World Review of Business Research
Vol. 1. No. 1. March 2011. Pp. 90-102

Determinants of Minority Shareholder Rights in the Thai Banking Sector

Chinnapat Kanthapanit*, Anona Armstrong** and John Tippet***

This paper describes the results of a study supported by the Thai Stock Exchange, that examined the relationship of five factors, family ownership, legal protection for investors, corporate governance practice of shareholder rights, cash flow and bank performance, to minority shareholder rights in the Thai public banking sector. The data for this study was obtained from annual reports and a survey of investors in Thai listed banks. The analyses used a multiple regression model to determine which factors enhanced and which inhibited the protection of minority shareholder rights. The findings of this study found evidence in the Thai commercial banks sector that minority shareholder rights expropriation were associated with family ownership and poor corporate governance practices. The conclusion from the study is that one way of improving the management of minority shareholder rights is to develop new corporate governance practices criteria which are more closely linked with bank performance.

1. Introduction

Following the 1997 Asian financial crisis, many Asian countries embarked on a program to restore confidence in their capital markets (Johnson et al. 2000). Among the initiatives was the introduction of corporate governance guidelines for listed companies.

Corporate governance refers to the control exerted by boards to ensure the accountability of management to shareholders. Corporate governance has been a major issue of economic debate in Thailand (Lauridsen 1998; Shleifer & Vishny 1997).In particular, minority shareholder rights protection has become an area of concern as part of the overall effort to improve corporate governance (Johnson et al. 2000; La Porta, R et al. 2000; Nikomborirak 1999). As La Porta says:

> *The rights attached to securities become critical when managers of companies act in their own interest. These rights give investors the power to extract from managers the returns on their investment. Shareholders receive dividends because they can vote out the directors who do not pay them, and creditors are paid because they*

* Mr.Chinnapat Kanthapanit, School of Finance, Mahasarakham University, Thailand. PhD (Candidate), Governance Research Program, Victoria Law School, Victoria University, Australia. Email: chinnapat.kanthapanit@live.vu.edu.au

** Professor Anona Armstrong, Director of Governance Research Program, Victoria Law School, Victoria University, Australia. Email: anona.armstrong@vu.edu.au

*** Dr.John Tippet, School of Economics and Finance, Victoria University, Australia. Email: john.tippet@vu.edu.au

> *have the power to repossess collateral. Without this rights, investors would not be able to get paid, and therefore firms would find it harder to raise external finance.'*
> *(La Porta et al 1998, p.1114).*

Research has shown that in order to strengthen corporate governance systems in developing counties, it is necessary to focus on ownership structures, corporate governance standards in term of transparency and accountability, adequate financial supervision, leverage of corporations, moral hazard, ill-established capitalism, and minority shareholders rights protection (Claessens 2006; Claessens & Fan 2002; Shleifer & Vishny 1997). The most serious of these is the expropriation of the rights of non-controlling shareholders (Iskander et al. 1999; La Porta, Rafael et al. 2000, 2002; The Organization for Economic Development (OECD) 1999)

In the Asian corporate governance model, controlling ownership is dominated by family units (La Porta et al. 2000). One of the consequences of this is the expropriation of minority shareholder rights (Nam & Nam 2004). The minority shareholders, those unable to exercise influence on a company and owning less than 10% of a company, are largely represented by institutional investors the most significant of which are within the financial sector. Furthermore, many reports in the literature show the concentration of ownership has been supported by legal institutional arrangements that enable the exercise of a high degree of control over a firm, and the deviation from the one-share-one-vote rule. This has led to minority shareholders rights expropriation and the absence of mandatory disclosure of connected interests, a fertile ground for the self-dealing, that resulted in expropriation (Eldomiaty Tarek Ibrahim & Choi Chong Ju 2006).

The Thai banking sector was selected for investigation because publicly listed banks in Thailand are required to meet the governance standards issued by the Securities Exchange in Thailand that apply to all listed companies. Compliance with governance standards by the banking industry is particularly important because of its role in managing the investments of many small shareholders.

The aim of this study aims was to provide evidence of how banks manage relationships with minority shareholders. In particular, its purpose was to determine the relationships between the factors that inhibit or promote minority shareholder rights in the Thai banking sector.

