

ผลของการเปิดเผยข้อมูล ความโปร่งใส และสัดส่วนของกรรมการอิสระ ที่มีต่อผลการประกอบการของบริษัทจดทะเบียน : หลักฐานเชิงประจักษ์ จากตลาดหลักทรัพย์แห่งประเทศไทย

กฤษฎา เขียววัฒนสุข

เปรมวดี พองศิริ

วิทยาลัยพาณิชยศาสตร์ มหาวิทยาลัยบูรพา

บทคัดย่อ

ผลจากการวิจัย พบว่า การเปิดเผยข้อมูลและความโปร่งใส เป็นปัจจัยหลักที่มีผลต่อการปรับปรุงการกำกับดูแลกิจการ (บรรษัทภิบาล) โดยมีมาตรการเชิงบังคับและมาตรการตามสมัครใจในการที่จะทำให้นั้นใจว่าบริษัทจดทะเบียนในตลาดหลักทรัพย์ของประเทศไทย ได้รับเอามาเป็นแนวทางปฏิบัติ การศึกษานี้ได้ทำการสำรวจระดับของการเปิดเผยข้อมูลและความโปร่งใสของบริษัทจดทะเบียนในตลาดหลักทรัพย์ และวิเคราะห์การปฏิบัติเกี่ยวกับการเปิดเผยข้อมูลของบริษัท ทั้งนี้การศึกษานี้ได้ยึดถือเอาแนวทางปฏิบัติเกี่ยวกับหลักการกำกับดูแลกิจการ ซึ่งได้กำหนดไว้โดยตลาดหลักทรัพย์แห่งประเทศไทยและหลักบรรษัทภิบาลของ OECD เป็นแนวคิดสำคัญ ในการศึกษาความสัมพันธ์ระหว่างการเปิดเผยข้อมูลและความโปร่งใส กับผลการประกอบการของบริษัทจดทะเบียน การวิจัยนี้ได้ศึกษาอัตราส่วนซึ่งใช้ประเมินผลการประกอบการของบริษัทจดทะเบียน 3 อัตราส่วนได้แก่ อัตราส่วนกำไรสุทธิ ผลตอบแทนของผู้ถือหุ้น และ ผลตอบแทนจากสินทรัพย์ การวิจัยนี้ยังได้ขยายขอบเขตการศึกษาไปถึงความสัมพันธ์ระหว่างการเปิดเผยข้อมูลและความโปร่งใส รวมถึงสัดส่วนของกรรมการอิสระของบริษัทจดทะเบียน ว่ามีอิทธิพลต่อผลประกอบการของบริษัทอย่างไร ซึ่งประเมินจากอัตราส่วนกำไรสุทธิ ผลตอบแทนของผู้ถือหุ้น ผลตอบแทนจากสินทรัพย์ ซึ่งผลการศึกษาพบว่าระดับการเปิดเผยข้อมูลและความโปร่งใส มีอิทธิพลต่อผลประกอบการของบริษัทจดทะเบียน แต่สัดส่วนของกรรมการอิสระไม่มีอิทธิพลต่อผลประกอบการของบริษัท ผลจากการศึกษาสอดคล้องกับแนวคิดที่ว่าความโปร่งใสและการเปิดเผยข้อมูล ซึ่งเป็นปัจจัยสำคัญของการกำกับดูแลกิจการที่ดี และมีความสัมพันธ์ในทิศทางเดียวกันกับผลประกอบการของบริษัท การวิจัยเกี่ยวกับการกำกับดูแลกิจการจะเป็นประโยชน์สำหรับผู้ลงทุน ผู้มีส่วนได้เสียของบริษัท นักวิชาการ ผู้ประกอบการวิชาชีพ ผู้กำหนดนโยบาย และควรได้รับการส่งเสริมเพื่อช่วยเพิ่มประสิทธิภาพให้แก่ตลาดหลักทรัพย์ไทย

คำศัพท์: การกำกับดูแลกิจการ การเปิดเผยข้อมูล ความโปร่งใส ผลการประกอบการ ตลาดหลักทรัพย์แห่งประเทศไทย OECD

