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OWNERSHIP AS A DETERMINANT OF CHAIRPERSON ACTIVITY

Abstract:

The purpose of our study is to explicitly focus on the roles of ownership concentration, ownership by the board, the CEO and the chairperson in the involvement and capabilities of chairpersons and other governors in their work. In this study, we investigate the impact of the concentration of ownership, the ownership of the board, the CEO and the chairperson on the chairperson's activity when the roles of the chairperson and the CEO are separated. The empirical analysis of this study is based on a survey sent to Nordic listed firms. Our results show the ownership characteristics of a company are important in determining the chairperson's working hours, the chairperson's communication with the CEO, and the performance of governance activity. In addition, we find that while the ownership of the chairperson and the board of directors and ownership concentration improve governance activity, CEO ownership may undermine governance activity. Our study provides unique evidence that ownership by the chairperson, concentrated ownership, and ownership by the board can potentially increase the costs of separating the roles of the chairperson and the CEO.

Keywords:

Corporate governance, chairmanship, ownership, dual leadership structure, board work

JEL Classification: G18, G38, K30