This paper draws on previous research to identify the relevant factors and develop a theoretical basis for the study; it presents the research questions and hypotheses, the statistical model that guided the analyses and the results of the analysis.

2. Literature Review

The protection of minority shareholder rights was the major corporate governance problem in East Asian countries because many surveys of corporate governance suggested that minority shareholder rights expropriation was caused by concentrated ownership such as that found in family companies. This was entrenched by weak legal protection, poor corporate governance practices, and inefficient management of cash flows and financial performance (Claessens & Fan 2002; La Porta, R et al. 1998; Shleifer & Vishny 1997). Minority shareholder rights expropriation occurred when family ownership directed cash to their own benefit, inefficient projects and connected lending to relatives and friends (Johnson et al 2000) rather than return it in dividends to minority shareholders.

Previous studies of minority shareholder rights have found that it is related to the study of 'The Modern Corporation and Private Property' described by Berle and Means (1932) who viewed shareholders as the legal owners of corporation who appointed managers to manage the firm (Berle & Means 1932). Berle and Means (1932) recommended the separation between ownership and control. When highlighting the evaluation of market-based control factors, they showed parallels between the development of contract theory and agency theory.

Contract theory addresses the incomplete nature of contracts and their role in explaining the problems of shareholder rights expropriation, while agency theory focused on the behavioural conflicts of interests between owners and agents (Berle & Means 1932). Agency theory applies to the protection of minority shareholder rights because the agency problem occurs when the banks (the agents) do not make decisions in the best interests of the minority shareholders (Solomon & Solomon 2004).

Shareholder rights expropriation was later discussed by Ross (1973) whose property rights study provided an approach to the minority shareholder rights problem when he suggested that the investment risks of owners were offset by control rights and cash flow rights. This concept was later adopted by Claessens et al. (1999) to identify what caused minority shareholder rights expropriation in East Asian corporations. They found that family ownership provided high control rights which exceeded their cash flow rights and led to minority shareholder rights expropriation.

Ross's (1973) results encouraged Jensen and Meckling (1976) to propose that the theory of the separation of ownership and control had become increasingly more important in financial markets because financial investors now invested in the stock markets around the world. These investments also encouraged minority shareholders to reduce the potential conflict of interests by seeking more opportunities to exercise more monitoring of managers (Jensen, C & Meckling 1976). Ten years later, Miller and Rock (1985) implied that the role of minority shareholder rights were associated with higher dividend payments. Dividend payments were seen to convey information about managers' performance and the creation of firm profitability because dividend payments were controlled by mangers (Miller & Rock 1985).

The following literature review provides more specific details of recent studies related to minority shareholder rights.

2.1 Family Ownership

Shleifer and Vishny (1997) found that the ineffectiveness of the corporate governance system was a result of the concentration of shares in family ownership. Family ownership structures are characterized by concentration of ownership and control of corporations and banks by families (Nam & Nam 2004). In this case, the controlling shareholders families) make key decisions in their own interests. For instance, appointments of board members, authorized by those families in control of the firms, can possibly cause a conflict of interests between controlling shareholders, managers, and the minority shareholders (Nam & Nam 2004). Claessens et al. (1999) found that the top management of about 60% of firms in East Asian countries (with the exception of Japan) was not widely held because it was related to the family of the controlling shareholder. In 2004, thirty families controlled approximately 60% of the market (Polsiri & Wiwattanakantang 2004).

The problem of minority expropriation may arise when the ownership is highly concentrated in any specific group, especially family ownership. Claessens et al. (1999) also found that these family controlling shareholders expropriated minority shareholders rights. La Porta et al. (2000) recognised the agency problem that occurred from the expropriation of minority shareholder rights. It appeared that the controlling owner used the profits of firms to advantage themselves rather than returning cash to minority shareholders. This evidence was consistent with Jensen & Meckling's (1976) study which illustrated how controlling shareholders can entrench their power and run a firm's business in their own interests.

2.2 Legal protection impacted on minority shareholder rights because legal protection provided by company law gave investors the power to protect their rights through the legal system and law enforcement (La Porta et al. 2000). Legal protection provided stronger support than governance guidelines for shareholder rights. As Klapper & Love (2004) and Cuervo (2002) found in their research, legal protection of shareholder rights positively correlated with market valuation and operating performance.