THE EFFECT OF CORPORATE DISCLOSURE & TRANSPARENCY, AND INDEPENDENT BOARD RATIO ON COMPANY PERFORMANCE : EVIDENCE FROM THE STOCK EXCHANGE OF THAILAND*

Krisada Chienwattanasook

Premvadee Fongsiri

Graduate School of Commerce, Burapha University

ABSTRACT

Research indicates that disclosure and transparency are the core elements for improving corporate governance, and there are regulatory and voluntary measures in place to ensure that listed companies observe these practices in Thailand. This study examines the level of disclosure & transparency of Thai publicly listed companies and analyzes corporate disclosure practices in Thailand. Using the Stock Exchange of Thailand's Corporate Governance Guidelines and the OECD Corporate Governance Principles as an implicit benchmark, the relationship between the disclosure, transparency and the operating performance of publicly listed companies is investigated. Performance is measured by three profitability indices: net profit margin, return on equity and return on assets. Our analysis also examines the association of disclosure & transparency and independent board ratio, which is hypothesized to have an effect on the company performance (NPM, ROA, and ROE). This study found that the level of disclosure & transparency has an influence on companies' performance, but the degree of independent board ratios has no effect. The results of the study are consistent with the notion that transparency, as a characteristic of good corporate governance, are positively related to the company performance. Research in the area of corporate governance is of benefit to investors, stakeholders, academics, professionals, policy makers, and should be promoted to help increase the efficiency of the Thai capital market.

Keywords : corporate governance, disclosure, transparency, operating performance, the Stock Exchange of Thailand, OECD

* This article was modified from our presented paper at The 7th Annual Meeting of the ASEAN Graduate Business and Economics Program, Depok, Indonesia, January 29th – 31st, 2007.

INTRODUCTION

The main objective of this study was to develop and expand on previous research by changing the statistical analysis method and increasing the sample size. Our previous study found that the three profitability ratios increase as the degree of disclosure and transparency increases (Chienwattanasook & Fongsiri, 2006), and found that the differences in the level of Disclosure & Transparency effect companies' performance (Chienwattanasook & Fongsiri, 2007). This study examines the main effect of the independent variables (Level of D&T and degree of independent board ratio), and the interactions among the independent variables.

This research focuses on corporate disclosure and transparency of listed companies in Thailand.

It is hypothesized that changes in the level of disclosure & transparency associate with degree of independent board ratio have a significance effect on the performance of the companies. Three profitability indices - net profit margin, return on equity, and return on assets - are investigated to test the relationship between disclosure & transparency and company performance. This study also examines which dependent variables (NPM, ROA, and ROE) are affected by independent variables.

Corporate governance is commonly referred to as a system by which business organizations are directed and controlled, and by which corporate objectives are identified, monitored and, achieved (Kaen, 2003). Good corporate governance aims to protect the rights of the shareholders through disclosure and transparency, facilitate effective functioning of the board and providing an efficient legal and

regulatory enforcement framework (Campos, Newell, & Wilson, 2002).

The "agency problem" between owners, managers, and the directors who represent the owners began to gain attention in the economic literature in the 1930s (Dallas, 2004, p 2). Jensen and Meckling (1976) first proposed the Agency Theory, which defined the agency relationship as a contract under which one party (the principal) engages another party (the agent) to perform some services on their behalf (e.g., Jensen & Meckling, 1976; McColgan, 2001). Agency problems arise because of the impossibility of perfectly contracting for every possible action of an agent, whose decisions affect both his own welfare and the welfare of the principal. Arising from this problem is how to induce the agent to act in the best interests of the principal. Jensen and Meckling (1976) argued that this inefficiency is reduced as managerial incentives to take value maximizing decisions are increased (McColgan, 2001). Recent thinking about strategic management and business policy has been influenced by the agency theory of Jensen and Meckling (1976), which argued that managers would not act to maximize the returns to shareholders unless appropriate governance structures were implemented in the large corporation to safeguard the interests of shareholders (Donaldson & Davis, 1991).

