

**CORPORATE GOVERNANCE
AND MANAGEMENT MISCONDUCT
IN THAILAND**

Puritud Inya

B.A. (Accounting), M.Acc. (Accounting)

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STATEMENT OF ORIGINALITY

The thesis contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to the final version of my thesis being made available worldwide when deposited in the University's Digital Repository**, subject to the provisions of the Copyright Act 1968.

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I hereby certify that the work embodied in this thesis is the result of original research, the greater part of which was completed subsequent to admission to candidature for the degree. No part of this work has been done in collaboration with other researchers, or carried out at other institutions. The work embodied in this thesis does not contain any published paper of which I am a joint author.

Puritud Inya

Supervisor Endorsement

Prof. Jim Psaros

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TABLE OF CONTENTS

| | |
|--|------|
| STATEMENT OF ORIGINALITY | ii |
| ACKNOWLEDGEMENT OF AUTHORSHIP/COLLABORATION | iii |
| ACKNOWLEDGEMENTS | iv |
| TABLE OF CONTENTS | v |
| LIST OF TABLES | xi |
| LIST OF FIGURES..... | xiii |
| SYNOPSIS | xiv |
| CHAPTER 1 | |
| INTRODUCTION..... | 1 |
| 1.1 Introduction | 1 |
| 1.2 Background to the Research..... | 3 |
| 1.3 Thesis Objective and Contribution to the Literature | 9 |
| 1.3.1 Research Objectives and Research Questions | 9 |
| 1.3.2 Motivation for the Research..... | 10 |
| 1.4 Thesis Outline..... | 12 |
| CHAPTER 2 | |
| REVIEW OF THE CORPORATE GOVERNANCE LITERATURE..... | 13 |
| 2.1 Introduction | 13 |
| 2.2 Theories of Corporate Governance | 13 |
| 2.2.1 Agency Theory..... | 13 |

| | | |
|-------|--|----|
| 2.2.2 | Stewardship Theory | 15 |
| 2.2.3 | Stakeholder Theory | 16 |
| 2.2.4 | Resource Dependence Theory..... | 18 |
| 2.2.5 | Managerial Hegemony Theory | 19 |
| 2.2.6 | Institutional Theory | 21 |
| 2.3 | Corporate Governance in the International Context..... | 23 |
| 2.3.1 | International Corporate Governance | 23 |
| 2.3.2 | Major International Corporate Governance Recommendations | 25 |
| 2.4 | Corporate Governance in Thailand | 27 |
| 2.5 | Literature Review of Corporate Governance Mechanisms | 31 |
| 2.5.1 | Board of Director Composition and Director Attributes..... | 31 |
| 2.5.2 | The Effectiveness of the Audit Committee..... | 42 |
| 2.5.3 | Remuneration Committees and Nomination Committees | 51 |
| 2.5.4 | CEO Dominance of the Board | 53 |
| 2.5.5 | Ownerships and Corporate Governance..... | 58 |
| 2.5.6 | Family Dominance of the Firm and Corporate Governance | 66 |
| 2.5.7 | Audit Quality..... | 79 |
| 2.5.8 | Fraud, Management Misconduct and Corporate Governance..... | 83 |
| 2.6 | Summary | 90 |

CHAPTER 3

| | |
|--|-----|
| HYPOTHESIS DEVELOPMENT | 92 |
| 3.1 Introduction | 92 |
| 3.2 Board Independence Hypothesis | 92 |
| 3.2.1 Board Independence | 92 |
| 3.2.2 Independent Director Tenure | 94 |
| 3.2.3 Independent Director Experience | 95 |
| 3.3 Board Size Hypothesis | 96 |
| 3.4 Audit Committee Effectiveness Hypothesis | 97 |
| 3.4.1 Independence of Audit Committee | 97 |
| 3.4.2 Audit Committee Expertise | 98 |
| 3.5 CEO Dominance Hypothesis | 99 |
| 3.5.1 CEO/Chair Duality | 99 |
| 3.5.2 CEO Tenure | 100 |
| 3.6 Ownership Hypothesis | 101 |
| 3.6.1 Management Ownership | 101 |
| 3.6.2 Controlling Shareholder Ownership | 103 |
| 3.6.3 Foreign Ownership | 105 |
| 3.6.4 Institutional Ownership | 106 |
| 3.6.5 Non-controlling Blockholder Ownership | 107 |
| 3.7 Controlling Shareholder Dominance Hypothesis | 108 |
| 3.7.1 Controlling Shareholder Directors | 108 |