2.3 Corporate governance practice in regard to shareholder rights is another issue that has affected minority shareholder rights. Corporate governance practices issued in the SET guidelines were intended to compensate for deficiencies in a country's corporate governance system regarding the protection of shareholder rights. They were to ultimately assure the integrity of a firm's corporate governance in regard to such issues as takeovers, the legal environment, and shareholders' rights protection (Aguilera and Cuervo-Cazurra 2004). Aguilera and Cuervo-Cazurra (2004) found that better corporate governance practices were positively associated with stronger minority shareholder rights. Their main objectives were to improve the quality of companies' boards of governance and increase the accountability of companies to shareholders while maximising shareholder value.

2.4 Cash flow was related to minority shareholder rights because Thai banks used cash flow to pay dividends which represented the returns to shareholders or investors. Executives may misuse cash flows for their own interests such as paying remuneration, and investing in inefficient projects which return low compensation to their investors. These misleading activities may result in insufficient cash flows which in turn lead banks into bankruptcy (Solomon & Solomon 2004). However, should a firm prevent bankruptcy by seeking further funds, which all financial suppliers provide at additional cost of capital, all of these expenses would decrease firm performance and shareholder returns (Claessens et al. 1999). This finding was also consistent with Jensen (1986) who suggested that free cash flow was cash flow in excess of that required to fund projects that have positive net present values when discounted at relevant costs of capital. Conflicts of interests between shareholders and managers over dividend payments were especially severe when an organization generated substantial free cash flow. The problem was how to motivate the managers to disgorge the cash rather than investing it below the costs of capital or wasting it in inefficient organizational activities (Jensen, MC 1986).

Strengthening minority shareholder rights can provide more cash flows because the rights give power to minority owners to control a manager's misdirected policy. This may result in better firm performance and higher dividend payments which become available due to the freed up free cash flow Claessens et al. 1999).

2.5 Corporate performance was related to minority shareholder rights because of the relationship between corporate financial performance and corporate governance (Solomon & Solomon 2004,). Corporate performance has been used as a proxy for minority shareholder rights. For example, Claessens et al (1999) focused on finding the relationship between improvement of rights and corporate performance which was measured by the market valuation. They found that a higher performance was associated with higher minority shareholder rights.

Conceptual Framework

While all these studies provide evidence that the above factors influence minority shareholder rights, none has examined the integrated impact of all of them on the Thai commercial bank sector. This study filled this gap by investigating how minority shareholder rights were affected by family ownership, legal environments, corporate governance practices, cash flow, and bank performance.

The research questions and hypothesizes were as follows:

Q1: *'What are the factors that create minority shareholder rights expropriation in Thai banking sector?'*

In order to response to this research question, hypothesis 1 is created as follows.

H1: 'Family ownership is negatively correlated with minority shareholder rights'

Q2: *'What are the factors that improve minority shareholder rights in Thai banking sector?'*

In order to response to this research question, hypothesis 2, 3 and 4 are proposed as follows.

H2: Legal protection, which is investor's knowledge of shareholder rights and legal enforcement of shareholder rights, are positively associated with minority shareholder rights.

H3: Good corporate governance practice supports stronger minority shareholder rights.

H4: Good bank performance and free cash flow increase minority shareholder rights.

4. The Methodology and Models

Sources of data

The primary data were collected from a survey of executives and institutional investors in Thai listed banks in year 2009. The Corporate Governance Centre of the Stock Exchange of Thailand (SET) cooperated in collecting the data. The target population was 401 respondents who were 213 investment managers, 33 Chief Executive of investment institutions, 12 Bank Chief Executive Officers, 97 Bank Directors, and 46 Bank Independent directors. The questionnaire was returned by 173 respondents. Data were collected about (a) respondents' positions, (b) legal protection represented by 1) investor's knowledge of shareholder rights and 2) legal enforcement of shareholder rights, and (c) corporate governance practices.

Thirty questionnaire items mirrored the corporate governance standards described in Thai Corporate Law public company Act B.E.2535 1992 (Urapeepatanapong 2006), and the SET corporate governance guidelines. Questions were measured by seven point Likert-scales. Secondary data were collected from bank annual reports recorded on FM 56-1 forms provided by the Stock Exchange of Thailand.