Dallas (2004) stated that in recent years, corporate governance has been established as an important field of study and as an area of significant corporate risk. The extensive damage and disillusion caused by recent corporate governance failures has made corporate governance not just a concern for financial industries, but also an issue of global economy.

Corporate Governance in Thailand

Dallas (2004) also cited that the release in the early 1990s of the Cadbury Code of the U.K. was a key development in the modern literature on corporate governance. In the U.S., large pension funds began to use their influence as institutional investors to advocate improvements in corporate governance and to stimulate greater shareholder activism.

The Organization of Economic Cooperation and Development (OECD) in the late 1990s developed Corporate Governance Guidelines as a general framework covering a wide range of legal jurisdictions, market practices and ownership structures, as well as divergent cultures (e.g. OECD Principles of Corporate Governance 2004; Dallas, 2004). The principles were most recently updated in 2004 and are provided as a general framework for countries and corporations worldwide (Uraeepatanapong, 2006, pp. 199 -202).

There are also efforts to build a general global framework complemented by the development of many country-specific codes of best government practice (Dallas, 2004). Enron's collapse, beginning in October 2001, drew high attention from the global markets. The Enron case revealed a disturbing phenomenon: a conflict of interest between shareholders and management (Abdel-Khalik, 2002). In 2002, the Sarbanes-Oxley legislation (Sarbanes-Oxley Act of 2002) in the U.S. and the new listing rule proposals by the New York Stock Exchange and NASDAQ were introduced rapidly and are prominent among these legal and regulatory initiatives (Dallas, 2004, pp. 2 - 6).

In the aftermath of the 1997 financial crisis in Thailand it soon became apparent that weak corporate governance practices had intensified its severity (Alba, Claessens, & Djankov, 1998). A close examination of corporate governance practices at many Thai firms reveal that local governance practices did not match international standards and expectations (Alba et al., 1998; Wallerdsak & Suehiro, 2004). Cheung et al. (2004) described that like other Asian countries affected by the 1997 financial crisis, Thailand faced corporate governance problems at two levels. First, poor governance practices at firm level created many difficulties, including overinvestment and over-borrowing. Secondly, as a developing market, Thai companies typically relied on bank financing rather than market financing to secure funds (Cheung et al., 2004). Developing capital markets are often incapable of acting as an effective monitor and disciplining company managers (Cheung et al., 2004). The study of Charumilind et al. (2006) described that banks, as the main corporation financier, should serve a vital monitoring role with their borrowers. However, in many cases banks themselves were also suffering from poor governance practices. In the aftermath of the crisis, the government shut down fifty-six finance firms. In summary, poor governance practices played a vital role in the economic difficulties.

As detailed in the research of Cheung et al. (2004), the practices of many Thai firms failed to meet international standards and expectations with regard to the basic principles of corporate governance. Reform efforts since the crisis have centered on improving company practices, especially in the areas

of accountability, responsibility, equitable treatment, and transparency.

In 2000, the Stock Exchange of Thailand (SET) issued 15 guidelines on good corporate governance and asked that companies adopt them (e.g. Securities and Exchange Commission, 2006; Todhanakasem, 2001). Relating to disclosure and transparency, even though Thailand has not adopted the U.S. GAAP (Generally Accepted Accounting Principle) or the IAS (International Accounting Standard) in the financial reports of listed companies, companies listed on the Stock Exchange of Thailand (SET) have to comply with the Thai GAAP (Securities and Exchange Commission, Thailand). The Institute of Certified Accountants and Auditors of Thailand (ICAAT) set the goal that all IAS will be applicable to Thailand within four years (Thailand Investor Service Center, 2006).

