

Reforming Executive Compensation Disclosure Rules and Firm Corporate Governance

Chia-Ying Chan
College of Management
Yuan Ze University, Taiwan.
Email: sherrychan@saturn.yzu.edu.tw
Phone: +886 (0)34638800 ext.2670

Kuo-An Li
College of Management
Yuan Ze University, Taiwan.
Email: s969417@mail.yzu.edu.tw
Phone: +886 (0)34638800 ext.6195-3624

Chi-Lai Lin
College of Management
Yuan Ze University, Taiwan.
Email: s977220@mail.yzu.edu.tw
Phone: +886 (0)34638800 ext.6195-3624

ABSTRACT

In December of 2006, the U.S. SEC adopted new compensation disclosure rules. This study investigates firms' voluntarily disclosure behaviors pertaining to perquisite amounts, as well as the relationship between these disclosure behaviors, the amount of perquisites granted and board characteristics. We define "voluntary disclosure" as firms willing to report their perquisites granted on proxy statements even when the amount is less than the SEC disclosure threshold prior to the new 2006 law. Based on data collected from firms' annual proxy statements, our results show that firms which voluntarily disclose perquisite-related information granted fewer perquisites to executive officers, and that these firms also tend to have better corporate governance quality. Moreover, we find that firms associated with voluntary disclosure have better operational performance both prior to and following the new rule adoption. Further, adoption of the new rule can effectively reduce the granting of unnecessary perquisites and improve the transparency of perquisite-related information.

Keywords: perquisite, voluntary disclosure, compensation disclosure rules, corporate governance

1. Introduction

On March 20, 2009, Federal Reserve Chairman Ben Bernanke gave a speech to a group of bankers in Phoenix where he stated “Supervisors must pay close attention to compensation practices that can create mismatches between the rewards and risks borne by institutions or their managers¹.” Indeed, several excessive executive compensation issues associated with fired executives exist, including that of Hank McKinnell, former Pfizer CEO, who retired with an \$83 million retirement package in July 2006 even though Pfizer's stock fell more than 40% during his tenure. Bebchuk and Grinstein (2005) provide evidence that during the 10 year period from 1993 to 2003, executive pay grew “much beyond the increase that could be explained by changes in firm size, performance and industry classification.” Even Warren Buffett (2007) has commented on this issue: “Too often, executive compensation in the U.S. is ridiculously out of line with performance ... getting fired can produce a particularly bountiful payday for a CEO. Indeed, he can ‘earn’ more in that single day, while cleaning out his desk, than an American worker earns in a lifetime of cleaning toilets. Forget the old maxim about nothing succeeding like success: today, in the executive suite, the all-too-prevalent rule is that nothing succeeds like failure.”

Disclosure of pertinent information to investors became an important issue approximately 80 years ago. The earliest disclosure rule relating to firm information distribution can be traced back to the Securities Act of 1933. The basic idea behind this act was that primary market companies offering securities should provide potential investors with sufficient information about both the company and the securities offered to permit informed investment decisions. The Securities Exchange Act of 1934 further regulated the secondary trading of securities between investors, and also established the Securities and Exchange Commission (SEC). Prior to this Act, securities were registered with the Federal Trade Commission.

In 1992, the SEC sensed that the existing rules required overly detailed disclosures, which resulted in too many interpretive issues regarding executive pay disclosure. In 1983, the SEC adjusted the directive such that limited tabular disclosure and more narrative formats were required. Some additional amendments pertaining to the summary compensation table, disclosures of contingent compensation and a lifting of the requirement to report interest paid on deferred compensation and dividends awarded on restricted stock also were enacted. Specifically, perks had to be disclosed only if their values were greater than 10% of the total compensation reported in the Cash Compensation Table or \$25,000—whichever was less (SEC Release No.33-6486).

In 1992, the SEC replaced the primarily narrative disclosure approach of 1983 with “formatted tables” designed to capture all forms of compensation in hopes of making the various annual compensation elements more comparable across multiple firms. At the same time, the perquisites disclosure threshold was amended such that perks or personal benefits with an aggregate value exceeding the lesser of \$50,000 or 10% of the total salary and bonuses disclosed in the Summary Compensation Table had to be disclosed. In addition, any perk that was valued at greater than 25% of the total perk amount had to be individually identified by type and amount (SEC Release No.33-6962). However, the SEC later noticed that the formatted disclosure approach could not deal with all the complexities and variations in the compensation programs;

¹ Sourced from the USA TODAY website: <http://www.usatoday.com/>

as such, many investors remained uninformed about executive pay levels.

Few scholars believe that perquisites (or perks) are an efficient way to reward managers or increase firm value (Fama, 1980; Rajan and Wulf, 2006); in fact, some state that too many perks could reflect an agency problem (Jensen and Meckling, 1976), poor corporate governance (Grinstein et al., 2008) or unethical management behavior (Yermack, 2006). The current study contributes to the literature as the first attempt to use CEO characteristics or other relevant information provided in proxy statements to investigate perquisite issues in an effort to discover linkages between perks and the management characteristics of firms. Second, this study identifies firms that voluntarily disclosed perquisite-related information prior to the enactment of the 2006 rule change based on all firms that granted perks between 2003 and 2006. Third, detailed information regarding the various forms of perks are collected from firm proxy statements. Last, the new disclosure rules requiring more specific perquisite data allow for an in-depth investigation of the effects of the new disclosure rules on both operational and market performance.

The remainder of this paper is organized as follows. Section 2 reviews the background of SEC compensation disclosure rules and discusses their various impacts. Section 3 provides a review of the relevant executive compensation and corporate governance literature, and also lists the hypotheses. Section 4 describes the data collection and the methodology applied in this study, while Section 5 outlines the relevant descriptive statistics. Section 6 discusses the findings. Finally, Section 7 offers conclusions and implications.

The next major disclosure amendment occurred in 2006, when the SEC overhauled the compensation disclosure rules and included information on perquisites. One of the events that led up to this 2006 amendment was the passing of the Sarbanes-Oxley Act (SOX) in 2002 as the result of public hearings on Capitol Hill. The act focused on corporate governance, but did little to address another concern of the hearings—unreasonable pay packages for CEOs of failing companies. Therefore, four years later the SEC issued additional regulations on “Executive Compensation and Related Party Disclosure” to respond to these concerns. For the first time, the SEC required the full board to approve and be legally responsible for the proxy statement’s report on pay practice. Actually, evidence shows the new disclosure regulation did result in changes in the behavior of compensation committee directors. For example, in 2009, 17 S&P 500 companies announced plans to eliminate or reduce tax reimbursements on golden parachutes². The purpose of the new disclosure rules adopted in 2006 was to provide investors and shareholders a cleaner and more complete picture of the amount of compensation awarded to principle executive officers, principle financial officers, and other highly paid executive officers or directors (Grinstein et al., 2008; Andrews et al., 2008).

The new rules in 2006 also adjusted perquisite disclosure requirements, as perquisites were finally seen as company expenses. Aggregate values of perks exceeding \$10,000 had to be disclosed on company proxy statements, as did any perks worth \$25,000 or 10% of the total perk amount. The old rule limited disclosure to perks valued above \$50,000 and set the threshold at 25% of total perks; therefore, the new requirements represented an attempt to improve the transparency of executive

² According to an Apr 21, 2009 Wall Street Journal report by Cari Tuna, in 2009, 11 companies disclosed plans to the public about dropping all their gross-up perks, and an additional 17 said that they would cut at least one.

perquisites and give investors an opportunity to determine whether or not they were reasonable.

The evidence provided above suggests that the new SEC disclosure rules affected the various interested parties in different ways. SEC officers or policy makers believe that the new rules help investors obtain sufficient information and force firm managers to be more cautious in terms of lavish compensation packages. Investors and shareholders expect more transparency in terms of firm financial situations, and that potential unethical behaviors on the part of managers will be easier to monitor. Moreover, researchers can empirically investigate the soundness of firms' corporate governance by observing their responses to the new disclosure rules, or investigate executive compensation through the newly available evidence.

2. Literature Review and Hypotheses

The role of executive perquisites has been discussed for more than 35 years. Jensen and Meckling (1976) argue that perk consumption can be viewed as an agency problem between managers and shareholders: managers have greater incentive to consume corporate resources for their own personal benefit, and to damage firm values through low managerial ownership and weak corporate governance. Jensen (1986) also states that firms with substantial free cash flows and limited investment opportunities might waste free cash at the discretion of managers, such as on perquisites. Core et al. (1999) suggest that firms with weak corporate governance have greater agency problems and that CEOs from these types of firms are able to extract greater compensation. Yermack (2006) investigates the personal use of company aircraft by CEOs, since this is the most frequently disclosed and most costly managerial fringe benefit; his results show that companies that disclose personal aircraft use by CEOs to shareholders perform worse than others—their stock prices drop an average of about 1.1%. Yermack (2006) also states that increased disclosure of negative news such as write-offs and negative earnings surprises tends to closely follow the release of information regarding aircraft perks. This suggests that CEOs practice strategic disclosure behaviors—they attempt to delay the publicizing of bad news until their desired fringe benefits are guaranteed. Consistent with the agency cost argument of Jensen and Meckling (1976), Andrews et al. (2008) state that firms with weak corporate governance are more likely to grant perquisites to executives. They also point out that approximately 3% of sample firms with abnormally high CEO compensation packages prior to the 2006 rule enactment reduced or eliminated perquisite programs following the adoption of new rules. Grinstein et al. (2008) also find that company perks tend to be greater when the CEO is more powerful than other executive officers, as an overly powerful CEO is more likely to trigger severe conflicts of interest between managers and shareholders, such that managers have greater incentive to benefit themselves using company resources.

Alternatively, some studies provide evidence to show that perks can be regarded as a motivational tool. Fama (1980) thinks that perquisites can work to motivate managers as they strive to increase firm values. He states that manager wages are adjusted regularly to account for performance and the personal consumption of company resources; in addition, his model shows that the perk consumption becomes an agency cost only when the perk value exceeds the extent of decreasing wages due to that consumption. Rajan and Wulf (2006) also indicate that they do not see any systematic evidence that supports the free cash flow hypothesis argued by Jensen (1986) or the agency cost explanation addressed by Jensen and Meckling (1976). In

contrast, they proclaim that there is systematic evidence that perks can be a means to enhance productivity, as more productive executive officers are more likely to receive perquisites. One of the goals of the current study is to clarify the veracity of these two competing arguments.

The negative results listed in Yermack (2006) and Grinstein et al. (2008) pertaining to the first disclosures of perquisites suggest that shareholders seldom see firm perks as beneficial. As such, prior to the 2006 disclosure regulations, CEOs whose compensation was partly determined by market performance had an incentive to not disclose perk-related information. Conversely, firms that voluntarily disclosed perk-related information to the market prior to the new requirements represented firms with good corporate governance.³ In doing this, these good governance firms showed investors that their perks should not be seen as an agency cost, but as motivational tools to improve firm values. Further, we hypothesize that firms that did not disclose perk-related information until they had to also granted fewer perquisites to executives once they realized investors would be privy to the information.

H1: Between 2003 and 2006, firms with better corporate governance were more likely to voluntarily disclose perk-related information below the required disclosure threshold.

H2: Between 2003 and 2006, firms that did not voluntarily disclose perk-related information reduced executive perks after adopting the new compensation disclosure rules.

Several previous studies have investigated the implementation of the 2006 SEC compensation disclosure rule changes. Vafeas and Afxentiou (1998) focus on the effect of the 1992 compensation disclosure rules. They cite two pieces of evidence that support the notion that the rule adoption improved the corporate governance in public corporations. One is the significant changes in the structure of compensation committees subsequent to the implementation of the new SEC disclosure rules. Their results also indicate that the pay-for-performance relationship improved following enactment of rule changes. Grinstein et al. (2008) investigate the impacts of the SEC 2006 new compensation disclosure rules and find that firms disclosed substantially larger perk related information in the year following the 2006 SEC requirement changes. They also state that the amount of perks distributed was positively related to firms' free cash flow levels, and that a negative relationship existed between the amount of perks and firms' growth opportunities for firms that complied with the new regulations. An additional finding shows that firms experienced an economically and statistically significant negative abnormal return when perks were disclosed for the first time, which is similar to Yermack (2006). Further, Grinstein et al. (2008) find a monotonic relation between the amount of newly disclosed perks and the level of abnormal returns. Corresponding to this, Andrews et al. (2008) examine the amount of perks or number of perk items granted before and after the 2006 SEC disclosure rules; they find that firms with weak corporate governance that hid the majority of CEO perks prior to the new rules experienced a negative market reaction once their proxy statements were released following the enactment. As such, we postulate that firms that voluntarily disclosed perk-related information prior to the new disclosure requirements experienced fewer negative impacts in terms of their operating and

³ Here, voluntarily disclosure of perks means that firms revealed the amount and type of perks in proxy statements even when their values were below the disclosure threshold set by the SEC.

market performance following the new rule adoption. As such, we expect that both the operating and market performance of companies that did not voluntarily disclose perk-related information would have been more negatively affected by the new disclosure regulations.

H3a: Following the enactment of the new SEC compensation disclosure rules, the operating performance of firms that did not voluntarily disclose their perks prior to the new rule decreased more than those that did so.

H3b: After adopting the new SEC compensation disclosure rules, the market performance of firms that did not voluntarily disclose their perks prior to the new rule decreased more than those that did so.

Mehran (1995) offers empirical evidence of the relationship between board characteristics and the executive compensation structure. His findings show that the percentage of executive equity-based compensation is negatively associated with the equity holdings percentage, such that firms with a larger percentage of shares held by outside blockholders use less equity-based compensation; however, no significant relationship is apparent between firm performance and board composition, outside of director equity holdings, or blockholder stockholdings. Core et al. (1999) state that board and ownership structure help to explain the level of CEO compensation. They suggest that, with respect to board characteristics, CEO compensation is negatively related to the percentage of the board composed of inside directors, but is positively associated with board size, the percentage of the board who are outside directors appointed by the CEO, the percentage of the board who are gray outside directors⁴, the percentage of outside directors who are over the age of 69, the percentage of outside directors who serve on three or more other boards (six or more other boards if retired), and whether the CEO is also the board chair. Further, with respect to ownership, CEO compensation is a decreasing function of the CEO's ownership stake. Yermack's (2006) study shows no significant association between CEO use of personal aircraft and compensation, ownership, or monitoring indicators as predicted by theory. However, Yermack's (2006) results suggest a relationship between CEO personal characteristics and the use of the company aircraft: CEOs who belong to a distant golf club are much more likely to make personal use of the company airplane. Bebchuk et al. (2008) examine the relationship between corporate governance and the incidence of "lucky grants"⁵. Their results suggest that lucky grants are more likely to occur in firms with a long tenure CEO or those that lack a majority of independent directors. Andrews et al. (2008) provide some evidence that firms with weak corporate governance, less product market competition, less managerial ownership, or a less independent board of directors are more likely to award a higher dollar amount or number of perquisites to executives. Finally, Grinstein et al. (2008) show that the level of perks is significantly larger when the CEO is also a chairperson, the board size is bigger, or the ratio of the CEO's total compensation to the top-five total compensation is large. Based on the above arguments, the main research question in this paper concerns the association between perquisites structure (types and amount) and board characteristics collected from annual proxy statements. By investigating the dollar amount, the number, and the type of perquisites for all five named executives

⁴ Core et al. (1999) define a director as "gray" if he or his employer received payments from the company in excess of his board pay.