The measures are shown in Table 1. Minority shareholder rights were measured by shareholder returns that were calculated from the mean of the dividend yield ratio and Return-on-Equity ROE) ratio. Controlling ownership occurs when the owner has either a direct or indirect vote of greater than 25% of all eligible voting rights (Regulations of the SET reference number Bor.Jor./Ror.01-11). Family ownership was rated Yes = 1 if controlling shareholders were family or an individual, or No = 0. Bank performance was collected from Return-on –Asset ROA ratio. Cash flow was measured by free cash flow from cash flow statements of the banks.

Analyses of the data followed the examples of similar analyses used in previous research (Nam and Nam 2004; Dhnadirek and Tang 2003; Claessens et al 1999). Multiple-regression was used to determine the relationship between the five independent variables and the dependent variable.

The statistical model for the analysis was:

Minority Shareholder Rights = β0 + β1 (Family) + β2 (Legal) + β3 (CG) + β4 (CF) + β5 (BP) + Error

See Table 1 for definition of the terms

5. The Findings

The research results provided in this study to show the characteristics of controlling factors that affected minority shareholder rights improvement which presented general conclusions by examining the hypothesizes put forward in this study and comparing the findings with the results of previous studies described above in the literature review with literature reviews. All independent variables were entered to the multiple-regression model, the R (0.747), which is the correlation of the independent variables with the dependent variable. The Adjusted R Square (0.738) presented by this model has quite high prediction power (Hair et al. 1998).

The first analysis addressed research question. Hypothesis 1 (that family ownership is negatively correlated with minority shareholder rights) is accepted because (Table 2) family ownership significantly inhibited minority shareholder rights. The result of this study is similar to the study of Jensen (1986) who first suggested in the theory of separation between owners and controls that managers of high concentrated ownership focused only on the benefits of the controlling owners rather than being interested in distributing profits to outsider investors or minority shareholders.

The recent study of Claessens et al. (1999) found family ownership was associated with highest minority shareholder rights expropriation in Asian countries because their higher control rights were associated with higher manager's cash extraction. The history of Thai banks in the 1990's also showed that the family controlling shareholders who acted as the managers of the families were also the major shareholders of Thai commercial banks. These controlling owners favoured pursuing their own personal achievement by increasing their remuneration, bonuses, insider- trading, inefficient project investment, and connected lending to relatives and friends, all of which were shown to be minority shareholder rights expropriation (Charumilind, Kali & Wiwattanakantang 2006; Phongpaichit & Baker 2000).

Hypothesis 2, 3 and 4 responded to research question 2: 'What factors improved minority shareholder rights in the Thai banking sector?'

Hypothesis 2 (that legal protection is positively associated with minority shareholder rights) is accepted because legal protection (investor's knowledge of shareholder rights and legal enforcement of shareholder rights) were positive related to minority shareholder rights. These results showed the legal foundations increase minority shareholder rights because it empowered minority shareholders to demand dividend payouts (La Porta et al 1998). The similar finding of La Porta et al (2000) found minority shareholder rights depended on the effective power of minority shareholder to influence controlling shareholders to distribute cash as dividend payments. In their explanation, La Porta et al (1998) showed the strength of minority shareholder rights protection was related to the legal systems of the countries. For example, they suggested that laws in common law countries were associated with higher minority shareholder rights protection because this legal protection was associated with higher dividend payouts from the firms compared with payouts from civil law countries. These results related to agency theory in which higher separation between ownership and controls affected minority shareholders' powers to extract dividends from their investing companies. The findings of this study are consisted with La Porta et al (1998) because Thailand was categorised as having a system of common law origin system (La Porta et al 1998).

Hypothesis 3 (that good corporate governance practice supports stronger minority shareholder rights) is rejected because results (Table 2) indicated that minority shareholder rights were to be reduced as corporate governance practices increased (- 0.168 with significant at 0.10 levels). This finding is contrary to much literature that confirmed corporate governance practices improved minority shareholder rights (Shleifer & Vishny 1997). However, Claessens & Fan (2002) recommended that other factors may be involved. These could include, for example, improving transparency, reducing rent-seeking, decreasing relationship-based transactions and extensive group structures, and controlling risky financial structures (Claessens & Fan 2002). Alternatively, the results could have been influenced by the method of definition and measurement of the variables.