Companies that are listed on the SET are subjected to rigorous disclosure requirements outlined in the Thai accounting standards, and in addition must be in compliance with the Thai GAAP. The financial statements of SET-listed companies must be reviewed by external and independent auditors and disclosed to the public on a quarterly basis. The Securities and Exchange Commission, Thailand (SEC) also requires listed companies to file their annual disclosure statements (Form 56-1), which contain extensive information on risk factors that companies are facing, management discussion and analysis on past performance, and financial position as reflected in the financial statements. In cases where there is any negative effect on performance of the companies, discussion in the annual statement should also provide detailed strategies to avert the problems. The annual statement must provide information of the transactions

of all related parties during the year, and significant transactions are required by the SET to be approved at shareholders' meetings. Discussions on the level of internal control and management control over the companies through audit committees, whose composition includes independent directors, must also be disclosed. The Thai SEC conducts random reviews of approximately a quarter of the total number of such disclosure documents. Any company that fails to disclose such information is subjected to sanctions by the Thai SEC.

In 2002, the government included the good corporate campaign in its "Capital Market Development Master Plan" (The Securities and Exchange Commission, 2006). The National Corporate Governance Committee, chaired by Prime Minister Thaksin Shinawatra, was set up. The committee instigated a policy to encourage all organizations to promote good corporate governance and designated the issue for the national agenda (The Securities and Exchange Commission, 2006).

In reference to the World Bank's Report on the Observance of Standards and Codes (ROSC) Corporate Governance Country Assessment Thailand (2005), other efforts to promote good practices include the designation of the Thai Rating and Information Service (TRIS) as the sole corporate governance rating agency for Thailand's listed companies. The SET and SEC have provided incentives for companies to be rated by TRIS. The Thai Institute of Directors' (IOD) has provided training to directors of listed companies. As of May 2005, more than 1,600 directors have completed the Director Certificate Program. Thailand has joined the OECD governance assessment program. In September 2005, the OECD issued the results of

its observations, saying that Thailand had surpassed most standards, although there were still some areas which needed to be improved. The OECD expressed the opinion that there was an urgent need to persist with corporate governance reform and complete the unfinished agenda in order for Thailand to further develop its capital market and increase competitiveness.

Research on Corporate Disclosure and Transparency

Empirical research addressing corporate governance issues continues to gain considerable attention (Cheung et al. 2004). The emphasis on disclosure standards and transparency confirms that disclosure and transparency are important principles to protect shareholders' rights. Through complete disclosure and transparent management practices, shareholders can be confident that the company they trust their funds with is being operated with their best interests in mind.

Khanna, Palepu and Srinivasan (2003) examined disclosure practices of companies and found a correlation between disclosure and firm size, performance and legal origin. Khanna, Palepu and Srinivasan (2003) also concluded that cross-border economic transactions are associated with similarities in disclosure and government practices. Bushman, Piotroski and Smith (2004) investigated corporate transparency in 45 countries worldwide and concluded that transparency is a function of a country's legal and judicial regime, as well as its political economy. They defined corporate transparency as the availability

of firm-specific information to outside investors and stakeholders and stressed that the level of corporate transparency depends on the level of information disclosure exhibited by the firms. La Porta et al. (1998) posit that firms in markets with a higher level of legal protection and corporate governance are associated with better performance. Cheung et al. (2004) found that corporate governance characteristics, such as board composition, show significant association with degrees of corporate disclosure in Thailand.

Lehmann, Warning and Weigand (1996) examined 361 German corporations in the period from 1991 to 1996 and found that firms with more efficient governance structures had higher profitability. Greenstone et al. (2006) document positive and significant returns from increasing mandatory disclosure requirements through the 1964 Securities Acts Amendments (Ostberg, 2006).

Pratomsrimek (2006) studied 102 listed companies under rehabilitation from 1998 to 2005 and concluded that various factors relate to the success of the rehabilitation process of the companies. These factors included three Value Creation Factors – the Sales growth, the Gain from Debt Restructuring, and the Tangible assets available, a Good Corporate Governance factor – the Transparency and Disclosure improvement, and an Earnings Management Behavior – Increase in Discretionary Accruals. The result also implied that rehabilitating companies emerging from severe financial distress possessed some Value Creation Factors, and strongly attempted to transparently disclose their information in order to attract funds from outside.