| | | |
|-----------|--|-----|
| 3.7.2 | Controlling Shareholder CEO | 109 |
| 3.8 | Summary | 110 |
| CHAPTER 4 | | |
| | RESEARCH METHODOLOGY | 111 |
| 4.1 | Introduction | 111 |
| 4.2 | The Misconduct Sample | 111 |
| 4.2.1 | Defining Management Misconduct..... | 111 |
| 4.2.2 | Sample Selection | 113 |
| 4.2.3 | Characteristics of the Data Set | 115 |
| 4.2.4 | Matching the Sample..... | 122 |
| 4.3 | Research Methodology | 134 |
| 4.3.1 | Distribution and Variance within the Sample | 134 |
| 4.3.2 | Research Method and the Statistical Model..... | 135 |
| 4.3.3 | Measurement of Variables | 138 |
| 4.3.4 | Control Variables | 143 |
| 4.4 | Summary | 144 |
| CHAPTER 5 | | |
| | RESEARCH RESULTS | 146 |
| 5.1 | Introduction | 146 |
| 5.2 | Descriptive Statistics | 146 |
| 5.2.1 | Misconduct Sample Characteristics | 146 |
| 5.2.2 | Descriptive Statistics – Variables of Interest | 157 |

| | | |
|------------------------------------|--|-----|
| 5.3 | Inferential Statistics | 163 |
| 5.3.1 | Statistical Analysis – Univariate | 163 |
| 5.3.2 | Correlations and Multicollinearity | 167 |
| 5.3.3 | Fitting the Multivariate Main Effects Model | 173 |
| 5.3.4 | Determining the Scale of Variables | 176 |
| 5.3.5 | Assessment of Fit in the Model..... | 178 |
| 5.3.6 | Results of the Final Model | 180 |
| 5.4 | Summary | 183 |
| CHAPTER 6 | | |
| CONCLUSIONS AND IMPLICATIONS | | 184 |
| 6.1 | Introduction | 184 |
| 6.2 | Contribution of the Thesis to the Literature | 187 |
| 6.3 | Conclusions Regarding the Research Objective | 189 |
| 6.4 | Conclusions Regarding the Research Questions | 190 |
| 6.5 | Implications for Practice and Policy | 202 |
| 6.6 | Limitations of This Study | 204 |
| 6.7 | Further Research..... | 206 |
| 6.8 | Concluding Comments | 208 |
| BIBLIOGRAPHY | | 209 |
| APPENDICES | | 242 |
| APPENDIX 1 | The Variance Inflation Factors (VIF) of the Interest Variables | 242 |
| APPENDIX 2 | The Quartiles Analysis | 243 |

| | | |
|------------|--|-----|
| APPENDIX 3 | Assessment of Fit in a Model | 245 |
| APPENDIX 4 | Results of Fitting the Model after Deleting the Outliers | 248 |
| APPENDIX 5 | Results of Fitting the Model Using Cumulative Shareholdings of Five Largest Shareholders (CONSHARE) | 249 |
| APPENDIX 6 | Results of Fitting the Model Using the Proportion of Institutional Ownership | 250 |
| APPENDIX 7 | Quantifying the Effect of the Tenure of Independent Directors on Management Misconduct | 251 |
| APPENDIX 8 | Quantifying the Effect of the Experience of Independent Directors on Management Misconduct | 253 |
| APPENDIX 9 | Quantifying the Effect of Controlling Ownership on Management Misconduct | 255 |