⁵ "Lucky grant" is the term used in Bebchuk et al. (2010) to represent grants given at the lowest price of the month.

listed in the compensation table, we conjecture that:

H4: All other things held constant, the dollar amount, the number, and the type of perquisites granted to executive officers are related to some board characteristics.

This study does not simply investigate the relationship between perquisites granted and corporate governance; it also employs two different perspectives to examine firms' governance: voluntary disclosure and board characteristics, which have never been studied in this way. We expect to find evidence that proves the triangular association between corporate governance, the awarding of perquisites, and firm responses to the new disclosure rules.

3. Data and Methodology

3.1 Data

The sample firms in this study included US firms with annual proxy statements available through the EDGAR database. In this study, we constructed two sample group sets. One was formed by randomly choosing two hundred companies from those listed in the EDGAR database (the "random group"); we excluded financial companies (SIC codes 6000-6999) from this random group because of the special nature of financial companies. The other group was composed of companies listed on the S&P 100 with dominant capitalizations. Both groups were required to have full data listings in the EDGAR, CRSP, and Compustat databases. Data on perquisites and board characteristics was hand collected from firm annual proxy statements⁶. The sample period was from 2003 to 2009. For the sample period 2003 to 2006, we classified our sample into two groups based on the amount of perks listed in their proxy statements: one group included firms that voluntarily disclosed all perks prior to the adoption of the 2006 SEC compensation disclosure rules, and the other included firms that only disclosed perks that exceeded the required disclosure threshold. Table 1 depicts the sample selection procedure for both groups in this study.

This study further classified the types of perquisites into ten categories following Andrews et al. (2009): (1) air travel expenses; (2) company automobile allowance and local transportation; (3) entertainment expenses, club dues, vacation expenses and other personal benefits; (4) securities, housing allowance, moving and relocation expenses, and other home/family related perquisites; (5) legal, financial, and tax services fees and tax payments or tax gross-ups; (6) medical and health benefits; (7) financial perquisites, equity related perquisites, and severances; (8) administrative privileges; (9) travel and communication expenses; and (10) deferred compensation and other perquisites. All accounting variables pertaining to firm total assets, stockholders' equity, net income, sales, common shares outstanding, book value per share, current liabilities and long-term debts were obtained from the Compustat database. Market information such as the annual holding period return without dividends, return on the relevant CRSP beta decile, and annual value-weighted stock return (Nasdaq and NYSE/AMEX indices) were calculated based on data from the CRSP database. Further, board characteristic variables such as ownership fraction, institutional ownership, average age of board members, CEO holds chairman of board position, number of compensation committee members, and number of audit

⁶ For the sample period 2003 to 2006, perquisite information was located in the All Other Compensation or Other Annual Compensation columns, or in the footnotes of the Summary Compensation Table. The period from 2007 to 2009 differed in that companies were required to adopt the 2006 disclosure rules.

committee members, among others, were collected from firm proxy statements.

3.2 Methodology

The choice of voluntarily disclosure and the change of perquisites grant (H1 & H2)

Logistic model (1) below was employed to test Hypotheses 1 and 2. The dependent variable was a dummy variable to proxy for the behavior of voluntarily disclosing perquisites. As such, this dummy variable could only effectively identify firms from the period prior to enactment of the 2006 disclosure rules. Therefore, we designed it as follows: any company that voluntarily disclosed perks every year prior to the new rules being adopted was labeled a “volunteer company” and assigned the “voluntarily disclose dummy” equal to one every year from 2003 to 2009. Based on the belief that firms that granted less perks were more likely to have good corporate governance, we also constructed a “less than median dummy” variable; this equaled one if the dollar amount of perquisites for the CEO and all named executive officers was less than the median number of all perquisites granted to the CEO and the named executive officers in our sample.

$$Disclose_D = \beta_0 + \beta_1 Board_Cha + \beta_2 Perquisite + \beta_3 SIZE + \beta_4 BM + \varepsilon \quad (1)$$

where *Disclose_D* represents the voluntary disclosure dummy (1 for firms that voluntarily disclosed their perks, and 0 otherwise); less than median dummy (1 for perquisites granted to the CEO and all named executives that did not exceed the median of perquisites granted to the CEO and executives in our sample, and 0 otherwise); *Board_Cha* represents board characteristics; *Perquisite* includes dollar amounts of perks granted to the CEO, dollar amounts of perks granted to all named executive officers, number of perquisites items granted to the CEO, number of perquisite items granted to all named executives, dollar amount of CEO’s non-perk compensation (salary + bonus + restricted stock awards + stock option awards (as in Yermack, 2006)), and dollar amount of named executives’ non-perk compensation; *SIZE* represents the logarithm of the market value of assets; and *BM* represents the book-to-market ratio.

To test the efficiency of the 2006 disclosure rules, we also examined the amount of change in executive perquisites and non-perk compensation following the 2006 rule changes. Based on the December 29, 2006 effective date of the rule changes and the associated 2007 proxy statements, the chosen sample period ranged from 2007 to 2009. The dependent variable was a dummy variable, where 1 represented firms that voluntarily disclosed perks, and 0 represented those that did not. Corporate Governance was proxied by board characteristics collected from firms’ proxy statements. Information for each compensation variable in the model also came from proxy statements. We included size and the book-to-market ratio as control variables to eliminate firm characteristic effects. Based on our hypotheses that firms with weak corporate governance would be less likely to voluntarily reveal perk-related information, we expected the coefficient of the governance index to be positive. Additionally, we suspected that the new rules would entice firms that did not disclose perks below the threshold prior to the 2006 requirement to decrease the number and dollar amount of perks granted to alleviate shareholder anxiety. Thus, we expected the coefficient of change for perquisites to be significantly negative.

In terms of board characteristics, based on Yermack’s (1996) argument that small board sizes tend to have higher efficiency, we believed that board size would have a negative relationship with corporate governance. Cordeiro et al. (2005) found that agency problems could be reduced when board members have higher ownership, while Vafeas (2003)

suggested that longer CEO tenure could harm the independence of outside directors. Vafeas (1999) also argued that board members meeting too frequently could negatively impact firm performance. Bhagat and Black (2002) support that one person acting as chairperson and CEO can represent bad corporate governance because it becomes more difficult to change inappropriate managers. Beasley (1996) suggested that the situation where directors serve on multiple boards has the potential for fraud. Finally, Dalton et al. (1999) believe that audit committee size—whether too large or too small—can lead to ineffectiveness. Based on these arguments, we believe that board characteristics can be used as a proxy for the soundness of corporate governance, even if some characteristic variables have not shown conclusive results with corporate governance.

Firm operational performance following the enactment of the 2006 disclosure rules (H3a)

To test the operational performance hypothesis, we set up the OLS model (2) below, including industry, size, and growth opportunity control variables. The dependent Tobin's q is calculated as (total long-term debt + total current liabilities + market value) / total assets.

$$\begin{aligned} \text{Tobin's } q = & \beta_0 + \beta_1 \text{Disclose_D} + \beta_2 \text{Board_Cha} + \beta_3 \text{Perquisite} \\ & + \beta_4 \text{Size} + \beta_5 \text{BM} + \beta_6 \text{Industry} + \varepsilon \end{aligned} \quad (2)$$

where *Disclose_D* represents the voluntary disclosure dummy (1 for firms that voluntarily disclosed their perks, and 0 otherwise); less than median dummy (1 for perquisites granted to the CEO and all named executives that did not exceed the median of perquisites granted to the CEO and executives in our sample, and 0 otherwise); *Board_Cha* represents board characteristics; *Perquisite* includes dollar amounts of perks granted to the CEO, dollar amounts of perks granted to all named executive officers, number of perquisites items granted to the CEO, number of perquisite items granted to all named executives, dollar amount of CEO's non-perk compensation (salary + bonus + restricted stock awards + stock option awards (as in Yermack, 2006)), and dollar amount of named executives' non-perk compensation; *Size* represents the logarithm of the market value of assets; *BM* represents the book-to-market ratio; and *Industry* represents the industry dummy.

Following Yermack (2006), we employed operating return on assets as the dependent variable to investigate the impact of the 2006 disclosure rules on operating performance. Then, following Lambert and Larcker (1987) and Frye (2004), we used Tobin's q to proxy the operating performance in the model. Also, we included a disclosure dummy variable as in model 1 to represent the voluntary disclosure firms, where 1 represented firms that voluntarily disclosed perk-related information, and 0 those that did not. In terms of firm size, we used the logarithm of the market value of assets and total sales (Core et al, 1999; Frye, 2004). In addition, we used the book-to-market ratio of assets as a proxy for growth opportunity. Lastly, we used an industry dummy to control for the industry effects (Yermack, 2006). Since we were investigating whether the voluntary disclosure of perks could serve as a signal for firm performance, we cut the sample period into two parts: (1) from 2003 to 2006; and (2) from 2007 to 2009. Moreover, since we posited that firms that did not reveal perk-related information voluntarily prior to the 2006 new disclosure rules were more likely to have worse operating performance, we predicted a negative coefficient for the disclosure dummy.

Market performance following the adoption of the 2006 disclosure rules (H3b)

To investigate the market performance effects, we set up regression model (3) as below to test our hypothesis.

$$AR_{it} = \beta_0 + \beta_1 Disclose_D + \beta_2 Board_Cha + \beta_3 Perquisite + \beta_4 Size + \beta_5 BM + \beta_6 Industry + \varepsilon \quad (3)$$

$$AR_{it}: \left[\prod_{t=1}^T (1 + RET_{it}) \right] - \sum_{j=1}^N \omega_j \left[\prod_{t=1}^T (1 + RET_{it}) \right]$$

where *Disclose_D* represents the voluntary disclosure dummy (1 for firms that voluntarily disclosed their perks, and 0 otherwise); less than median dummy (1 for perquisites granted to the CEO and all named executives that did not exceed the median of perquisites granted to the CEO and executives in our sample, and 0 otherwise); *Board_Cha* represents board characteristics; *Perquisite* includes dollar amounts of perks granted to the CEO, dollar amounts of perks granted to all named executive officers, number of perquisites items granted to the CEO, number of perquisite items granted to all named executives, dollar amount of CEO's non-perk compensation (salary + bonus + restricted stock awards + stock option awards (as in Yermack, 2006)), and dollar amount of named executives' non-perk compensation; *Size* represents the logarithm of the market value of assets; *BM* represents the book-to-market ratio; and *Industry* represents the industry dummy.

With abnormal return serving as the dependent variable, we followed Daniel et al. (1997) and obtained information from CRSP to calculate the value-weighted buy-and-hold abnormal returns for each firm. All independent variables and sample periods were identical to the previous model except that the book-to-market ratio was calculated using the book and market value of equity here. As was the case for H3a, firms that did not disclose perk-related information prior to the 2006 requirements were judged as more likely to exhibit poor market performance, so we expected a negative coefficient for the disclosure dummy variable.

The relationship between perks and board characteristics (H4)

This section examines the relationship between perks and board characteristics and follows Andrews et al. (2009). We employed the following two regression models to examine our hypothesis. Each model has different dependent variables, but identical independent variables and sample periods.

$$\begin{aligned} \text{Log}(\$Perks) = & \alpha_0 + \alpha_1 Disclose_D + \alpha_2 Board_Cha + \alpha_3 ABCOMP + \alpha_4 EFFSCORE \\ & + \alpha_5 STATETAX + \alpha_6 NUMSEG + \alpha_7 SIZE + \alpha_8 BM + \varepsilon \end{aligned} \quad (4)$$

$$\begin{aligned} \text{Num_Perks} = & \alpha_0 + \alpha_1 Disclose_D + \alpha_2 Board_Cha + \alpha_3 ABCOMP + \alpha_4 EFFSCORE \\ & + \alpha_5 STATETAX + \alpha_6 NUMSEG + \alpha_7 SIZE + \alpha_8 BM + \varepsilon \end{aligned} \quad (5)$$

where *Log(\$Perks)* represents the logarithm of the dollar amount of perquisites for the CEO and CFO, or all five named executives; *Num_Perks* represents the number of perquisites for the CEO and CFO, or all five named executives; *Disclose_D* represents the voluntary disclosure dummy (1 for firms that voluntarily disclosed their perks, and 0 otherwise); less than median dummy (1 for perquisites granted to the CEO and all named executives that did not exceed the median of perquisites granted to the CEO and executives in our sample, and 0 otherwise); *Board_Cha* represents board characteristics; *ABCOMP* represents the abnormal compensation (following the methodology of Yermack (2006), abnormal compensation was calculated as the residual of the regression of the sum of the CEO non-perquisite compensation (salary, bonuses, and option awards) on the log of firm sales, CEO tenure, size-adjusted stock returns and two-digit SIC dummy variables); *EFFSCORE* represents the productive efficiency score (sales divided by total assets); *STATETAX* represents the highest marginal state income tax rate;

NUMSEG represents the number of segments; *SIZE* represents the firm size (logarithm of market value of assets); and *BM* represents the book-to-market ratio.

The dependent variable in model (4) was the dollar amount of perquisites for the CEO, CFO, and all five named executives, respectively; we took a log transformation to normalize the dollar amount value. Model (5) used the number of perquisites granted to the three executive categories (CEO, CFO, and all five named executives) as the dependent variable. We applied OLS regressions for both models (4) and (5) within the sample period 2003 to 2009.