The next section of this paper presents a description of the sampling methods and development of the study design. The following section reports the results of the sampling process and analyzes the data. A final section summarizes the findings.

Research Methodology and Results

Hypothesis

This paper focuses on corporate disclosure and transparency of listed companies in Thailand. It proposes a testable hypothesis concerning the interaction among the independent variables (level of corporate disclosure & transparency, and the degree of independent board ratios), and also aims to determine the main effect of the independent variables. Three profitability indices are used as performance measures -- net profit margin, return on equity, and return on assets. The hypothesis is developed as follows.

Hypothesis :

The differences in the level of disclosure & transparency associates with the differences in degree of independent board ratios have an effect on firm performance.

Data

This study examines a sample of 189 listed companies in Thailand in the year 2001, the first year for which data is available in the Stock Exchange of

Thailand database (after Thailand's economic crisis). The sample companies were selected by the following criteria: firstly, availability of data for all variables necessary to test hypothesis; secondly, the completion of studied variables; and finally, exclusion of outlier companies with extraordinary profitability indices. The main data source for disclosure and financial data is from the Set Market Analysis and Reporting Tool (SETSMART), the database provided by the Stock Exchange of Thailand (SET). The financial data is taken from the companies' audited financial statements filed with the Securities and Exchange Commission, Thailand (SEC). This source of data generally provides information for financial and accounting variables to be used in calculating net profit margin, returns on equity, and returns on assets. The disclosures were manually collected from the individual firm profiles in the disclosure Form 56-1, submitted to the SEC by listed companies. The degree of disclosure was measured by scoring in reference to the disclosure guidelines of the SEC. A score sheet was designed for scoring firms on the amount and level of detail of disclosures. The data sample excludes companies that had their shares suspended, or were de-listed during the period, which may have an effect on the analysis.

Statistical Method

Three performance measures were correlated at the .001 level of significant: Bartlett's test of sphericity; likelihood = .000, Sig. = .000. Therefore, this study employed MANOVA (2-way Fixed-Effects Model with Interaction) to test the research hypothesis. In doing so, the level of disclosure & transparency scores were first separated into 2 levels (1 = Below

average score: 2 = Average score and above). Second, the degree of Independent board ratios was also separated into 2 groups (group 1 < 20%, group 2 >= 20%). The descriptive data are shown in the tables below.

Table 1 Average D&T Score and average Independent Board Ratio

	N	Range	Minimum	Maximum	Mean	Std.Deviation
D & T Score	189	86.21	10.34	96.55	62.8723	12.50884
Independent Board Ratio	189	.80	.00	.80	.1605	.16071

Table 2 Number of companies separated by D&T Score and Independent Board Ratio Grouping

		Value Lable	N
D & T Grouping	1	Below average	101
	2	Average and above	88
Independent board grouping	1	< 20%	113
	2	>=20%	76

Results

From the data of 189 companies, the average score for Disclosure and Transparency (D&T) was 62.87, with a standard deviation of 12.51 (Min = 10.34, Max = 96.55).

Box's Test of Equality of Covariance Matrices: Box's M = 145.795, F = 7.848, Sig. = .000

(H₀: \sum Below average. < 20% = \sum Below average. >= 20% = \sum Average and above. < 20% = \sum Average and above. >= 20%)

