

The determinants of corporate board size and structure: Evidence from Thai listed companies

Abstract

The purpose of this study is to examine whether firm characteristics influence board size and structure. This study employs 275 non-financial firms listed from Stock Exchange of Thailand (SET) during 2002 to 2006. The empirical results of this study are consistent with some previous literatures. I find that the board size has positively significant relationship with firm size and log of market to book ratio. Larger firm and high growth firm requires larger board to possess, supervise, and monitor the management. Whereas the board composition increases in firm age and outside director ownership and decreases in CEO tenure, and CEO ownership. It is interpreted that CEO play an important role in determining board composition. CEO who has more power would maintain his control by increasing the proportion of insider into the board by adding more insider or replacing outsider with insider in the board.