The first independent variable for both model regressions (4) and (5) is board characteristics. For board and compensation committee size, based on Core et al. (1999), total compensation was positively related to board size. However, Ryan Jr. and Wiggins, III (2004) find a negative relationship between board size and compensation. As such, for these two variables, we did not have expectations regarding their signs. Following the argument of Hallock (1997) that compensation increases at a declining rate with the CEO's age and seniority, we predicted a positive sign for CEO age, since we believe that these two variables can be seen as signs of weak governance. For CEO tenure, we adhered to the suggestion of Finkelstein and Hambrick (1989) since we believed that longer CEO tenures would be associated with greater compensation; therefore, we predicted a positive sign for this item. In addition, based on results from Brick, Palmon, and Wald (2006) that showed that the number of board meetings is positively related to CEO total compensation, we expected the coefficient of this variable to be positive. For the next three variables, we expected greater amounts of perks when: audit committees have a large number of directors (+); other boards on which the CEO serves have a large number of directors (+); and officers and directors control a large percentage of ownership (+). Finally, following the corporate governance argument, we expected that weak corporate governance would be associated with more perks (+).

The second independent variable in the model is abnormal compensation. Based on Fama (1980), perquisite consumption tends to be higher when abnormal compensation is low, since perks are more likely to be treated as the compensation mechanism in this situation. Following Fama's (1980) argument, we expected a negative sign for the *ABCOMP* variable.

The inclusion of the efficient score variable is based on Rajan and Wulf (2006), who argue that more productive employees at the top of a firm's hierarchy are more likely to receive perks. Based on this, we expected the coefficient of the *EFFSCORE* variable, which serves as a proxy for managerial talent, to be positive.

The variable *STATETAX* stands for the highest marginal state income tax rate. Rajan and Wulf (2006) believe that executives prefer to receive perks in states with higher marginal income tax rates. As such, we predicted a positive sign here.

The variable *NUMSEG* concerns the number of segments in a company. According to Rajan and Wulf (2006), CEOs need to be offered perks to legitimize the status attached to the perk (e.g., a prestigious country club membership); further, status is likely to be more important within a complex organization. Therefore, we expected that the sign of this variable would be positive.

Finally, we included both firm size and growth opportunity as control variables in the model; they were measured as the logarithm of the market value of assets and book-to-market ratio, respectively.

4. Descriptive Statistics

Table 2 provides the means and medians for each dependent and independent variable included in the regression model. Table 2 Panel A separates each variable into two groups based on the voluntary disclosure dummy (where 1 represents firms that disclose perks that fall under the disclosure threshold). We can observe that voluntary disclosure firms tend to offer less compensation, regardless of type. As to the board characteristics, firms in the voluntary disclosure group have smaller board sizes; more board meetings; younger board members; smaller audit, compensation, and governance committee sizes; and higher ownership holdings for both insiders and institutional shareholders. This group also tends to have less abnormal compensation, higher productive efficiency, and a lower number of segments.

Table 2 Panel A shows that perquisites granted to both CEOs and all named executives are less than the median of perquisites granted to CEOs and executives in our sample. Basically, the compensation variables are consistent with Panel A.

The results in this table are quite consistent with our hypotheses, although some of the board characteristic variable signs are inconsistent with those representing good corporate governance in the previous literature. The perquisite amounts and items are both less in the dummy group equal to 1, although the non-perk compensation is less as well. However, the difference between the two groups seems to be smaller as compared to the perquisites compensation. In the voluntary disclosure dummy group, a smaller board size, the number of boards the CEO serves on, abnormal compensation, larger board size, institutional ownership, and productive efficiency all support that firms willing to voluntarily disclose perquisites have better governance. However, both operational and market performance are worse in the voluntary disclosure group. In Panel A, most of the board characteristics stated above remain consistent with good corporate governance, although both operational and market performance are higher in the less than median dummy group.

Table 2 Panel B lists the descriptive statistics for the S&P 100 group. Less compensation grants in the dummy variable being one group still remains, and most variables show similar results, aside from the lower number of meetings, institutional ownership and the greater CEO age. This group is also associated with less perquisites offered, smaller board sizes, fewer board meetings, CEOs serving on fewer boards, larger board ownership holdings, less abnormal compensation, higher productive efficiency, and better operational and market performance. All of these combine to show more consistent results regarding good corporate governance in the dummy group equal to 1.

To avoid multicollinearity between the variables in the regression models, we applied the VIF test to assess the variance inflation factors and tolerance relation within the regressions.

5. Empirical Analysis

The data in Table 3 allow us to evaluate Hypotheses 1 and 2. For both the dollar amount and number of perquisites offered, the coefficients are significantly negative for both the random and S&P groups, and the significantly negative sign remains even after we change the voluntary disclosure dummy for the less than median dummy. However, compared to this result, the signs retain the same amount of significance when we change our independent variable into non-perk compensation. In the random sample group, the significance level of perks exhibits no major differences either before or following the 2006 disclosure rules adoption. However, in the S&P 100 group, the significant level

became weaker in the period following the adoption of the 2006 rules as compared to the period prior to this. As for board characteristics, when the dummy is voluntary disclosure, average or institutional ownership show consistently better corporate governance arguments. However, one strange result is that the dummy proxy for the item concerning one person acting as both the CEO and chairperson is significantly positive. On the other hand, Table 4 shows that firms in the S&P 100 group that grant less perks are associated with good corporate governance based on the significantly negative sign of the dummy variable proxy concerning whether one person acts as both the CEO and chairperson.

Table 5 shows the relationship between the perquisites granted and firm operating performance. For both the random and S&P 100 groups, both the amount and the number of perks offered exhibit a significant negative sign, which is consistent with our arguments above—firms that grant perks may be associated with weak corporate governance. Further, non-perk compensation also displays a negative sign; as such, our result is consistent with Jansen and Meckling’s agency problem theory. The voluntary disclosure dummy is non-significant, as are most of the less than median dummies. This indicates that disclosing perk-related information is not strongly related to firm operating performance, which further suggests that operating performance is more closely related to firm competitiveness regarding their products than to these types of compensation issues.

The significant, positive less than median dummy in Table 6 provides evidence that firms that grant less perks have better operational performance. Moreover, the significantly negative sign for board size in the S&P 100 group also shows that firms that grant less perks are more likely to have better corporate governance.

Table 7 shows the regression results for the market performance hypothesis. The CEO perk amount is significantly positive, while the CEO non-perk compensation is significantly negative for all the sample periods and following the 2006 rule enactment. This might be due to firms giving talented CEOs more appropriate compensation awards following the rule adoption. Another possible explanation is that investors, as outsiders, have greater difficulty sensing the impact of granted perquisites. However, the fact that this significant result is limited to the post rule change group offers some support for the belief that the new rules help to eliminate the unnecessary granting of perks. The significant positive sign for the voluntary disclosure dummy provides clear evidence that voluntary disclosure can lead to better market performance. Yet this does not hold true anymore based on our previous definition of this dummy variable, simply because “voluntary disclosure” ceased to be an option following the 2006 rule changes. The significant negative sign for board size and the positive sign for institutional ownership are consistent with the arguments that firms with these two characteristics have better corporate governance.

The data in Table 8 shows that granting more or less perquisites is not significantly related to firm market performance. This can be seen as further evidence of what we postulated above—that outsiders are less likely to be sensitive to the impact of perquisite grants. However, the significant negative sign associated with board size provides further evidence that firms that grant fewer perquisites are more likely to have good governance.

Table 9 presents the results of model (4), which confirm that voluntary disclosure firms tend to grant fewer perks. The sign for the voluntary disclosure dummy is significantly negative (the less than median dummy in Table 16 shows significantly negative signs as well), but only concerns the amount of perquisites granted to the CEO and named executives. This relationship does not seem to extend to the S&P 100 group.

However, the board characteristics do not offer any suggestive results here, except for the negative sign associated with board size. We believe that this is because the dichotomy between “voluntary disclosure or not” is much stronger than the effect of board characteristics when analyzing these office perks. Further, productive efficiency is significantly positive, which is inconsistent with the weak corporate governance result. This may suggest that perquisites can still be used to encourage executives.

Table 10 shows the results of model (5), where the dependent variable is the number of perks granted to the CEO, the CFO, and all named executive officers. The results are quite similar to those in model (4) in that the voluntary disclosure dummy is negative but not significant for each period. However, the less than median dummy in Table 18 is significantly positive for the whole sample period and the prior to the 2006 rule adoption period. Based on the negative result in model (4) for this dummy variable, we believe that prior to the 2006 rule enactment, many firms did not disclose their perquisite “amounts”. On the other hand, these results remind us that this “less than median dummy”, in some ways, might not represent the optimal proxy variable for our voluntary disclosure dummy variable.

6. Conclusions

Based on the data collected from firm annual proxy statements, this study is the pioneer to investigate firms’ voluntary disclosure regarding their perquisites in the U.S.. Specifically, this study contributes to explore the relationships between such behavior and board characteristics, which are highly related to firms’ corporate governance, and the relationship between voluntary disclosure and the amount of perquisites granted. Empirical results find that firms willing to disclose perk-related information tend to grant fewer executive perquisites. Moreover, we also show that firms that grant fewer perquisites are more likely to have better corporate governance. Our results illustrate that firm perquisite amounts are negatively related to operational performance, but do not have a significant relationship with market performance. Based on these results, we suggest that investors, as outsiders, are unlikely to be sensitive to the perquisites granted to firm executive officers.

Overall, the results in this study show that whether firms choose to disclose their perks voluntarily or not, firms’ perquisite granting behavior and the soundness of their corporate governance reflect a multi-faceted relationship.

References

- Andrews, A., Billings, A., Yi, H., 2008. Tax gross-up: recruiting tool, or more compensation. *The CPA Journal*.
- Andrews, A., Linn, S., Yi, H., 2009. Corporate governance and executive perquisites: Evidence from the new SEC disclosure rules. Unpublished working paper.
- Beasley, M. 1996. An empirical analysis of the relation between the board of director composition and financial statement fraud. *The Accounting Review* 71, 443-466.
- Bebchuk, L., Grinstein, Y., 2005. The growth of executive pay. *Oxford Review of economic policy* 21.
- Bebchuk, L., Grinstein, Y., Peyer, U., 2010. Lucky CEOs and lucky directors. *Journal of Finance* 65, 2363-2401.
- Bhagat, S., Black, B., 2002. The non-correlation between board independence and long term firm performance, *Journal of Corporation Law* 27, 231-274.
- Brick, I., Palmon, O., Wald, J., 2006. CEO compensation, director compensation, and firm performance: Evidence of cronyism? *Journal of Corporate Finance* 12, 403- 423.
- Cavanagh, J., Anderson, S., Klinger, S., Stanton, L., 2005. Executive Excess 2005: Defense Contractors Get More Bucks for the Bang. United for a Fair Economy and Institute for Policy Studies.
- Cordeiro, J. J., Veliyath, R., Neubaum, D. O. 2005, Incentives for monitors: director stock-based compensation and firm performance, *Journal of Applied Business Research* 21, 91-90
- Core, J., Holthausen, R., Larcker, D., 1999. Corporate governance, chief executive officer compensation, and firm performance. *Journal of Financial Economics* 51, 371-406.
- Dalton, D. R., Daily, C. M., Johnson, J. L., Ellstrand, A. E., 1999. Number of directors and financial performance: a meta-analysis. *Academy of Management Journal* 42, 674-686.
- Daniel, K., Hirshleifer, D., Subrahmanyam, A., 1997. A theory of overconfidence, self-attribution, and security market under- and over-reactions. Unpublished working paper. University of Michigan.
- Fama, E., 1980. Agency problems and the theory of the firm. *The Journal of Political Economy* 88, 288-307.
- Finkelstein, S., Hambrick, D., 1989. Chief executive compensation: A study of the intersection of markets and political processes. *Strategic Management Journal* 10, 121-134.
- Frye M. B., 2004. Equity-based compensation for employees: Firm performance and determinants. *Journal of Finance Research* 27, 31-54.
- Grinstein, Y., Weinbaum, D., Yehuda, N., 2008. Perks and excess: Evidence from the new executive compensation disclosure rules. Unpublished working paper, Cornell University. Johnson School Research Paper Series #04-09.
- Hallock, K., 1997. Reciprocally interlocking boards of directors and executive compensation. *Journal of Financial and Quantitative Analysis* 32, 331-344.

- Jensen, M., 1986. Agency costs of free cash flow, corporate finance, and takeovers. *The American Economic Review* 76, 323-329.
- Jensen, M., Meckling, W., 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics* 3, 305-360.
- Lambert, R., Larcker, D., 1987. An analysis of the use of accounting and market measures of performance in executive compensation contracts. *Journal of Accounting Research* 25, 85-125.
- Mehran, H., 1995. Executive compensation structure, ownership, and firm performance. *Journal of Financial Economics* 38, 163-184.
- Rajan, R., Wulf, J., 2003. The flattening firm: Evidence from panel data on the changing nature of corporate hierarchies. Unpublished working paper, National bureau of economic research.
- Rajan, R., Wulf, J., 2006. Are perks purely managerial excess? *Journal of Financial Economics* 79, 1-33.
- Ryan Jr., H., Wiggins III, R., 2004. Who is in whose pocket? Director compensation, board independence, and barriers to effective monitoring. *Journal of Financial Economics* 73, 497-524.
- Securities and Exchange Commission. 1983. Disclosure of Executive Compensation. SEC Release No.33-6486.
- Securities and Exchange Commission. 1992. Executive compensation disclosure. SEC Release 33-6962.
- Securities and Exchange Commission. 2006. Executive compensation and related person disclosure. SEC Release 33-8732A.
- Vafeas, N., Afxentiou, Z., 1998. The association between the SEC's 1992 compensation disclosure rule and executive compensation policy changes. *Journal of Accounting and Public Policy* 17, 27-54.
- Vafeas, N., 1999, Board meeting frequency and firm performance, *Journal of Financial Economics* 53, 113-142.
- Vafeas, N., 2003, Length of board tenure and outside director independence, *Journal of Business Finance & Accounting*, 30, 1043-1064
- Yermack, D., 1996, Higher market valuation of companies with a small board of directors, *Journal of Financial Economics*, 40, 185-212
- Yermack, D., 2006. Flights of fancy: Corporate jets, CEO perquisites, and inferior shareholder returns. *Journal of Financial Economics* 80, 211-242.