Table 3 Companies' mean performance measures separate for each group

D&T Grouping		Independent	Mean	Std. Deviation	N
Net Profit Margin	Below average	< 20%	5.5854	10.36521	59
		>=20%	6.6026	12.82362	42
		Total	6.0084	11.40133	101
	Average and above	< 20%	10.9234	9.38577	54
		>=20%	9.5618	7.64653	34
		Total	10.3987	8.73435	88
	Total	< 20%	8.1367	10.22249	113
		>=20%	7.9264	10.85436	76
		Total	8.0522	10.45309	189
ROA	Below average	< 20%	5.9678	6.45133	59
		>=20%	8.1383	11.22021	42
		Total	6.8704	8.76992	101
	Average and above	< 20%	11.1550	5.87314	54
		>=20%	13.6735	8.47568	34
		Total	12.1281	7.05572	88
	Total	< 20%	8.4466	6.68203	113
		>=20%	10.6146	10.39739	76
		Total	9.3184	8.41801	189
ROE	Below average	< 20%	9.0163	20.96380	59
		>=20%	11.0548	25.81148	42
		Total	9.8640	23.00160	101
	Average and above	< 20%	23.5446	48.08275	59
		>=20%	36.0379	73.57608	34
		Total	28.3716	59.15432	88
	Total	< 20%	15.9590	37.07791	113
		>=20%	22.2314	53.87475	76
		Total	18.4813	44.56938	189

For Multivariate Tests, the results are shown as follows:

$$(H_0: \mu_{\text{Below average, < 20\%}} = \mu_{\text{Below average, >= 20\%}} = \mu_{\text{Average and above, < 20\%}} = \mu_{\text{Average and above, >= 20\%}})$$

Table 4 Multivariate testing of independent variables

Effect		Value	F	Sig.
Intercept	Pillai's Trace	.594	89.411	.000
DT Grouping	Pillai's Trace	.111	7.651	.000
Ind B Grouping	Pillai's Trace	.036	2.246	.084
DT Grouping * Ind B Grouping	Pillai's Trace	.011	.677	.567

From Table 4, it can be concluded that the difference in level of disclosure & transparency has an influence on companies' performance, but there is no effect on companies' performance by the independent board ratios. In addition, there is no interaction among the independent variables.

Table 5 Testing of between-subjects effects

Source	Dependent Variable	F	Sig.
Corrected Model	Net Profit Margin	3.057	.030
	ROA	8.107	.000
	ROE	3.391	.019
Intercept	Net Profit Margin	113.782	.000
	ROA	268.558	.000
	ROE	37.388	.000
D&T Grouping	Net Profit Margin	7.339	.007
	ROA	20.368	.000
	ROE	9.200	.003
Ind B Grouping	Net Profit Margin	.013	.910
	ROA	3.895	.050
	ROE	1.244	.266
DT Grouping * Ind B Grouping	Net Profit Margin	.604	.438
	ROA	.021	.884
	ROE	.644	.423

Form Table 6, concluded that companies' performance – as measured by Net profit Margin, Return on Assets, and Return on Equity — is affected by differences in the level of Disclosure & Transparency.

Limitations of the Study

There are several factors which may be considered limitations of these findings:

1. Limitations in methodology. At the beginning of this study the multiple regression model was used, as suggested by previous research, but the assumptions regarding the variables in the MRA were not fulfilled (The Net Profit Margin was used as a dependent variable with D&T score. Independent board ratio, and other concerned variables were used as predictors).

2. There is some limit in the availability of data. The study randomly selected 180 companies from the year 2001 database. However, only 84 companies met the criteria for having complete data for disclosure, three profitability ratios, and independent board ratio.

3. Potential endogeneity. Companies with higher earnings performance may increase their degrees of disclosure because they are performing well. In other words, disclosure and transparency may be driven by company performance rather than disclosure. This possibility may therefore be an appropriate subject for more research in the future.

Past surveys show a significant relationship between corporate disclosure and company performance, but these findings should be interpreted carefully since there are other factors and conditions, such as effective management and employees' characteristics, which can influence company performance. Future research can continue where this study leaves off and be extended to cover more

variables which are not addressed by this study. To address the methods and data limitations, this future research might take multi-period factors into consideration. The next stage of this research will compare the data sets from the years 2005 and 2006. Further research should be concerned with other intervening variables such as market capital, average stock price, etc. In addition, the study of the endogeneity effect is another interesting area that can possibly lead to new concepts in understanding corporate disclosure and transparency. Moreover, further research should concern the practices of corporate disclosure and transparency in other ASEAN countries, the comparison of cross-country situations and the potential for learning from shared analysis and experience.