Hypothesis 4 (that good bank performance and free cash flow increase minority shareholder rights) is accepted because Table 2 showed that bank performance and free cash flow have significant positive relationships with minority shareholder rights. In particular, the results indicated that bank performance had the main potential to improve minority shareholder rights because it provided the highest Beta-Coefficient (.948). The finding supporting hypothesis 4 confirmed that bank performance is enhanced by accountable management and that this was related to minority shareholders protection (Burkart, Gromb & Panunzi 1998; Claessens et al. 1999; Reese Jr & Weisbach 2002; William & Michael 2002). Good management and accountability enhanced good corporate performance which was the mechanism to improve higher dividends payout, higher firm value, profit, sales growth, lower capital expenditure, and fewer corporate acquisitions (Gompers, Ishii & Metrick 2003; La Porta, Rafael et al. 2000).

Evidence of higher firm value and profitability and fewer corporate acquisitions also supported the view of minority shareholder rights protection in this study. High bank performance limits corporate scandals around the world because most failure of banks derived from poor bank performance (Arena 2008). In addition, much research used firm performance as a proxy for measures of corporate governance (Claessens et al,1999; Dhnadirek and Tang, 2003; Lemmon & Lins,2003; Nam & Nam, 2004; Berger et al.2005; Hanazaki & Liu 2007).

Hypothesis 4 also showed cash flow was related to shareholder rights in term of dividend policy confirming Modigliani & Miller's (1958 and 1961) suggestion that dividend policy was driven by cash flow, and not related to a firm's share price and the cost of capital. However, the limitation of Modigliani & Miller (1958 and 1961) was the exclusion of some important factors that could influence the above results such as the separation of ownership, boards, and control rights.

As noted above, Ross (1973) successfully drew parallels between agency problems and agency theory which described shareholders risk of success or failure of an investment and their compensation by control rights and cash flow rights (Ross 1973). In specific research of agency problems, higher provisions of cash flow mean a higher dividends payoff to shareholders and reduced agency problems (Miller & Rock, 1985) because dividend changes conveyed information that managers could have about a firm's future profitability, and dividend policy. The power of shareholder rights, reflected in an increase in dividend payments were important factors that mitigated agency costs because minority shareholders could extract more cash from management in contrast to managers' ability to use cash to invest in projects below costs of capital, or increase manager's remuneration (Miller & Rock 1985).

Cash flow is used as the measure of minority shareholder rights expropriation indicator as Claessens et al.(1999) discovered minority shareholder rights improvement has been detected when higher cash flow rights were associated with higher market valuation. The implication from Claessens et al. (1999) was that minority shareholders or outside investors would invest in shares if the company generates higher cash flow because higher cash flow contributes to higher dividend payments. This result of Claessens et al.(1999) is also consistent with Miller & Rock (1985) as mentioned above.

6. Summary and Conclusions

Much research in the past suggested legal protection and ownership structure are the main factors to drive stronger minority shareholder rights (Claessens et al. 1999; Claessens & Fan 2002; La Porta, R et al. 1998, 2000). However, this research study brought together more of the factors that recent studies showed influenced minority shareholder rights. The additional factors were corporate governance practices of minority shareholder rights and legal protection from the perception of Thai institutional investors, banks' directors and executives.

The findings of this study found some significant results which revealed evidence that minority shareholder rights expropriation in the Thai commercial banks sector was related to family ownership and poor corporate governance practices in shareholder rights. To strengthen minority shareholder rights it is necessary to enhance bank performance, free cash flow and legal protection as well as reduce family ownership and enhance corporate governance practices in regards to shareholder rights.

Although overall the findings of this study were similar to the findings of previous research described in the literature review: family ownership inhibited minority shareholder rights; and bank performance and free cash flow and legal protection are associated with minority shareholder rights.

However, according to the result of this study, corporate governance practices of shareholder rights were significantly negatively relates with minority shareholder rights. This result is contrary to the survey by the Thai Institute of Directors Association which reported that all Thai listed commercial banks had corporate governance practices rating since year 2009 at least ‘very good’ and a score of 80-89 from 100 (Thai Institute of Directors Association 2009).