TABLE 1. Data Selection

Panel A. Random Group

SIC Code	2003	2004	2005	2006	2007	2008	2009
1 Mining and Construction	9	9	9	9	9	9	9
2 Manufacturing	32	32	32	32	31	31	29
3 Manufacturing	65	65	65	65	65	65	55
4 Transportation and Public Utilities	20	21	22	23	23	24	23
5 Wholesale and Retail Trade	31	32	44	33	33	33	23
7 Services	25	26	26	27	27	26	20
8 Services	4	4	4	4	4	4	4
9 Public Administration	1	1	1	1	1	1	1

Panel B. S&P 100 Group

SIC CODE	2003	2004	2005	2006	2007	2008	2009
1 Mining and Construction	6	6	6	6	6	6	6
2 Manufacturing	24	24	25	25	25	25	24
3 Manufacturing	20	20	21	21	22	22	19
4 Transportation and Public Utilities	12	12	14	14	14	14	13
5 Wholesale and Retail Trade	8	8	8	8	9	9	5
6 Finance, Insurance, Real Estate	12	13	12	13	13	13	13
7 Services	3	3	3	3	3	3	2
9 Public Administration	2	2	2	2	2	2	2

Note: This table is compiled by the author.

TABLE 2. Sample Descriptive Statistics (Nonparametric Tests)

Panel A. Random Sample

Variable	Voluntarily Disclose		Class		Wilcoxon		Median		Variable	Less Than Median		Class		Wilcoxon		Median	
	Type	Means	Test		Test		Type	Means		Test		Test		z	Pr> Z	z	Pr> Z
			z	Pr> Z	z	Pr> Z				z	Pr> Z	z	Pr> Z				
LOG_CEO_SUMPERK	1	10.774	-6.926	<.0001	-6.474	<.0001	LOG_CEO_SUMPERK	1	9.485	-19.966	<.0001	-20.101	<.0001				
	0	11.329				0		11.942									
LOG_EXE_SUMPERK	1	11.769	-8.22	<.0001	-7.912	<.0001	LOG_EXE_SUMPERK	1	10.854	-17.414	<.0001	-17.117	<.0001				
	0	12.648				0		12.796									
SUM_CEOPERK_TYPE	1	1.41	-6.13	<.0001	-5.784	<.0001	SUM_CEOPERK_TYPE	1	1.948	5.657	<.0001	4.709	<.0001				
	0	1.993				0		1.664									
SUM_OFFPERK_TYPE	1	2.188	-5.975	<.0001	-5.404	<.0001	SUM_OFFPERK_TYPE	1	2.511	1.11	0.267	-0.479	0.632				
	0	2.87				0		2.566									
LOG_CEO_NONPERK	1	13.968	-7.522	<.0001	-6.942	<.0001	LOG_CEO_NONPERK	1	14.16	-0.925	0.355	-0.344	0.731				
	0	14.336				0		14.167									
LOG_EXE_NONPERK	1	15.115	-7.687	<.0001	-7.519	<.0001	LOG_EXE_NONPERK	1	15.221	-1.549	0.061	-0.809	0.418				
	0	15.445				0		15.312									
BOARD_SIZE	1	8.891	-8.463	<.0001	-9.161	<.0001	BOARD_SIZE	1	9.442	0.803	0.422	0.147	0.883				
	0	9.809				0		9.371									
NUM_MEET	1	13.883	2.512	0.012	3.824	0	NUM_MEET	1	13.306	0.152	0.88	0.432	0.666				
	0	12.968				0		13.412									
AVG_AGE	1	59.218	-5.165	<.0001	-5.022	<.0001	AVG_AGE	1	59.565	-1.155	0.248	-1.724	0.085				
	0	60.22				0		59.807									
CEO_AGE	1	54.427	-0.863	0.388	-0.653	0.514	CEO_AGE	1	54.474	-0.186	0.853	-0.055	0.956				
	0	54.64				0		54.559									
CEO_TENURE	1	7.342	2.835	0.005	2.316	0.021	CEO_TENURE	1	6.382	-0.309	0.758	0.001	0.1				
	0	6.372				0		6.932									
AUDIT_COMM_SIZE	1	3.516	-8.212	<.0001	-7.995	<.0001	AUDIT_COMM_SIZE	1	3.765	1.247	0.212	1.851	0.064				
	0	3.878				0		3.699									
COMP_COMM_SIZE	1	3.412	-5.326	<.0001	-4.857	<.0001	COMP_COMM_SIZE	1	3.481	-0.954	0.34	-0.365	0.715				
	0	3.686				0		3.58									
NOM_COMM_SIZE	1	2.86	2.614	0.009	3.171	0.002	NOM_COMM_SIZE	1	2.563	-0.615	0.538	-0.238	0.812				
	0	2.398				0		2.62									
GOV_COMM_SIZE	1	2.342	-2.314	0.021	-1.753	0.08	GOV_COMM_SIZE	1	2.701	1.978	0.048	1.997	0.046				
	0	2.533				0		2.381									
NUM_BOARD_CEO_SERVES	1	0.875	-5.016	<.0001	-4.698	<.0001	NUM_BOARD_CEO_SERVES	1	0.801	-3.651	0	-3.424	0.001				
	0	1.178				0		1.099									
CEO_OWNERSHIP	1	0.038	8.39	<.0001	7.775	<.0001	CEO_OWNERSHIP	1	0.027	2.153	0.031	2.55	0.011				
	0	0.024				0		0.031									
AVG_OWNERSHIP	1	0.007	7.026	<.0001	5.166	<.0001	AVG_OWNERSHIP	1	0.007	0.402	0.688	0.227	0.82				
	0	0.005				0		0.006									
INS_OWNERSHIP	1	0.295	1.765	0.078	2.109	0.035	INS_OWNERSHIP	1	0.284	3.701	0	3.015	0.003				
	0	0.262				0		0.276									
ABCOMP	1	-33425	-2.231	0.026	-1.86	0.063	ABCOMP	1	-21103	0.204	0.838	1.174	0.24				
	0	29353				0		5598									
PRODUCTIVE_EFFICIENCY	1	1.293	7.605	<.0001	5.68	<.0001	PRODUCTIVE_EFFICIENCY	1	1.107	-0.365	0.715	-0.274	0.785				
	0	0.949				0		1.107									
STATETAX	1	0.071	-1.794	0.073	-1.126	0.26	STATETAX	1	0.071	0.05	0.96	1.859	0.063				
	0	0.073				0		0.072									
SEGMENTS	1	5.388	-6.198	<.0001	-5.659	<.0001	SEGMENTS	1	6.161	-0.207	0.836	-0.302	0.763				
	0	6.868				0		6.202									
ROA	1	0.037	-0.761	0.447	0.276	0.783	ROA	1	0.04	1.121	0.262	1.504	0.133				
	0	0.038				0		0.037									
ROE	1	0.074	-2.507	0.012	-2.482	0.013	ROE	1	0.207	0.094	0.925	0.957	0.339				
	0	0.151				0		0.093									
TOBIN_Q	1	1.572	-1.298	0.194	-1.272	0.203	TOBIN_Q	1	1.61	-0.05	0.96	0.069	0.945				
	0	1.616				0		1.592									
ABNORMAL_RETURN	1	0.119	0.579	0.563	0.577	0.564	ABNORMAL_RETURN	1	0.137	-0.763	0.446	-0.672	0.502				
	0	0.14				0		0.128									
LOGASSET	1	7.331	-9.353	<.0001	-9.21	<.0001	LOGASSET	1	7.46	-3.295	0.001	-2.598	0.009				
	0	8.133				0		7.844									
BM_RATIO	1	0.741	2.942	0.003	3.04	0.002	BM_RATIO	1	0.516	0.386	0.7	-0.137	0.891				
	0	0.467				0		0.612									

Panel B. S&P 100

Variable	Voluntarily Disclose Type	Class Means	Wilcoxon		Median		Variable	Less Than Median Type	Class Means	Wilcoxon		Median	
			Test		Test					Test		Test	
			z	Pr> Z	z	Pr> Z				z	Pr> Z	z	Pr> Z
LOG_CEO_SUMPERK	1	11.228	-5.199	<.0001	-3.213	0.001	LOG_CEO_SUMPERK	1	10.807	-15.715	<.0001	-15.287	<.0001
	0	12.275						0	12.688				
LOG_EXE_SUMPERK	1	12.425	-6.141	<.0001	-4.747	<.0001	LOG_EXE_SUMPERK	1	11.809	-18.237	<.0001	-16.255	<.0001
	0	13.448						0	14.001				
SUM_CEOPERK_TYPE	1	2.055	-5.407	<.0001	-4.682	<.0001	SUM_CEOPERK_TYPE	1	2.017	-8.736	<.0001	-7.379	<.0001
	0	3.025						0	3.344				
SUM_OFFPERK_TYPE	1	2.982	-4.607	<.0001	-3.718	0	SUM_OFFPERK_TYPE	1	2.823	-8.611	<.0001	-7.017	<.0001
	0	3.95						0	4.342				
LOG_CEO_NONPERK	1	14.491	-7.371	<.0001	-5.582	<.0001	LOG_CEO_NONPERK	1	15.151	-5.54	<.0001	-5.643	<.0001
	0	15.576						0	15.522				
LOG_EXE_NONPERK	1	15.837	-7.455	<.0001	-6.214	<.0001	LOG_EXE_NONPERK	1	16.182	-6.303	<.0001	-5.643	<.0001
	0	16.515						0	16.52				
BOARD_SIZE	1	11.018	-4.198	<.0001	-3.502	0.001	BOARD_SIZE	1	11.709	-1.989	0.047	-1.457	0.145
	0	12.076						0	11.997				
NUM_MEET	1	13.509	-1.248	0.212	-0.78	0.436	NUM_MEET	1	14.601	-0.345	0.73	0.076	0.94
	0	14.856						0	14.635				
AVG_AGE	1	60.911	-1.225	0.221	-1.64	0.101	AVG_AGE	1	63.415	-0.521	0.603	-0.581	0.562
	0	62.095						0	60.989				
CEO_AGE	1	57.165	0.393	0.694	0.606	0.545	CEO_AGE	1	56.665	-0.943	0.346	-1.104	0.27
	0	56.73						0	56.89				
CEO_TENURE	1	7.578	1.212	0.226	1.054	0.292	CEO_TENURE	1	6.865	0.277	0.782	0.439	0.661
	0	6.176						0	6.164				
AUDIT_COMM_SIZE	1	4.266	-4.568	<.0001	-3.712	0	AUDIT_COMM_SIZE	1	4.57	-1.987	0.047	-1.529	0.126
	0	4.768						0	4.744				
COMP_COMM_SIZE	1	4.009	-4.41	<.0001	-4.415	<.0001	COMP_COMM_SIZE	1	4.357	-1.549	0.122	-1.589	0.112
	0	4.539						0	4.497				
NOM_COMM_SIZE	1	3.513	-7.813	<.0001	-6.427	<.0001	NOM_COMM_SIZE	1	4.262	-3.707	0	-3.143	0.002
	0	4.848						0	4.827				
GOV_COMM_SIZE	1	4.273	-3.23	0.001	-1.67	0.095	GOV_COMM_SIZE	1	5.09	0.553	0.58	0.682	0.495
	0	5.23						0	5.023				
NUM_BOARD_CEO_SERVES	1	1.165	-0.883	0.377	0.05	0.96	NUM_BOARD_CEO_SERVES	1	1.404	-1.517	0.129	-2.076	0.038
	0	1.494						0	1.455				
CEO_OWNERSHIP	1	0.051	2.573	0.01	1.526	0.127	CEO_OWNERSHIP	1	0.018	0.978	0.328	1.306	0.192
	0	0.011						0	0.018				
AVG_OWNERSHIP	1	0.005	4.633	<.0001	2.99	0.003	AVG_OWNERSHIP	1	0.003	1.765	0.078	1.194	0.233
	0	0.001						0	0.001				
INS_OWNERSHIP	1	0.118	-3.729	0	-3.614	0	INS_OWNERSHIP	1	0.151	-2.027	0.043	-0.562	0.574
	0	0.172						0	0.172				
ABCOMP	1	-2.00E+08	-0.993	0.321	-1.737	0.082	ABCOMP	1	-5.00E+07	-0.439	0.661	-0.085	0.933
	0	4.00E+07						0	3.00E+07				
PRODUCTIVE_EFFICIENCY	1	0.993	1.365	0.172	1.579	0.114	PRODUCTIVE_EFFICIENCY	1	0.846	0.424	0.672	0.495	0.621
	0	0.776						0	0.795				
STATETAX	1	0.069	-1.019	0.308	-3.907	<.0001	STATETAX	1	0.069	0.864	0.388	0.099	0.921
	0	0.067						0	0.067				
SEGMENTS	1	7.818	-0.844	0.399	0.06	0.952	SEGMENTS	1	7.974	-1.089	0.276	-0.772	0.44
	0	8.542						0	8.676				
ROA	1	0.068	-1.1	0.271	-1.789	0.074	ROA	1	0.078	1.35	0.177	0.66	0.509
	0	0.073						0	0.069				
ROE	1	0.175	-1.576	0.115	-0.947	0.344	ROE	1	0.206	-0.038	0.97	0	1
	0	0.221						0	0.217				
TOBIN_Q	1	1.854	-0.231	0.818	0.652	0.514	TOBIN_Q	1	2.01	2.266	0.023	2.592	0.01
	0	1.717						0	1.584				
ABNORMAL_RETURN	1	0.087	-0.717	0.473	-0.433	0.665	ABNORMAL_RETURN	1	0.067	-0.063	0.95	-0.834	0.404
	0	0.067						0	0.073				
LOGASSET	1	10.442	-3.32	0.001	-4.525	<.0001	LOGASSET	1	10.506	-4.779	<.0001	-4.787	<.0001
	0	10.854						0	10.944				
BM_RATIO	1	1.612	-0.255	0.799	0.526	0.599	BM_RATIO	1	0.724	-1.282	0.2	-0.66	0.509
	0	0.388						0	0.527				

TABLE 3. Compensation Grant Amount and Voluntarily Disclosure

This table applied the binary logistic regression. The dependent variables is voluntarily disclose dummy, if disclosed perquisite amount of CEO or CFO is less than \$50,000 or 10 percent of total annual salary and bonus reported for the CEO or CFO officer, then voluntarily disclose dummy for that year would be one, otherwise zero. The independent variables in the regression, respectively, are board size, number of board meetings, average age of board members, CEO tenure, number of audit committee members, number of compensation committee members, number of nominee committee members, number of governance committee members, number of boards that CEO also serves in other companies, CEO holds the president position (if CEO and president are the same person, then such dummy variable equals one), CEO holds chairman position (if CEO and chairman are the same person, then such variable equals one), CEO is one of nominee committee members or not (dummy variable equals one if yes), average ownership of board members, larger than 5% institutional ownership, logarithm of perquisites amount granted to CEO, logarithm of perquisites amount granted to named executive officers listed on the summary compensation table, logarithm of nonperk compensation amount granted to CEO, logarithm of nonperk compensation amount granted to named executive officers listed on the summary compensation table, number of perquisites granted to CEO, number of perquisites granted to named executive officers listed on the summary compensation table, logarithm of firms' total assets, and book-to-market ratio. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel A. Random Group – All Sample Period

