, 29(4), 334-351.
Jensen, M. C. (1993). The Modern Industrial Revolution, Exit, and the Failure of Internal Control Systems.The Journal of Finance, 48(3), 831-880.
Jensen, M. C. and Meckling W. H..(1976). Theory of the Firm：Managerial Behaviour, Agency Costs and Ownership Structure.Journal of Financial Economics, 3(4), 305-360.
Jensen, M. C. and Ruback, R. S. (1983). The Market for Corporate Control：The Scientific Evidence.Journal of Financial Economics, 11(1), 5-50.
Karpoff, J. M., Marr Jr, M. W. and Danielson, M. G. (1994).Corporate Governance and Firm Performance.Working paper, University of Washington.
Linck, J., Netter, J., & Yang, T. (2008).The determinants of board structure.Journal of Financial Economics, 87(2), 308–328
McConnell, J. J. and Servaes, H. (1990).Additional Evidence on Equity Ownership and Corporate Value.Journal of Financial Economics, 27(2), 595-612.
Meek, G. K., Roberts, C. B. and Gray, S. J. (1995). Factors Influencing Voluntary Annual Report Disclosure by U. S., U. K. and Continental European Multinational Corporations. Journal of International Business Studies, 26(3), 555-572.
Morck, R., Shleisfer, A. and Vishny, R. W. (1988).Management Ownership and Market Valuation - An Empirical Analysis.Journal of Financial Economics, 20, 293-315.
Pound, J. (1988). Proxy Contests and the Efficiency of Shareholder Oversight.Journal of Financial Economics, 20(2), 237-265.
Rechner, P. L. (1989). Corporate Governance: Fact or Fiction? Business Horizons, 32(4), 11-15.
Rediker, K. J. and Seth, A. (1995).Boards of Directors and Substitution Effects of Alternative Governance Mechanisms.Strategic Management Journal, 16(2), 85-99.
Roe, M. J. (1993).Some Differences in Corporate Structure in Germany, Japan, and the United States.The Yale Law Journal, 102(8), 1927-2003.
Rosenstein, S. and Wyatt, J. G. (1990).Outside Directors, Board Independence, and Shareholder Wealth.Journal of Financial Economics, 26(2), 175-191.
Singhvi, S. and Desai, H. B. (1971).An Empirical Analysis of the Quality of Corporate Financial Disclosure.The Accounting Review, 46(1) 129-138.
Thomas, A. and Williams, G. R. (1991).A Strategy to Provide Retirement Benefits for International Transferees in a Global Company.Benefits and Compensation International, (October), 2-7.

Whittington, G. (1993). Corporate Governance and the Regulation of Financial Reporting.Accounting and Business Research, 23(sup1), 311-319.

Williamson, O. E. (1983). Organization Form, Residual Claimants and Corporate Control.Journal of Law and Economics, 26(2), 351-366.

Wright, P., Ferris, S. P., Sarin, A. and Awasthi, V. (1996).Impact of Corporate Insider, Blockholder, and Institutional Equity Ownership on Firm Risk Taking.Academy of Management Journal, 39(2), 441-458.

Yermack, D. (1996). Higher Market Valuation of Companies with a Small Board of Directors.Journal of Financial Economics, 40(2), 185-211.

Young, S. (2000). The increasing use of non-executive directors: Its impact on UK board structure and governance arrangement. Journal of Business Finance & Accounting, 27(9-10), 1311–1342

Zahra S. A., and Pearce, J. A. (1989), Boards of Directors and Corporate Financial Performance: A Review and Integrated Model. Journal of Management, 15(2) 291-334.