LIST OF TABLES

| | | |
|------------|--|-----|
| Table 4.1 | Determining the Management Misconduct Sample | 115 |
| Table 4.2 | Characteristics of Management Misconduct | 116 |
| Table 4.3 | Matched Misconduct Firms and No-misconduct Firms | 127 |
| Table 4.4 | Matching of Misconduct Firms and No-Misconduct Firms | 133 |
| Table 5.1 | Type of Misconduct | 147 |
| Table 5.2 | Misconduct Firms – Entity Size by Total Assets | 148 |
| Table 5.3 | Misconduct Firms– Type of Misconduct Classified by Entity Size..... | 149 |
| Table 5.4 | Misconduct Firms – Industry Classification | 151 |
| Table 5.5 | Misconduct Year of Occurrence | 154 |
| Table 5.6 | Firm Age | 155 |
| Table 5.7 | Misconduct Firms – Type of Misconduct Classified by Firm Age..... | 156 |
| Table 5.8 | Descriptive Statistics – Variables of Interest | 157 |
| Table 5.9 | Univariate Logistic Regression Models Outcomes | 164 |
| Table 5.10 | Pearson Correlation Coefficients among Variables | 170 |
| Table 5.11 | Results of Initial Fitting a Multivariable Model Containing the Covariates Significant at the 0.25 Level under Univariate Testing | 174 |
| Table 5.12 | Preliminary Main Effects Model..... | 175 |
| Table 5.13 | Fractional Polynomials Tests of Continuous Variables | 177 |
| Table 5.14 | Pair, Data, Estimated Probability and the Two Diagnostic Statistics $\Delta\beta$, ΔX^2 and Leverage (h) for Two Extreme Pairs | 178 |

| | |
|--|-----|
| Table 5.15 Estimated Coefficients from Preliminary Main Effects Model (Table 5.12), Estimated Coefficients Obtained When Deleting Selected Pairs, Percent Change from the All Data Model and Values of Pearson Chi-Square Statistic | 179 |
| Table 5.16 The Final Main Effect Model..... | 181 |

LIST OF FIGURES

| | |
|--|-----|
| Figure 5.1 Plot of the Estimated Coefficients for the Quartiles of OUTTENURE Versus the Midpoint of the Quartile..... | 243 |
| Figure 5.2 Plot of the Estimated Coefficients for the Quartiles of BUSYBOD Versus the Midpoint of the Quartile..... | 244 |
| Figure 5.3 Plot of the Estimated Coefficients for the Quartiles of DOMINOWN Versus the Midpoint of the Quartile..... | 244 |
| Figure 5.4 Plot of ΔX_2 Versus the Estimated Probability from the Fitted Model in Table 5.12..... | 245 |
| Figure 5.5 Plot of $\Delta\beta$ Versus the Estimated Logistic Probability from the Fitted Model in Table 5.12..... | 246 |
| Figure 5.6 Plot of ΔX_2 Versus the Estimated Logistic Probability from the Fitted Model in Table 5.12 with the Size of the Plotting Symbol Proportional to $\Delta\beta$ | 247 |
| Figure 5.7 Effect of the Tenure of Independent Directors on Management Misconduct | 251 |
| Figure 5.8 Effect of the Experience of Independent Directors on Management Misconduct..... | 253 |
| Figure 5.9 Effect of Controlling Ownership on Management Misconduct | 255 |

SYNOPSIS

The primary objective of this thesis is to provide additional empirical evidence on the effectiveness of corporate governance in limiting agency conflict, with a specific focus on those corporate governance mechanisms associated with mitigating management misconduct. The focus of this study is a sample of companies listed on the Stock Exchange of Thailand (SET) that have experienced incidences of management misconduct such as management perpetrated fraud, insider trading and financial disclosure manipulation.

As an emerging economy, Thailand represents an ideal environment to empirically test whether corporate governance recommendations developed for Western economies are relevant for developing economies such as those of South East Asia. This study finds no evidence supporting the effectiveness of major internationally recommended corporate governance mechanisms such as board independence, audit committee effectiveness and separation of the role of CEO and board Chair in limiting management misconduct.

However, this study does find a significant positive relationship between the proportion of independent directors with greater levels of experience and knowledge, the presence of institutional ownership and concentrated controlling ownership and a reduction in the likelihood of a firm experiencing management misconduct. In addition to its contribution to the corporate governance literature, this study provides the regulators and company stakeholders with evidence to call for improvements in corporate governance practices designed to limit management misconduct in Thailand. These findings also suggest that regulators must consider external and internal factors inherent in emerging economies before adopting Western corporate governance practices.