Y=VOLUNTEER_D						
	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6
INTERCEPT	5.851 *** 1.673	7.858 *** 1.484	3.258 *** 1.139	3.224 *** 1.139	3.789 *** 1.414	5.126 ** 2.086
CHA						
BOARD SIZE	-0.019 0.065	-0.088 0.056	-0.052 0.046	-0.053 0.046	-0.043 0.046	-0.051 0.045
NUM_MEET	0.022 * 0.011	0.028 *** 0.010	0.023 *** 0.008	0.024 *** 0.008	0.023 *** 0.008	0.023 *** 0.008
AVG_AGE	0.004 0.026	-0.002 0.023	-0.004 0.019	-0.003 0.019	-0.006 0.019	-0.009 0.019
CEO_TENURE	0.041 ** 0.020	0.002 0.015	-0.001 0.011	-0.001 0.011	0.008 0.012	0.001 0.011
AUDIT_COMM_SIZE	-0.528 *** 0.138	-0.468 *** 0.121	-0.352 *** 0.100	-0.357 *** 0.100	-0.374 *** 0.101	-0.359 *** 0.100
COMP_COMM_SIZE	0.024 0.100	-0.048 0.080	-0.073 0.064	-0.072 0.064	-0.078 0.065	-0.080 0.064
NUM_BOARD_CEO_SERVES	-0.176 ** 0.088	-0.162 ** 0.074	-0.197 *** 0.062	-0.201 *** 0.062	-0.213 *** 0.063	-0.201 *** 0.062
CEO_PRESIDENT_D	0.261 0.222	-0.092 0.188	-0.151 0.154	-0.152 0.154	-0.193 0.154	-0.176 0.154
CEO_CHAIRMAN_D	0.492 ** 0.219	0.487 ** 0.190	0.575 *** 0.157	0.560 *** 0.156	0.545 *** 0.156	0.541 *** 0.156
AVG_OWNERSHIP	30.923 ** 13.771	0.752 9.800	-1.234 8.439	-1.235 8.402	-3.178 8.402	-2.191 8.394
INS_OWNERSHIP	-1.109 0.698	-0.783 0.587	0.052 0.102	0.048 0.102	0.046 0.100	0.045 0.100
COMP						
LOG_CEO_SUMPERK	-0.249 *** 0.058					
LOG_EXE_SUMPERK		-0.291 *** 0.050				
SUM_CEOPERK_TYPE			-0.085 ** 0.042			
SUM_OFFPERK_TYPE				-0.075 ** 0.035		
LOG_CEO_NONPERK					-0.029 0.073	
LOG_EXE_NONPERK						-0.122 0.127
SIZE						
LOGASSET	-0.307 *** 0.083	-0.239 *** 0.074	-0.173 *** 0.059	-0.167 *** 0.060	-0.187 *** 0.063	-0.151 ** 0.073
GROWTH						
BM_RATIO	0.077 0.246	-0.188 0.192	0.117 0.163	0.118 0.164	0.122 0.163	0.111 0.164
N	600	772	1005	1010	1005	1010
McFadden R-squared	0.162	0.146	0.088	0.088	0.088	0.085

Panel B. S&P100 Group – All Sample Period

Y=VOLUNTEER_D						
	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6
INTERCEPT	20.0488 ***	13.8695 ***	10.4192 ***	10.6657 ***	17.7768 ***	21.8820 ***
	4.1991	3.3355	2.8514	2.8681	3.7560	5.1259
CHA						
BOARD_SIZE	0.1245	0.2215 **	0.1611 *	0.1515 *	0.2831 ***	0.1648 *
	0.1123	0.1087	0.0887	0.0881	0.0959	0.0880
NUM_MEET	0.0407 *	0.0272	0.0266	0.0269	0.0336 *	0.0309 *
	0.0231	0.0202	0.0186	0.0188	0.0183	0.0182
AVG_AGE	-0.0027	-0.0016	-0.0013	-0.0014	-0.0004	-0.0001
	0.0064	0.0059	0.0054	0.0055	0.0056	0.0052
CEO_TENURE	-0.0425	-0.0484	-0.0559 *	-0.0545 *	-0.0603 *	-0.0560
	0.0354	0.0335	0.0321	0.0323	0.0362	0.0356
AUDIT_COMM_SIZE	-0.7299 ***	-0.7628 ***	-0.6716 ***	-0.6814 ***	-0.8307 ***	-0.7138 ***
	0.2760	0.2527	0.2430	0.2428	0.2581	0.2473
COMP_COMM_SIZE	-0.6874 ***	-0.4641 **	-0.4703 **	-0.4776 **	-0.4294 *	-0.4241 *
	0.2452	0.2199	0.2116	0.2132	0.2391	0.2187
NUM_BOARD_CEO_SERVES	-0.2899 *	-0.2481 *	-0.1805	-0.1785	-0.0754	-0.1540
	0.1561	0.1454	0.1336	0.1329	0.1333	0.1331
CEO_PRESIDENT_D	-0.1159	-0.1108	0.0042	0.0056	0.0240	-0.1615
	0.4657	0.4215	0.4051	0.4025	0.4328	0.4223
CEO_CHAIRMAN_D	1.3902 **	1.9059 ***	1.6514 ***	1.6167 ***	2.1008 ***	1.6017 ***
	0.6265	0.5677	0.5072	0.5020	0.5772	0.5241
AVG_OWNERSHIP	91.6190	99.5340 *	102.9626 **	105.9564 **	83.9240 *	95.7264 **
	60.2997	54.9280	48.6378	47.9889	48.5858	48.5873
INS_OWNERSHIP	-11.1824 ***	-8.7485 ***	-8.8131 ***	-8.9604 ***	-9.4061 ***	-8.7643 ***
	2.9992	2.6398	2.5412	2.5477	2.6393	2.5698
COMP						
LOG_CEO_SUMPERK	-0.4600 ***					
	0.1695					
LOG_EXE_SUMPERK		-0.2900 *				
		0.1532				
SUM_CEOPERK_TYPE			-0.0647			
			0.0960			
SUM_OFFPERK_TYPE				0.0160		
				0.0866		
LOG_CEO_NONPERK					-0.6531 ***	
					0.1872	
LOG_EXE_NONPERK						-0.8436 ***
						0.3068
SIZE						
LOGASSET	-1.1209 ***	-0.9296 ***	-0.9047 ***	-0.9327 ***	-0.8035 ***	-0.7003 **
	0.3447	0.2953	0.2633	0.2698	0.2692	0.2869
GROWTH						
BM_RATIO	0.9210	0.9957	0.9457	0.9587	0.6398	0.6127
	0.7669	0.7106	0.6254	0.6288	0.7961	0.7948
N	300	325	340	340	340	340
McFadden R-squared	0.3350	0.2872	0.3006	0.2992	0.3524	0.3260

TABLE 4. Compensation Grant Amount and Voluntarily Disclosure

This table applied the binary logistic regression. The dependent variables is less than median dummy, if perks granted to CEO and all other named executives are both less than the median of perks granted to CEO and to all named executives, then the dummy variable for that year would be one, otherwise zero. The independent variables here are same as variables in Table8. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel A Random Group – All Sample Period

Y=MEDIAN_D						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	20.1582 *** 2.5743	8.0266 *** 1.6656	0.0756 1.2628	-0.2192 1.2600	-2.3090 1.7598	-2.1660 2.3825
<i>CHA</i>						
BOARD_SIZE	0.2207 **	0.1659 **	0.1793 ***	0.1698 ***	0.1706 ***	0.1703 ***
NUM_MEET	0.0917	0.0655	0.0524	0.0518	0.0518	0.0517
	-0.0155	0.0036	0.0007	0.0009	0.0006	0.0005
	0.0151	0.0115	0.0095	0.0094	0.0095	0.0095
AVG_AGE	-0.0307	-0.0058	-0.0313	-0.0283	-0.0254	-0.0252
	0.0343	0.0263	0.0219	0.0219	0.0219	0.0219
CEO_TENURE	-0.0144	-0.0241	-0.0193	-0.0215	-0.0203	-0.0230
	0.0289	0.0190	0.0145	0.0144	0.0146	0.0144
AUDIT_COMM_SIZE	0.0379	0.1393	0.0858	0.1042	0.1038	0.1039
	0.1761	0.1320	0.1086	0.1078	0.1080	0.1077
COMP_COMM_SIZE	-0.3086 **	-0.1707 *	-0.1566 **	-0.1307 *	-0.1375 *	-0.1311 *
	0.1394	0.0886	0.0725	0.0712	0.0713	0.0711
NUM_BOARD_CEO_SERVES	-0.0188	-0.1942 **	-0.2285 ***	-0.2131 ***	-0.2154 ***	-0.2125 ***
	0.1128	0.0874	0.0758	0.0744	0.0746	0.0743
CEO_PRESIDENT_D	1.0179 ***	0.3289	0.3577 **	0.3670 **	0.3640 **	0.3890 **
	0.3272	0.2237	0.1822	0.1806	0.1812	0.1815
CEO_CHAIRMAN_D	0.4564	0.0208	-0.0046	0.0429	0.0284	0.0560
	0.2959	0.2135	0.1760	0.1734	0.1737	0.1735
AVG_OWNERSHIP	-6.2030	-5.9608	-9.6118	-8.9081	-6.8472	-7.9897
	15.2843	10.7639	10.5911	10.5626	10.5092	10.5915
INS_OWNERSHIP	0.2281	0.2701	0.0132	0.0197	0.0197	0.0218
	0.2388	0.2227	0.1144	0.1092	0.1087	0.1087
<i>COMP</i>						
LOG_CEO_SUMPERK	-1.7694 *** 0.1565					
LOG_EXE_SUMPERK		-0.7545 *** 0.0678				
SUM_CEOPERK_TYPE			0.1709 *** 0.0457			
SUM_OFFPERK_TYPE				0.0250 0.0392		
LOG_CEO_NONPERK					0.1666 0.1034	
LOG_EXE_NONPERK						0.1370 0.1482
<i>SIZE</i>						
LOGASSET	-0.2726 **	-0.1411	-0.1523 **	-0.1191 *	-0.1699 **	-0.1587 *
	0.1175	0.0871	0.0678	0.0674	0.0763	0.0842
<i>GROWTH</i>						
BM_RATIO	0.6026 *	-0.0222	0.2568	0.2335	0.2634	0.2569
	0.3364	0.2275	0.1748	0.1753	0.1765	0.1774
N	600	772	1010	1010	1005	1010
McFadden R-squared	0.4898	0.2404	0.0453	0.0330	0.0340	0.0335

Panel B S&P100 Group – All Sample Period

Y=MEDIAN_D						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	15.8506 ***	59.3349 ***	-1.2900	-2.0436	3.2918	6.8482 *
	4.7686	10.6731	3.1708	3.1920	3.1513	3.7246
CHA						
BOARD_SIZE	0.1278	-0.0444	0.0943	0.0565	0.0230	0.0143
	0.0848	0.1133	0.0628	0.0614	0.0584	0.0577
NUM_MEET	0.0274	0.0322	0.0179	0.0182	0.0154	0.0150
	0.0205	0.0253	0.0141	0.0143	0.0133	0.0134
AVG_AGE	0.0616	0.0751	0.0690	0.0980 **	0.0214	0.0432
	0.0624	0.0903	0.0442	0.0451	0.0405	0.0416
CEO_TENURE	-0.0067	0.0142	-0.0013	-0.0147	0.0097	0.0065
	0.0336	0.0430	0.0231	0.0237	0.0216	0.0217
AUDIT_COMM_SIZE	-0.4330 **	-0.0953	-0.3652 **	-0.4840 ***	-0.4234 ***	-0.4040 ***
	0.2172	0.2662	0.1623	0.1648	0.1548	0.1538
COMP_COMM_SIZE	0.3729 *	0.4310 *	0.1861	0.2749 **	0.2211 *	0.2034
	0.2021	0.2542	0.1387	0.1401	0.1344	0.1316
NUM_BOARD_CEO_SERVES	-0.1459	-0.3292 *	0.0456	0.0393	0.0486	0.0391
	0.1196	0.1722	0.0959	0.0965	0.0912	0.0887
CEO_PRESIDENT_D	0.5154	0.7008	0.4909 *	0.5018 *	0.5139 *	0.4421
	0.3909	0.5326	0.2953	0.2983	0.2747	0.2739
CEO_CHAIRMAN_D	-0.1392	-2.1720 ***	-0.1588	-0.2273	-0.1808	-0.2773
	0.5253	0.7436	0.3469	0.3480	0.3184	0.3205
AVG_OWNERSHIP	-141.6351 **	-238.0388 ***	4.4135	10.0776	15.7452	17.6348
	70.2595	88.2870	27.2142	28.7472	26.1101	26.2174
INS_OWNERSHIP	-1.9004	-0.4567	-1.9972	-1.9566	-2.6167 **	-2.3484 *
	1.6711	2.5198	1.3651	1.3607	1.2929	1.2942
COMP						
LOG_CEO_SUMPERK	-1.5304 ***					
	0.2252					
LOG_EXE_SUMPERK		-4.4943 ***				
		0.6533				
SUM_CEOPERK_TYPE			-0.5163 ***			
			0.0875			
SUM_OFFPERK_TYPE				-0.4806 ***		
				0.0782		
LOG_CEO_NONPERK					-0.0964	
					0.0906	
LOG_EXE_NONPERK						-0.4254 **
						0.1998
SIZE						
LOGASSET	-0.3013	-0.5737 *	-0.2667 *	-0.2561 *	-0.3279 **	-0.2441
	0.2138	0.3193	0.1499	0.1493	0.1572	0.1643
GROWTH						
BM_RATIO	-0.8686	0.1857	0.1410	0.2503	0.2980	0.1125
	0.6886	0.7695	0.4130	0.4263	0.4143	0.4120
N	300	325	340	340	340	340
McFadden R-squared	0.3833	0.6787	0.1985	0.2054	0.1023	0.1102