Conclusions

In examining the level of corporate disclosure and transparency of listed companies in Thailand, this study confirms that disclosure and transparency significantly affects companies' performance (NPM, ROA, and ROE). The higher level of D&T Score, the higher companies' performance. This conclusion is consistent with prior studies (Khanna, Palepu, & Srinivasan, 2003; Chienwattanasook and Fongsiri, 2007) which examined corporate disclosure and found a correlation between disclosure and performance. Nonetheless, the findings of this study indicate there is no effect from independent board ratio, which is in contrast to the results of Cheung et al (2004), i.e., that board composition shows a significant association with degrees of corporate disclosure in Thailand.

In summary, the three profitability ratios increase as the level of disclosure and transparency increases. The results are consistent with the notion that disclosure and transparency, as a characteristics of good corporate governance, are positively related to the company performance.

REFERENCES

Abdel-Khalik, A.R. (2002). Reforming corporate governance post Enron: Shareholders' Board of Trustees and the auditor. *Journal of Accounting and Public Policy*. 21, 97 – 103.

Alba, P. & Claessens, S. & Djankov, S. (1998). Thailand's Corporate Financing and Governance Structures: Impact on Firms' Competitiveness. *Conference on Thailand's Dynamic Economic Recovery and Competitiveness*. 20-21 May 1998. UNCC. Bangkok.

Bushman, R. & Piotroski, J. & Smith, A. (2003). What Determines Corporate Transparency? *Journal of Accounting Research*. Vol. 42 No. 2 May 2004.

Campos, C. & Newell, R. & Wilson, g. (2002). Corporate Governance Develops in Emerging Markets. *McKinsey on Finance*. Winter 2002.

Chalumilind, C. & Kali, R. & Wiwattanakantang, Y. (2006). Connected Lending: Thailand before the Financial Crisis. *The Journal of Business*. 79, 181 – 218.

Chen, K. & Chen, Z. & Wei, K.C. (2003). *Disclosure, Corporate Governance, and the Cost of Equity Capital: Evidence from Asia's Emerging Markets*. Department of Accounting. Hong Kong University of Science & Technology. Hong Kong.

Cheung, S.Y. & Connelly, J.T. & Limpaphayom, P. & Zhou, L. (2004). *Determinants of Corporate Disclosure and Transparency: Evidence from Hong Kong and Thailand*. Retrieved April 28, 2006 from http://ieas.berkeley.edu/events/pdf/cheung_paper.pdf

Chienwattanasook, K. & Fongsiri, P. (2006). *Corporate Governance, Disclosure, and Transparency: Evidence from Stock Exchange of Thailand*. Presented paper at the 2006 Conference of The Asian Forum on Business Education (AFBE), 4-5 December, 2006. Hanoi, Vietnam. <http://www.afbe.info/index.php>

Chienwattanasook, K. & Fongsiri, P. (2007). *The effect of Disclosure & Transparency, and Independent board ratio on company performance: Evidence from Stock Exchange of Thailand*. Presented paper, at The 7th Annual Meeting of the ASEAN Graduate Business and Economics Program, Depok, Indonesia. January 29th – 31st, 2007.

Dallas, George (2004). *Governance and Risk*. USA: The McGraw-Hill.

Denis, D. K. (2001). Twenty-five years of corporate governance research and accounting. *Review of Financial Economics*, 10, 191-212.