In contrast, the findings from this study are similar to Chuanrommanee and Swierczek (2007) who found that the corporate governance practices of Thai corporations are more illustration than fact. They explained that corporate governance practices of Thai corporations did not impact on company performance and the level of corporate governance reported was also not consistent with the ratings from international financial institutions such as Credit Lyonnais Securities Asia and Standard & Poor’s (Chuanrommanee & Swierczek 2007).

The results of this study and Chuanrommanee and Swierczek (2007) implied that the way to achieve minority shareholder rights improvement in the Thai commercial banking sector was essentially to upgrade the criteria on which good corporate governance practices were based. These should include bank performance. Furthermore, the assessment of corporate governance practices should be undertaken by international financial institutions and domestic investment institutions.

Table 1: Measures of the variables

Factors to determine minority shareholder rights	Indicators	Measurement
Minority shareholder rights	Shareholder returns	Mean of dividend payout and ROE
Family	Family ownership	Dummy scores of family ownership
Legal protection for investors	- Investor's knowledge in shareholder rights	- Investor's knowledge in shareholder rights (survey questionnaire)
	- Legal enforcement of minority shareholder rights	- Legal enforcement of minority shareholder rights (survey questionnaire)
CG	Corporate governance practice of minority shareholder rights	Corporate governance practice of minority shareholder rights
CF	Cash Flow	Free Cash Flow
BP	Bank performance	Mean of ROA and Net profit margin

Table 2: Coefficients of Minority Shareholder Rights Model

Coefficients[a]

Family Ownership Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	3.527	.976		3.615	.000*		
	Family ownership	-4.151	.415	-.498	-9.992	.000*	.619	1.614
	Investor's knowledge in shareholder rights	.424	.423	.047	1.004	.317	.713	1.402
	Legal enforcement of minority shareholder rights	.205	.275	.067	.745	.458	.189	5.282
	Corporate governance practice of shareholder rights	-.512	.269	-.168	-1.899	.059**	.197	5.079
	Bank performance	.857	.040	.948	21.470	.000*	.790	1.265
	Free Cash Flow	.000	.000	.337	7.237	.000*	.712	1.404

a. Dependent Variable: Minority shareholder rights

b. * is Significant at 0.05 levels and ** is significant at 0.10 levels

Note: The results of this study have no Multi-Collinearity exists because Tolerance is more than 0.10 and VIF is less than 10. This finding indicates all variables provided no bias for statistical analysis because Multi-Collinearity complicates the interpretation of the variate which is more difficult to ascertain the effect of any single variable and owing to their relationships (Hair et al. 1998).