TABLE 5. The Effect of Voluntary Disclosure on Operating Performance

This table applied the OLS regression. The dependent variables is firms' Tobin's q, which is calculated as (total long-term debt + total debt in current liabilities + market value)/total assets. The independent variables in the regression, respectively, are voluntary disclosure dummy, board size, number of board meetings, average age of board members, CEO tenure, number of audit committee members, number of compensation committee members, number of nominee committee members, number of governance committee members, number of boards that CEO also serves in other companies, CEO holds the president position (if CEO and president are the same person, then such dummy variable equals one), CEO holds chairman position (if CEO and chairman are the same person, then such variable equals one), CEO is one of nominee committee members or not (dummy variable equals one if yes), average ownership of board members, larger than 5% institutional ownership, logarithm of perquisites amount granted to CEO, logarithm of perquisites amount granted to named executive officers listed on the summary compensation table, logarithm of nonperk compensation amount granted to CEO, logarithm of nonperk compensation amount granted to named executive officers listed on the summary compensation table, number of perquisites granted to CEO, number of perquisites granted to named executive officers listed on the summary compensation table, logarithm of firms' total assets, book-to-market ratio, and two-digit SIC industrial dummy variables. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel A. Random Group – All Sample Period

Y=TOBIN Q						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	4.3929 ***	5.7101 ***	5.2947 ***	5.2208 ***	6.5420 ***	3.4137 ***
	0.6836	0.6652	0.5523	0.5508	0.6840	1.0034
VOLUNTARILY DISCLOSE						
VOLUNTEER_D	0.1409 *	0.0837	0.0144	0.0073	0.0188	0.0296
	0.0842	0.0790	0.0682	0.0680	0.0683	0.0680
CHA						
BOARD_SIZE	0.0014	-0.0028	-0.0228	-0.0251	-0.0178	-0.0210
	0.0264	0.0252	0.0226	0.0225	0.0226	0.0225
NUM_MEET	-0.0128 ***	-0.0146 ***	-0.0104 **	-0.0103 **	-0.0100 **	-0.0105 ***
	0.0046	0.0044	0.0040	0.0040	0.0040	0.0040
AVG_AGE	-0.0103	-0.0228 **	-0.0255 ***	-0.0242 **	-0.0274 ***	-0.0248 ***
	0.0112	0.0107	0.0094	0.0094	0.0094	0.0095
CEO_TENURE	-0.0010	0.0058	0.0034	0.0031	0.0057	0.0029
	0.0076	0.0067	0.0055	0.0055	0.0057	0.0055
AUDIT_COMM_SIZE	-0.0513	-0.0629	0.0019	0.0018	-0.0028	-0.0050
	0.0520	0.0513	0.0469	0.0467	0.0470	0.0468
COMP_COMM_SIZE	-0.0519	-0.0623 *	-0.0649 **	-0.0611 **	-0.0629 **	-0.0756 **
	0.0372	0.0343	0.0302	0.0301	0.0302	0.0301
NUM_BOARD_CEO_SERVES	0.1590 ***	0.1359 ***	0.1064 ***	0.1044 ***	0.1038 ***	0.0996 ***
	0.0333	0.0319	0.0291	0.0289	0.0291	0.0290
CEO_PRESIDENT_D	0.0474	0.0853	0.0201	0.0259	0.0106	0.0305
	0.0887	0.0844	0.0746	0.0744	0.0748	0.0748
CEO_CHAIRMAN_D	-0.1895 **	-0.1803 **	-0.0730	-0.0786	-0.0738	-0.0760
	0.0898	0.0850	0.0760	0.0756	0.0760	0.0759
AVG_OWNERSHIP	-4.9814	-11.6424 ***	-13.9452 ***	-13.8920 ***	-15.1348 ***	-13.1421 ***
	5.0481	4.2518	4.0601	4.0468	4.0848	4.0719
INS_OWNERSHIP	-0.3804 ***	-0.3829 ***	-0.1102 **	-0.1105 **	-0.1112 **	-0.1119 **
	0.0962	0.1020	0.0499	0.0497	0.0499	0.0498
COMP						
LOG_CEO_SUMPERK	0.0099					
	0.0196					
LOG_EXE_SUMPERK		-0.0640 ***				
		0.0225				
SUM_CEOPERK_TYPE			-0.0416 **			
			0.0201			
SUM_OFFPERK_TYPE				-0.0548 **		
				0.0167		
LOG_CEO_NONPERK					-0.0988 ***	
					0.0356	
LOG_EXE_NONPERK						0.1469 **
						0.0620
SIZE						
LOGASSET	-0.0995 ***	-0.0505	-0.0778 ***	-0.0661 ***	-0.0538 *	-0.1414 ***
	0.0335	0.0336	0.0295	0.0297	0.0316	0.0368
GROWTH						
BM_RATIO	-1.2997 ***	-1.1730 ***	-1.2316 ***	-1.2304 ***	-1.2421 ***	-1.2075 ***
	0.0957	0.0852	0.0782	0.0779	0.0783	0.0787
INDUSTRY						
	YES	YES	YES	YES	YES	YES
N	595	767	1005	1005	1000	1005
Adj R-Sq	0.3680	0.3355	0.3216	0.3260	0.3246	0.3225

Panel B. S&P100 Group – All Sample Period

Y=TOBIN Q						
	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6
INTERCEPT	5.7716 *** 1.0830	9.1668 *** 1.2185	9.1945 *** 1.0835	9.4250 *** 1.0915	10.0004 *** 1.2432	9.0527 *** 1.6537
VOLUNTARILY DISCLOSE						
VOLUNTEER_D	0.0636 0.1513	-0.1784 0.1764	-0.1817 0.1753	-0.1659 0.1756	-0.2176 0.1788	-0.1771 0.1785
CHA						
BOARD_SIZE	-0.0462 ** 0.0219	-0.1094 *** 0.0269	-0.0870 *** 0.0258	-0.0912 *** 0.0256	-0.0913 *** 0.0261	-0.0975 *** 0.0259
NUM_MEET	-0.0091 0.0056	-0.0045 0.0064	0.0012 0.0062	0.0010 0.0062	-0.0002 0.0062	-0.0006 0.0063
AVG_AGE	-0.0002 0.0014	-0.0005 0.0018	-0.0009 0.0018	-0.0009 0.0018	-0.0009 0.0018	-0.0009 0.0018
CEO_TENURE	0.0091 0.0094	0.0115 0.0111	0.0116 0.0108	0.0103 0.0108	0.0143 0.0108	0.0143 0.0109
AUDIT_COMM_SIZE	-0.0059 0.0557	0.1036 0.0654	0.0667 0.0658	0.0499 0.0655	0.0337 0.0664	0.0452 0.0663
COMP_COMM_SIZE	-0.0139 0.0492	-0.1451 ** 0.0570	-0.0913 0.0565	-0.0848 0.0567	-0.0796 0.0579	-0.0950 * 0.0576
NUM_BOARD_CEO_SERVES	-0.0320 0.0367	-0.0581 0.0428	-0.0658 0.0418	-0.0637 0.0419	-0.0469 0.0436	-0.0640 0.0424
CEO_PRESIDENT_D	-0.0450 0.1068	-0.1065 0.1259	-0.0907 0.1269	-0.0966 0.1271	-0.0532 0.1295	-0.0827 0.1287
CEO_CHAIRMAN_D	-0.0808 0.1378	-0.2741 * 0.1505	-0.3600 ** 0.1500	-0.3813 ** 0.1502	-0.3471 ** 0.1523	-0.3734 ** 0.1522
AVG_OWNERSHIP	30.8101 * 17.4205	73.1181 *** 19.2138	2.1405 12.6012	2.3003 12.6277	6.3161 12.6067	7.6036 12.6337
INS_OWNERSHIP	-0.8720 * 0.4546	-0.9792 * 0.5376	-0.8933 * 0.5334	-0.9621 * 0.5326	-1.0540 * 0.5365	-1.0328 * 0.5409
COMP						
LOG_CEO_SUMPERK	0.0752 ** 0.0376					
LOG_EXE_SUMPERK		-0.1281 *** 0.0439				
SUM_CEOPERK_TYPE			-0.0931 *** 0.0319			
SUM_OFFPERK_TYPE				-0.0792 *** 0.0288		
LOG_CEO_NONPERK					-0.0659 0.0426	
LOG_EXE_NONPERK						0.0022 0.0872
SIZE						
LOGASSET	-0.3791 *** 0.0628	-0.4038 *** 0.0776	-0.4881 *** 0.0721	-0.4939 *** 0.0721	-0.4963 *** 0.0728	-0.5070 *** 0.0791
GROWTH						
BM_RATIO	-0.8795 *** 0.1615	-1.0396 *** 0.1917	-1.2183 *** 0.1884	-1.1911 *** 0.1883	-1.1484 *** 0.1909	-1.1789 *** 0.1980
INDUSTRY						
	YES	YES	YES	YES	YES	YES
N	300	325	340	340	340	340
Adj R-Sq	0.4579	0.4902	0.4680	0.4665	0.4579	0.4538

TABLE 6. The Effect of Voluntary Disclosure on Operating Performance

This table applied the OLS regression. The dependent variables is firms' Tobin's q, which is calculated as (total long-term debt + total debt in current liabilities + market value)/total assets. Except the less than median dummy variable, all independent variables are same as independent variables used in table 10. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel A Random Group – All Sample Period

Y=TOBIN Q						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	3.9894 *** 0.7051	5.8516 *** 0.6627	5.2685 *** 0.5472	5.1971 *** 0.5456	6.5619 *** 0.6784	3.4666 *** 0.9975
<i>VOLUNTARILY DISCLOSE</i>						
MEDIAN_D	0.2615 *** 0.0948	0.0164 0.0893	0.1004 0.0783	0.0887 0.0774	0.0887 0.0778	0.0696 0.0776
<i>CHA</i>						
BOARD_SIZE	-0.0092 0.0264	-0.0058 0.0252	-0.0266 0.0226	-0.0283 0.0226	-0.0211 0.0227	-0.0240 0.0226
NUM_MEET	-0.0127 *** 0.0046	-0.0141 *** 0.0044	-0.0105 *** 0.0040	-0.0104 *** 0.0040	-0.0100 ** 0.0040	-0.0105 *** 0.0040
AVG_AGE	-0.0083 0.0112	-0.0227 ** 0.0107	-0.0251 *** 0.0094	-0.0239 ** 0.0094	-0.0272 *** 0.0094	-0.0247 *** 0.0094
CEO_TENURE	0.0012 0.0075	0.0060 0.0067	0.0038 0.0055	0.0034 0.0055	0.0061 0.0057	0.0033 0.0055
AUDIT_COMM_SIZE	-0.0622 0.0514	-0.0693 0.0511	0.0002 0.0466	0.0003 0.0464	-0.0052 0.0467	-0.0078 0.0466
COMP_COMM_SIZE	-0.0384 0.0373	-0.0623 * 0.0345	-0.0623 ** 0.0302	-0.0590 * 0.0301	-0.0610 ** 0.0302	-0.0743 ** 0.0302
NUM_BOARD_CEO_SERVES	0.1638 *** 0.0333	0.1342 *** 0.0320	0.1094 *** 0.0291	0.1070 *** 0.0289	0.1059 *** 0.0291	0.1007 *** 0.0290
CEO_PRESIDENT_D	0.0393 0.0884	0.0861 0.0845	0.0153 0.0746	0.0215 0.0744	0.0060 0.0748	0.0261 0.0749
CEO_CHAIRMAN_D	-0.1882 ** 0.0891	-0.1732 ** 0.0848	-0.0733 0.0756	-0.0801 0.0753	-0.0738 0.0757	-0.0751 0.0756
AVG_OWNERSHIP	-3.7005 5.0234	-11.7081 *** 4.2562	-13.7733 *** 4.0578	-13.7304 *** 4.0451	-15.0244 *** 4.0817	-13.0776 *** 4.0707
INS_OWNERSHIP	-0.3931 *** 0.0956	-0.3900 *** 0.1020	-0.1101 ** 0.0498	-0.1106 ** 0.0497	-0.1111 ** 0.0498	-0.1116 ** 0.0498
<i>COMP</i>						
LOG_CEO_SUMPERK	0.0353 0.0224					
LOG_EXE_SUMPERK		-0.0679 *** 0.0243				
SUM_CEOPERK_TYPE			-0.0454 ** 0.0202			
SUM_OFFPERK_TYPE				-0.0558 *** 0.0166		
LOG_CEO_NONPERK					-0.1010 *** 0.0356	
LOG_EXE_NONPERK						0.1440 ** 0.0620
<i>SIZE</i>						
LOGASSET	-0.0909 *** 0.0336	-0.0531 0.0336	-0.0737 ** 0.0296	-0.0627 ** 0.0298	-0.0505 0.0316	-0.1390 *** 0.0369
<i>GROWTH</i>						
BM_RATIO	-1.3060 *** 0.0954	-1.1754 *** 0.0852	-1.2332 *** 0.0781	-1.2318 *** 0.0778	-1.2433 *** 0.0783	-1.2081 *** 0.0786
<i>INDUSTRY</i>	YES	YES	YES	YES	YES	YES
N	596	768	1006	1006	1001	1006
Adj R-Sq	0.3732	0.3346	0.3227	0.3269	0.3254	0.3229