- Dixon, C. (2004). Post-Crisis Restructuring: Foreign Ownership, Corporate Resistance and Economic Nationalism in Thailand. *Contemporary Southeast Asia*, 26, 45 – 73.
- Donaldson, L. & Davis, J.H. (1991). Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns. *Australian Journal of Management*, 16, 49-65.
- Eng, L. L. & Mak, Y. T. (2003). Corporate governance and voluntary disclosure. *Journal of Accounting and Public Policy*, 22, 325-345.
- Healy, P. & Palepu, K. (2003). The Fall of Enron. *Journal of Economic Perspectives*, Vol. 17, Number 2 Spring 2003, pp. 3 – 26.
- Ho, S. S.M. & Wong, K. S. (2001). A study of the relationship between corporate governance structures and the extent of voluntary disclosure. *Journal of International Accounting Auditing & Taxation*, 10, 139-156.
- Hongcharu, B. (2006). Transparency and Accountability of Listed Non-Financial Companies in Post-Crisis Thailand. *Corporate Governance in Thailand*. Singapore: The Institute of Southeast Asian Studies (ISEAS), 1- 27.
- Jensen, M. & Meckling, W. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics*, 3, 305-360.
- Jetatianranat, K. (2000). *Thailand's Corporate Governance Issues and Development*. Paper presented at OECD's The Second Asian Roundtable on Corporate Governance 31 May – 2 June 2000.
- Kaen, F. R., *A Blueprint for Corporate Governance*. New York: American Management Association.
- Khanna, T. & Palepu, K. & Srinivasan, S. (2003). Disclosure Practices of Foreign Companies Interacting with U.S. Markets. *Journal of Accounting Research*, 42, 475 - 508.
- La Porta, R. & Lopez de Silanes, F. & Shleifer, A. & Vishny, R. (1998). Law and Finance. *Journal of Political Economy*, 106, 1113 – 1155.
- Lehmann, E. & Warning, S. & Weigand, J. (1996). *Efficient Governance Structures, Corporate Investment, and Profitability*. Retrieved July 15, 2006 from <http://papers.ssrn.com/sol3/papers.cfm>
- McColgan, P. (2001). *Agency theory and corporate governance: a review of the literature from a UK perspective*. Department of Accounting & Finance, University of Strathclyde, UK.
- Ostberg, P. (2006). Disclosure, investment and regulation. *Journal of Financial Intermediation*, 15, 285 - 306.
- Pratomsrimek, S. (2006). *Factors Leading to the Success in the Rehabilitation Process: An Empirical Evidence From the Stock Exchange of Thailand*. PhD. Dissertation. Department of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University, Thailand.

Sabane - Oxley Act of 2002.

Securities and Exchange Commission, Thailand. *Capital Thailand Quarterly Newsletter*, Issue No. 3, January 2005.

Thailand Investor Service Center (TISC). *Corporate Governance: Accounting Standard*. Retrieved April 28, 2006, from <http://www.thailandoutlook.com>

The Institute of Chartered Accountants in England & Wales (2006). *An Overview of Corporate Governance*. Retrieved April 4, 2006 from <http://www.icaew.co.uk/index.cfm>

The OECD Principles of Corporate Governance. (2004). OECD.

The Stock and Exchange Commission, Thailand. *Corporate Governance, Good Governance, Information*. Retrieved July 15, 2006 from http://www.sec.or.th/en/cg/cg/info/index_cg_e.shtml

Todhanakasem, W. *Corporate Governance in Thailand: A Progress Report (2001)*. Retrieved May 30, 2006 from <http://www.thaigovernance.org/thaicg/research.html>

Urapeepatanapong, K. *Corporate Governance in Thailand : A Way Forward*.

Bangkok : Publications and Media Department, The Stock Exchange of Thailand.

Wailerdsak N. & Suehiro A. (2004). Top Executive Origins : Comparative Study between Japan and Thailand. *Asian Business & Management*. 3, 85.

White, S. (2004). Stakeholders, Structure and the failure of corporate governance. *Asia Pacific Journal of Management*, 21, 103-122.

Witherell, B. (2003). *The Roles of Market Discipline and Transparency in Corporate Governance Policy*. A paper presented at the Banque de France International Monetary Seminar on May 16, 2003.

World Bank. (2005). *Report on the Observance of Standards and Codes (ROSC), Corporate Governance country assessment, Thailand*.

AUTHOR :

Krisada Chienwattanasook, DBA student
Graduate School of Commerce
Burapha University
Email : kridasa.dba@gmail.com

Premvadee Fongsiri, DBA student
Graduate School of Commerce
Burapha University
Email : premvadeef@yahoo.com