References

Arena, M 2008, 'Bank failures and bank fundamentals: A comparative analysis of Latin America and East Asia during the nineties using bank-level data', *Journal of Banking & Finance*, vol. 32, no. 2, pp. 299-310
Berle, A & Means, G 1932, *The Modern Corporation and Private Property*, World Inc., New York.
Burkart, M, Gromb, D & Panunzi, F 1998, 'Why Higher Takeover Premia Protect Minority Shareholders', *Journal of Political Economy*, vol. 106, no. 1, pp. 172-204.
Charumilind, C, Kali, R & Wiwattanakantang, Y 2006, 'Connected Lending: Thailand before the financial crisis', *Journal of Business*, vol. 79, pp. 181-218.
Chuanrommanee, W & Swierczek, FW 2007, 'Corporate Governance in ASEAN Financial Corporations: reality or illusion?', *An International Review*, vol. 15, no. 2, pp. 272-83.
Claessens, S 2006, 'Corporate Governance and Development', *The World Bank Research Observer*, vol. 21, no. 1, pp. 91-122.
Claessens, S, Djankov, S, Fan, J & Lang, L 1999, 'Expropriation of minority shareholders in East Asia', *The World Bank*, pp. 1-57.
Claessens, S & Fan, JPH 2002, 'Corporate Governance in Asia: A survey', *International review of finance*, vol. 3, no. 2, pp. 71-103.
Eldomiaty Tarek Ibrahim & Choi Chong Ju 2006, 'Corporate governance and strategic transparency: East Asia in the international business systems', *Corporate Governance*, vol. 6, no. 3, pp. 281-95.
Gompers, PA, Ishii, J & Metrick, A 2003, 'Corporate governance and equity prices', *Quarterly Journal of Economics*, vol. 118, no. 1, pp. 107-55.
Hair, JFJ, Anderson, RE, Tatham, RL & Black, WC 1998, *Multivariate Data Analysis*, Prentice-Hall International, Inc., New Jersey, USA.
Iskander, M, Meyerman, G, Gray, DF & Hagen, S 1999, *Corporate Restructuring and Governance in East Asia*, International Monetary Fund (IMF), USA.
Jensen, C & Meckling, WH 1976, 'Theory of the firm: Managerial behavior, Agency costs and Ownership Structure', *Journal of Financial Economics*, vol. 3, no. 4, pp. 305-60.
Jensen, MC 1986, 'Agency Costs of Free Cash Flow, Corporate Finance, and Takeovers', *American Economic Review*, vol. 76, no. 2, pp. 323-9.
Johnson, S, Booneb, P, Breachc, A & Friedmand, E 2000, 'Corporate governance in the Asian financial crisis', *Journal of Financial Economics*, vol. 58, no. 1-2, pp. 141-86.
La Porta, R, Lopez-de-Silanes, F, Shleifer, A & Vishny, RW 1998, 'Law and Finance', *Journal of Political Economy*, vol. 106, no. 6, pp. 1113 - 55.
—— 2000, 'Agency Problems and Dividend Policies around the World ', *The Journal of Finance*, vol. 55, no. 1, pp. 1-33.
—— 2000, 'Investor Protection and Corporate Governance', *Journal of Financial Economics*, vol. 58, pp. 3-27.
—— 2002, 'Investor Protection and Corporate Valuation', *The Journal of Finance*, vol. 57, no. 3, pp. 1147-70.
Lauridsen, LS 1998, 'The financial crisis in Thailand: Causes, conduct and consequences? ', *World development*, vol. 26, no. 8, pp. 1575-91

Miller, M & Rock, K 1985, 'Dividend Policy under Asymmetric Information', *Journal of Finance*, vol. 40, no. 4, pp. 1031-51.

Nam, S-W & Nam, C 2004, *Corporate Governance in Asia: Recent Evidence from Indonesia, Republic of Korea, Malaysia, and Thailand*, Asian Development Bank (ADB).

Nikomborirak, D 1999, 'The Crisis and Struggle for better governance in Thailand', paper presented to Socio-economic Changes and Political Trends in East Asia - Trends and Issue in Asia 2000, Tokyo, Japan, October 20-22, 1999.

Phongpaichit, P & Baker, C 2000, *Thailand's Crisis*, Institute of Southeast Asian Studies, Singapore.

Polsiri, P & Wiwattanakantang, Y 2004, 'Business Groups in Thailand: before and after the East Asian financial crisis', *Center for Economic Institutions Working paper series*, vol. 13, pp. 1-43.

Reese Jr, WA & Weisbach, MS 2002, 'Protection of minority shareholder interests, cross-listings in the United States, and subsequent equity offerings', *Journal of Financial Economics*, vol. 66, no. 1, pp. 65-104

Ross, SA 1973, 'The economic theory of agency: The principal problems', *American Economic Review*, vol. LXII.

Shleifer, A & Vishny, RW 1997, 'A Survey of Corporate Governance ', *Journal of Finance*, vol. 52, pp. 737-8.

Solomon, J & Solomon, A 2004, *Corporate Governance and Accountability*, John Wiley & Sons Ltd, West Sussex.

Thai Institute of Directors Association 2009, *Corporate Governance Report of Thai Listed Companies 2009*, Thai Institute of Directors Association, Bangkok.

The Organization for Economic Development (OECD) (ed.) 1999, *Principles of Corporate Governance*, The Organization for Economic Development (OECD), Paris.

Urapeepatanapong, K 2006, *Corporate Governance in Thailand: A Way Forward*, 1 edn, The Stock Exchange of Thailand, Bangkok.

William, AR, Jr, & Michael, SW 2002, 'Protection of minority shareholder interests, cross-listings in the United States, and subsequent equity offerings', *Journal of Financial Economics*, vol. 66, no. 1, pp. 65-104