Panel B S&P100 Group – All Sample Period

Y=TOBIN Q						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	4.7986 *** 1.1316	8.5191 *** 1.3388	8.9856 *** 1.0824	9.1899 *** 1.0937	9.5494 *** 1.2304	8.4609 *** 1.6401
VOLUNTARILY DISCLOSE						
MEDIAN_D	0.3341 ** 0.1297	0.1553 0.1682	0.1423 0.1312	0.1456 0.1319	0.2350 * 0.1249	0.2495 ** 0.1253
CHA						
BOARD_SIZE	-0.0475 ** 0.0217	-0.1108 *** 0.0269	-0.0896 *** 0.0258	-0.0932 *** 0.0256	-0.0941 *** 0.0259	-0.0986 *** 0.0257
NUM_MEET	-0.0104 * 0.0055	-0.0061 0.0065	0.0003 0.0062	0.0002 0.0062	-0.0012 0.0062	-0.0014 0.0062
AVG_AGE	-0.0006 0.0014	-0.0007 0.0018	-0.0010 0.0018	-0.0010 0.0018	-0.0011 0.0018	-0.0012 0.0018
CEO_TENURE	0.0082 0.0093	0.0124 0.0110	0.0121 0.0107	0.0109 0.0108	0.0140 0.0108	0.0139 0.0108
AUDIT_COMM_SIZE	0.0037 0.0548	0.1187 * 0.0650	0.0835 0.0655	0.0684 0.0654	0.0638 0.0661	0.0729 0.0660
COMP_COMM_SIZE	-0.0329 0.0486	-0.1444 ** 0.0570	-0.0904 0.0564	-0.0855 0.0567	-0.0837 0.0578	-0.0995 * 0.0572
NUM_BOARD_CEO_SERVES	-0.0259 0.0362	-0.0534 0.0428	-0.0630 0.0417	-0.0615 0.0418	-0.0476 0.0435	-0.0624 0.0421
CEO_PRESIDENT_D	-0.0675 0.1059	-0.1200 0.1259	-0.1092 0.1269	-0.1139 0.1270	-0.0871 0.1290	-0.1083 0.1281
CEO_CHAIRMAN_D	-0.0494 0.1360	-0.2855 * 0.1491	-0.3778 ** 0.1477	-0.3937 *** 0.1480	-0.3644 ** 0.1491	-0.3755 ** 0.1495
AVG_OWNERSHIP	36.5023 ** 17.2235	70.9105 *** 18.9860	-0.9814 12.2494	-0.6083 12.2565	1.7241 12.2578	3.4246 12.2451
INS_OWNERSHIP	-0.8097 * 0.4404	-0.8816 * 0.5303	-0.7235 0.5283	-0.7889 0.5283	-0.7881 0.5312	-0.7977 0.5353
COMP						
LOG_CEO_SUMPERK	0.1329 *** 0.0436					
LOG_EXE_SUMPERK		-0.0895 0.0580				
SUM_CEOPERK_TYPE			-0.0806 ** 0.0338			
SUM_OFFPERK_TYPE				-0.0683 ** 0.0307		
LOG_CEO_NONPERK					-0.0527 0.0421	
LOG_EXE_NONPERK						0.0260 0.0867
SIZE						
LOGASSET	-0.3637 *** 0.0621	-0.3963 *** 0.0775	-0.4725 *** 0.0722	-0.4779 *** 0.0722	-0.4720 *** 0.0729	-0.4895 *** 0.0789
GROWTH						
BM_RATIO	-0.8337 *** 0.1605	-1.0499 *** 0.1913	-1.2356 *** 0.1879	-1.2110 *** 0.1878	-1.1844 *** 0.1897	-1.1916 *** 0.1969
INDUSTRY						
	YES	YES	YES	YES	YES	YES
N	300	325	340	340	340	340
Adj R-Sq	0.4701	0.4899	0.4682	0.4670	0.4614	0.4589

TABLE 7. The Effect of Voluntary Disclosure on Market Performance

This table applied the OLS regression. The dependent variables is firms' abnormal return. The independent variables in the regression, respectively, are voluntary disclosure dummy, board size, number of board meetings, average age of board members, CEO tenure, number of audit committee members, number of compensation committee members, number of nominee committee members, number of governance committee members, number of boards that CEO also serves in other companies, CEO holds the president position (if CEO and president are the same person, then such dummy variable equals one), CEO holds chairman position (if CEO and chairman are the same person, then such variable equals one), CEO is one of nominee committee members or not (dummy variable equals one if yes), average ownership of board members, larger than 5% institutional ownership, logarithm of perquisites amount granted to CEO, logarithm of perquisites amount granted to named executive officers listed on the summary compensation table, logarithm of nonperk compensation amount granted to CEO, logarithm of nonperk compensation amount granted to named executive officers listed on the summary compensation table, number of perquisites granted to CEO, number of perquisites granted to named executive officers listed on the summary compensation table, logarithm of firms' total assets, book-to-market ratio, and two-digit SIC industrial dummy variables. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel A Random Group – All Sample Period

Y=AR						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	-0.1804 0.3113	0.7392 ** 0.3096	1.2973 *** 0.3031	1.2813 *** 0.3028	2.0225 *** 0.3777	2.4181 ** 0.5547
VOLUNTARILY DISCLOSE						
VOLUNTEER	0.1035 *** 0.0385	0.0744 ** 0.0369	-0.0269 0.0375	-0.0287 0.0375	-0.0194 0.0377	-0.0188 0.0376
CHA						
BOARD_SIZE	0.0005 0.0121	-0.0125 0.0118	-0.0270 * 0.0124	-0.0281 ** 0.0124	-0.0237 0.0125	-0.0256 * 0.0125
NUM_MEET	-0.0025 0.0021	-0.0038 * 0.0021	-0.0027 0.0022	-0.0026 0.0022	-0.0025 0.0022	-0.0025 0.0022
AVG_AGE	0.0069 0.0051	-0.0024 0.0050	-0.0054 0.0052	-0.0050 0.0052	-0.0070 0.0052	-0.0079 0.0052
CEO_TENURE	-0.0041 0.0035	-0.0018 0.0031	-0.0001 0.0030	-0.0001 0.0030	0.0013 0.0031	0.0008 0.0031
AUDIT_COMM_SIZE	-0.0001 0.0238	-0.0082 0.0240	0.0042 0.0258	0.0028 0.0257	-0.0002 0.0259	0.0001 0.0258
COMP_COMM_SIZE	-0.0190 0.0170	-0.0071 0.0161	-0.0038 0.0166	-0.0028 0.0166	-0.0048 0.0167	-0.0065 0.0167
NUM_BOARD_CEO_SERVES	-0.0065 0.0153	-0.0029 0.0150	0.0040 0.0160	0.0016 0.0160	0.0013 0.0161	0.0017 0.0161
CEO_PRESIDENT_D	0.0607 0.0406	0.0170 0.0395	0.0154 0.0411	0.0176 0.0411	0.0081 0.0414	0.0020 0.0414
CEO_CHAIRMAN_D	0.0567 0.0411	0.0005 0.0397	0.0366 0.0418	0.0295 0.0417	0.0313 0.0420	0.0214 0.0419
AVG_OWNERSHIP	-1.8512 2.3102	-4.5373 ** 1.9864	-2.2182 2.2339	-2.1875 2.2306	-2.8006 2.2570	-2.6279 2.2513
INS_OWNERSHIP	0.1299 *** 0.0441	0.1231 *** 0.0478	0.0285 0.0275	0.0275 * 0.0275	0.0268 * 0.0276	0.0256 * 0.0276
COMP						
LOG_CEO_SUMPERK	0.0145 0.0090					
LOG_EXE_SUMPERK		-0.0144 0.0105				
SUM_CEOPERK_TYPE			-0.0393 0.0110			
SUM_OFFPERK_TYPE				-0.0362 *** 0.0092		
LOG_CEO_NONPERK					-0.0544 *** 0.0197	
LOG_EXE_NONPERK						-0.0753 ** 0.0343
SIZE						
LOGASSET	-0.0161 0.0154	-0.0046 0.0157	-0.0406 * 0.0163	-0.0357 ** 0.0164	-0.0313 * 0.0175	-0.0226 0.0204
GROWTH						
BM_RATIO	-0.4277 *** 0.0439	-0.3839 *** 0.0399	-0.4798 *** 0.0431	-0.4783 *** 0.0430	-0.4845 *** 0.0434	-0.4895 *** 0.0436
INDUSTRY	YES	YES	YES	YES	YES	YES
N	280	771	1009	1009	1004	1009
Adj R-Sq	0.1990	0.1590	0.1559	0.1583	0.1515	0.1492

Panel B S&P100 Group – All Sample Period

Y=AR	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	-0.2582 0.3930	-0.1732 0.3743	0.2778 0.3638	0.3732 0.3619	0.3281 0.4155	1.0870 ** 0.5500
VOLUNTARILY DISCLOSE						
VOLUNTEER	0.0843 0.0543	0.0693 0.0535	0.1111 * 0.0587	0.1154 ** 0.0581	0.1089 * 0.0593	0.0987 * 0.0587
CHA						
BOARD_SIZE	-0.0089 0.0080	-0.0214 ** 0.0083	-0.0179 ** 0.0088	-0.0165 * 0.0086	-0.0179 ** 0.0088	-0.0185 ** 0.0086
NUM_MEET	0.0004 0.0020	-0.0001 0.0020	0.0002 0.0021	0.0007 0.0021	0.0001 0.0021	0.0001 0.0021
AVG_AGE	0.0003 0.0005	0.0003 0.0005	0.0002 0.0006	0.0002 0.0006	0.0002 0.0006	0.0003 0.0006
CEO_TENURE	0.0054 0.0034	0.0056 * 0.0034	0.0046 0.0036	0.0035 0.0036	0.0047 0.0036	0.0042 0.0036
AUDIT_COMM_SIZE	0.0389 * 0.0204	0.0373 0.0203	0.0495 ** 0.0227	0.0512 ** 0.0223	0.0479 ** 0.0227	0.0454 ** 0.0225
COMP_COMM_SIZE	-0.0144 0.0177	-0.0129 0.0173	-0.0179 0.0191	-0.0153 0.0189	-0.0170 0.0194	-0.0136 0.0191
NUM_BOARD_CEO_SERVES	-0.0027 0.0131	0.0047 0.0129	-0.0108 0.0140	-0.0106 0.0138	-0.0097 0.0145	-0.0096 0.0139
CEO_PRESIDENT_D	0.0290 0.0383	0.0119 ** 0.0382	0.0250 0.0425	0.0214 0.0421	0.0269 0.0430	0.0204 0.0423
CEO_CHAIRMAN_D	-0.1024 ** 0.0514	-0.1150 0.0472	-0.0901 * 0.0518	-0.0953 * 0.0512	-0.0886 * 0.0522	-0.0932 * 0.0514
AVG_OWNERSHIP	1.9140 6.2461	8.8080 5.8107	3.8508 4.2149	2.3996 4.1727	3.9617 4.1777	3.7440 4.1456
INS_OWNERSHIP	0.1182 0.1636	0.1253 0.1633	0.1059 0.1799	0.1268 0.1776	0.0990 0.1793	0.1300 0.1787
COMP						
LOG_CEO_SUMPERK	0.0317 ** 0.0139					
LOG_EXE_SUMPERK		0.0054 0.0137				
SUM_CEOPERK_TYPE			-0.0032 0.0108			
SUM_OFFPERK_TYPE				-0.0248 ** 0.0096		
LOG_CEO_NONPERK					-0.0038 0.0142	
LOG_EXE_NONPERK						-0.0567 * 0.0289
SIZE						
LOGASSET	-0.0092 0.0226	0.0244 0.0236	-0.0060 0.0244	-0.0022 0.0241	-0.0062 0.0243	0.0126 0.0260
GROWTH						
BM_RATIO	-0.1894 *** 0.0582	-0.2508 *** 0.0584	-0.2496 *** 0.0634	-0.2523 *** 0.0627	-0.2463 *** 0.0638	-0.2818 *** 0.0652
INDUSTRY	YES	YES	YES	YES	YES	YES
N	293	318	333	333	333	333
Adj-R-Square	0.1332	0.1256	0.1013	0.1199	0.1013	0.1120

TABLE 8. The Effect of Voluntary Disclosure on Market Performance

This table applied the OLS regression. The dependent variables is firms' abnormal return. Except the less than median dummy variable, all independent variables are same as independent variables used in table 12. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel A. Random Group – All Sample Period

Y=AR	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	0.0954 0.3248	1.1355 *** 0.3072	1.3218 *** 0.2996	1.3000 *** 0.2990	2.0080 *** 0.3731	2.3820 *** 0.5489
<i>VOLUNTARILY DISCLOSE</i>						
MEDIAN_D	-0.0603 0.0438	-0.1517 *** 0.0415	-0.1248 *** 0.0429	-0.1355 *** 0.0425	-0.1370 *** 0.0428	-0.1390 *** 0.0427
<i>CHA</i>						
BOARD_SIZE	0.0011 0.0122	-0.0105 0.0117	-0.0220 * 0.0124	-0.0228 * 0.0124	-0.0187 0.0125	-0.0204 0.0125
NUM_MEET	-0.0020 0.0021	-0.0031 0.0020	-0.0027 0.0022	-0.0025 0.0022	-0.0024 0.0022	-0.0024 0.0022
AVG_AGE	0.0071 * 0.0051	-0.0020 0.0050	-0.0059 0.0052	-0.0054 0.0052	-0.0074 0.0052	-0.0082 0.0052
CEO_TENURE	-0.0035 0.0035	-0.0023 0.0031	-0.0006 0.0030	-0.0007 0.0030	0.0007 0.0031	0.0002 0.0030
AUDIT_COMM_SIZE	-0.0088 0.0237	-0.0097 0.0237	0.0071 0.0256	0.0065 0.0255	0.0031 0.0257	0.0033 0.0256
COMP_COMM_SIZE	-0.0211 * 0.0172	-0.0123 ** 0.0160	-0.0070 0.0166	-0.0058 0.0166	-0.0080 0.0166	-0.0096 0.0166
NUM_BOARD_CEO_SERVES	-0.0110 0.0154	-0.0100 0.0149	0.0007 0.0160	-0.0016 0.0159	-0.0023 0.0160	-0.0019 0.0160
CEO_PRESIDENT_D	0.0733 * 0.0408	0.0230 0.0393	0.0214 0.0410	0.0245 0.0409	0.0149 0.0412	0.0097 0.0412
CEO_CHAIRMAN_D	0.0707 * 0.0411	0.0078 0.0393	0.0356 0.0415	0.0296 0.0413	0.0319 0.0416	0.0231 0.0416
AVG_OWNERSHIP	-1.5762 2.3180	-4.8279 ** 1.9751	-2.4153 2.2257	-2.4045 2.2206	-2.9950 2.2455	-2.8415 2.2398
INS_OWNERSHIP	0.1229 *** 0.0443	0.1244 *** 0.0474	0.0280 * 0.0274	0.0273 * 0.0273	0.0268 * 0.0275	0.0256 * 0.0275
<i>COMP</i>						
LOG_CEO_SUMPERK	0.0018 0.0104					
LOG_EXE_SUMPERK		-0.0377 *** 0.0113				
SUM_CEOPERK_TYPE			-0.0344 *** 0.0111			
SUM_OFFPERK_TYPE				-0.0343 *** 0.0091		
LOG_CEO_NONPERK					-0.0511 *** 0.0196	
LOG_EXE_NONPERK						-0.0708 ** 0.0341
<i>SIZE</i>						
LOGASSET	-0.0255 0.0156	-0.0120 0.0156	-0.0453 *** 0.0163	-0.0403 ** 0.0164	-0.0367 ** 0.0174	-0.0286 0.0203
<i>GROWTH</i>						
BM_RATIO	-0.4215 *** 0.0441	-0.3878 *** 0.0396	-0.4783 *** 0.0429	-0.4769 *** 0.0428	-0.4823 *** 0.0431	-0.4870 *** 0.0433
<i>INDUSTRY</i>	YES	YES	YES	YES	YES	YES
N	600	772	1010	1010	1005	1010
Adj R-Sq	0.1916	0.1692	0.1626	0.1664	0.1600	0.1580

