

Director Remuneration and Firm Performance

The Evidence from Thailand

ABSTRACT

This study attempts to explore the link between director remuneration and firm performance in Thailand, using panel data for the 2004-2007 period. The results indicate that director pay is strongly associated with firm performance. Firm size and firm performance lagged year also have positive relationship with director pay. Other variables that have effect on the director pay are board size, director age and CEO duality. The results show the pay-performance relationship resulting in the aligning of director interest and those of shareholders which implies with the good governance practices.