Panel B S&P100 Group – All Sample Period

Y=AR	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
INTERCEPT	-0.2552 0.4173	-0.0305 0.4146	0.3494 0.3652	0.4791 0.3641	0.4502 0.4140	1.2321 ** 0.5492
VOLUNTARILY DISCLOSE						
MEDIAN_D	0.0319 0.0473	-0.0250 0.0514	-0.0049 0.0444	-0.0418 0.0441	-0.0014 0.0418	-0.0069 0.0416
CHA						
BOARD_SIZE	-0.0091 0.0080	-0.0207 ** 0.0083	-0.0172 * 0.0088	-0.0156 * 0.0087	-0.0168 * 0.0088	-0.0179 ** 0.0087
NUM_MEET	0.0006 0.0020	0.0003 0.0020	0.0004 0.0021	0.0011 0.0021	0.0004 0.0021	0.0003 0.0021
AVG_AGE	0.0002 0.0005	0.0003 0.0005	0.0002 0.0006	0.0002 0.0006	0.0002 0.0006	0.0003 0.0006
CEO_TENURE	0.0050 0.0034	0.0053 0.0034	0.0040 0.0036	0.0030 0.0036	0.0041 0.0036	0.0037 0.0036
AUDIT_COMM_SIZE	0.0361 * 0.0204	0.0320 0.0202	0.0430 * 0.0226	0.0424 * 0.0223	0.0409 * 0.0227	0.0391 * 0.0224
COMP_COMM_SIZE	-0.0195 0.0178	-0.0142 0.0174	-0.0215 0.0191	-0.0177 0.0189	-0.0197 0.0195	-0.0163 0.0191
NUM_BOARD_CEO_SERVES	-0.0040 0.0132	0.0033 0.0130	-0.0125 0.0140	-0.0123 0.0139	-0.0104 0.0145	-0.0110 0.0140
CEO_PRESIDENT_D	0.0289 0.0386	0.0151 0.0383	0.0305 0.0428	0.0298 0.0423	0.0336 0.0432	0.0251 0.0426
CEO_CHAIRMAN_D	-0.0919 * 0.0513	-0.1050 ** 0.0465	-0.0717 0.0513	-0.0810 0.0508	-0.0687 0.0515	-0.0777 0.0510
AVG_OWNERSHIP	3.4585 6.2653	9.9067 * 5.7523	5.7132 4.1226	4.3995 4.0728	5.6775 4.1002	5.3913 4.0577
INS_OWNERSHIP	0.0720 0.1608	0.0870 0.1613	0.0405 0.1789	0.0392 0.1767	0.0354 0.1786	0.0732 0.1782
COMP						
LOG_CEO_SUMPERK	0.0346 ** 0.0163					
LOG_EXE_SUMPERK		-0.0021 0.0183				
SUM_CEOPERK_TYPE			-0.0038 0.0115			
SUM_OFFPERK_TYPE				-0.0277 *** 0.0103		
LOG_CEO_NONPERK					-0.0077 0.0141	
LOG_EXE_NONPERK						-0.0624 ** 0.0290
SIZE						
LOGASSET	-0.0113 0.0227	0.0218 0.0236	-0.0109 0.0245	-0.0095 0.0242	-0.0102 0.0245	0.0100 0.0262
GROWTH						
BM_RATIO	-0.1815 *** 0.0587	-0.2452 *** 0.0584	-0.2401 *** 0.0636	-0.2411 *** 0.0628	-0.2351 *** 0.0639	-0.2765 *** 0.0654
INDUSTRY	YES	YES	YES	YES	YES	YES
N	293	318	333	333	333	333
Adj-R-Square	0.1270	0.1213	0.0910	0.1114	0.0916	0.1040

TABLE 9. The Dollar Amount of Perquisites Analysis

This table applied the OLS regression. The dependent variable is dollar amount of perquisites granted to CEO, CFO, and all named executives respectively. The dollar amount information being used here is manually-collected from annual proxy statements. The independent variables in the regression, respectively, are voluntary disclosure dummy, board size, number of board meetings, average age of board members, CEO tenure, number of audit committee members, number of compensation committee members, number of nominee committee members, number of governance committee members, number of boards that CEO also serves in other companies, CEO holds the president position (if CEO and president are the same person, then such dummy variable equals one), CEO holds chairman position (if CEO and chairman are the same person, then such variable equals one), CEO is one of nominee committee members or not (dummy variable equals one if yes), average ownership of board members, larger than 5% institutional ownership, abnormal compensation, productive efficiency, income tax rate, number of segments, logarithm of firms' total assets, and book-to-market ratio. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel A.

Y=LOG(\$PERK)	Random Group ALL			Y=LOG(\$PERK)	S&P100 Group ALL		
	LOG_ CEO_SUM	LOG_ CFO_SUM	LOG_ EXE_SUM		LOG_ CEO_SUM	LOG_ CFO_SUM	LOG_ EXE_SUM
INTERCEPT	8.453 *** 1.775	8.293 *** 1.575	9.100 *** 1.238	INTERCEPT	9.394 *** 2.269	19.291 *** -1.075 **	10.721 *** 2.177
<i>VOLUNTARILY_D</i>				<i>VOLUNTARILY_D</i>			
VOLUNTEER	-1.119 *** 0.215	-0.262 0.180	-0.956 *** 0.149	VOLUNTEER	0.046 0.306	-0.017 0.012	-0.079 0.303
<i>CHA</i>				<i>CHA</i>			
BOARD_SIZE	-0.117 * 0.070	-0.201 *** 0.063	-0.114 ** 0.048	BOARD_SIZE	0.075 ** 0.037	-0.118 *** -0.030	0.054 0.039
NUM_MEET	0.009 0.012	0.004 0.010	0.016 * 0.008	NUM_MEET	-0.001 0.010	0.097 0.067	0.007 0.010
AVG_AGE	0.031 0.029	0.048 * 0.026	0.021 0.020	AVG_AGE	-0.008 0.028	-0.157 * 0.143	-0.030 0.027
CEO_TENURE	-0.002 0.020	0.001 0.016	-0.008 0.013	CEO_TENURE	0.008 0.014	0.131 -54.702	-0.007 0.014
AUDIT_COMM_SIZE	-0.114 0.140	-0.295 ** 0.124	-0.035 0.103	AUDIT_COMM_SIZE	0.077 0.091	-3.148 *** 0.000 **	0.018 0.091
COMP_COMM_SIZE	0.089 0.098	0.170 ** 0.079	0.092 0.070	COMP_COMM_SIZE	-0.145 * 0.081	0.041 -14.329 ***	-0.057 0.081
NUM_BOARD_CEO_SERVES	0.080 0.083	-0.021 0.069	0.029 0.060	NUM_BOARD_CEO_SERVES	-0.097 0.064	-0.001 -0.012	-0.019 0.061
CEO_PRESIDENT_D	0.414 * 0.227	0.376 * 0.194	0.071 0.161	CEO_PRESIDENT_D	0.183 0.192	0.624 * 3.078	0.078 0.186
CEO_CHAIRMAN_D	0.517 ** 0.236	-0.337 * 0.188	0.110 0.164	CEO_CHAIRMAN_D	0.040 0.263	0.432 0.048	-0.171 0.236
AVG_OWNERSHIP	4.037 13.241	1.174 9.589	2.424 7.849	AVG_OWNERSHIP	-23.851 32.227	0.013 0.039	-3.773 32.571
INS_OWNERSHIP	-1.290 * 0.760	-1.586 ** 0.725	0.243 0.551	INS_OWNERSHIP	0.200 0.775	0.021 0.128	0.331 0.741
<i>ABNORMAL COMP</i>				<i>ABNORMAL COMP</i>			
ABCOMP	0.000 0.000	0.000 * 0.000	0.000 0.000	ABCOMP	0.000 0.000	0.115 0.085	0.000 ** 0.000
<i>EFFSCORE</i>				<i>EFFSCORE</i>			
PRODUCTIVE_ EFFICIENCY	0.150 0.142	0.165 0.124	0.241 ** 0.094	PRODUCTIVE_ EFFICIENCY	-0.053 0.189	0.254 0.354	0.329 * 0.181
<i>STATETAX</i>				<i>STATETAX</i>			
STATETAX	3.670 4.064	-3.862 3.151	2.781 2.749	STATETAX	4.705 3.734	46.582 1.191	-6.832 * 3.578
<i>NUMSEG</i>				<i>NUMSEG</i>			
SEGMENTS	-0.049 * 0.027	0.026 0.022	0.001 0.020	SEGMENTS	0.029 0.020	0.000 0.269	0.033 * 0.020
<i>SIZE</i>				<i>SIZE</i>			
LOGASSET	0.225 ** 0.097	0.216 *** 0.079	0.304 *** 0.070	LOGASSET	0.243 ** 0.105	5.125 0.028	0.387 *** 0.100
<i>GROWTH</i>				<i>GROWTH</i>			
BM_RATIO	-0.038 0.246	-0.175 0.175	-0.374 ** 0.158	BM_RATIO	-0.481 * 0.246	0.153 0.330	0.112 0.247
N	447	350	580	N	208	156	223
Adj R-Sq	0.104	0.081	0.151	Adj R-Sq	0.078	0.183	0.126

TABLE 9. The Dollar Amount of Perquisites Analysis

This table applied the OLS regression. The dependent variable is dollar amount of perquisites granted to CEO, CFO, and all named executives respectively. Except the less than median dummy variable, all independent variables are same as independent variables used in table 13. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel B.

Y=LOG(\$PERK)	Random Group			Y=LOG(\$PERK)	S&P100 Group		
	LOG_ CEO_SUM	LOG_ CFO_SUM	LOG_ EXE_SUM		LOG_ CEO_SUM	LOG_ CFO_SUM	LOG_ EXE_SUM
INTERCEPT	9.349 ***	8.146 ***	8.098 ***	INTERCEPT	10.967 ***	19.253 ***	12.724 ***
	1.568	1.523	1.105		1.981	2.886	1.689
<i>VOLUNTARILY_D</i>				<i>VOLUNTARILY_D</i>			
MEDIAN_D	-2.272 ***	-0.502 ***	-1.762 ***	MEDIAN_D	-1.359 ***	-1.353 ***	-1.768 ***
	0.188	0.191	0.141		0.178	0.290	0.152
<i>CHA</i>				<i>CHA</i>			
BOARD_SIZE	-0.011	-0.182 ***	-0.039	BOARD_SIZE	0.057 *	-0.017	0.036
	0.063	0.063	0.044		0.032	0.046	0.030
NUM_MEET	0.007	0.002	0.013 *	NUM_MEET	0.010	0.017	0.022 ***
	0.011	0.010	0.008		0.008	0.012	0.007
AVG_AGE	0.020	0.048 *	0.026	AVG_AGE	-0.005	-0.119 ***	-0.023
	0.026	0.026	0.019		0.024	0.037	0.021
CEO_TENURE	-0.008	0.000	-0.010	CEO_TENURE	0.015	-0.017	0.005
	0.018	0.016	0.012		0.012	0.019	0.010
AUDIT_COMM_SIZE	0.012	-0.262 **	0.090	AUDIT_COMM_SIZE	0.026	0.087	-0.043
	0.124	0.121	0.094		0.080	0.121	0.071
COMP_COMM_SIZE	-0.054	0.172 **	0.033	COMP_COMM_SIZE	-0.037	0.188 *	0.072
	0.088	0.078	0.065		0.072	0.111	0.063
NUM_BOARD_CEO_SERVES	0.006	-0.034	-0.003	NUM_BOARD_CEO_SERVES	-0.091	-0.108	-0.009
	0.075	0.068	0.055		0.056	0.079	0.047
CEO_PRESIDENT_D	0.444 **	0.393 **	0.108	CEO_PRESIDENT_D	0.194	0.058	0.115
	0.203	0.192	0.148		0.167	0.242	0.143
CEO_CHAIRMAN_D	0.495 **	-0.328 *	0.058	CEO_CHAIRMAN_D	-0.237	-0.570	-0.546 ***
	0.210	0.186	0.150		0.230	0.351	0.182
AVG_OWNERSHIP	-6.702	-0.149	-0.815	AVG_OWNERSHIP	-41.823	-60.372	-33.700
	11.760	9.536	7.201		28.275	44.241	25.414
INS_OWNERSHIP	0.304	-1.345 *	1.647 ***	INS_OWNERSHIP	-0.433	-3.433 ***	-0.311
	0.679	0.714	0.505		0.673	1.119	0.570
<i>ABNORMAL COMP</i>				<i>ABNORMAL COMP</i>			
ABCOMP	0.000	0.000 *	0.000	ABCOMP	0.000	0.000	0.000 **
	0.000	0.000	0.000		0.000	0.000	0.000
<i>EFFSCORE</i>				<i>EFFSCORE</i>			
PRODUCTIVE_	0.033	0.144	0.161 *	PRODUCTIVE_	0.052	0.444 *	0.428 ***
EFFICIENCY	0.126	0.122	0.086	EFFICIENCY	0.160	0.248	0.136
<i>STATETAX</i>				<i>STATETAX</i>			
STATETAX	3.156	-4.564	1.823	STATETAX	6.004 *	-16.228 ***	-4.232
	3.613	3.142	2.520		3.268	4.888	2.786
<i>NUMSEG</i>				<i>NUMSEG</i>			
SEGMENTS	-0.039	0.028	-0.003	SEGMENTS	0.009	-0.032	0.002
	0.024	0.022	0.018		0.017	0.027	0.015
<i>SIZE</i>				<i>SIZE</i>			
LOGASSET	0.100	0.206 ***	0.279 ***	LOGASSET	0.118	0.018	0.201 ***
	0.087	0.079	0.064		0.088	0.137	0.076
<i>GROWTH</i>				<i>GROWTH</i>			
BM_RATIO	0.074	-0.193	-0.360 **	BM_RATIO	-0.560 **	0.423	0.016
	0.220	0.173	0.145		0.216	0.315	0.192
N	447	350	580	N	208	156	223
Adj R-Sq	0.289	0.094	0.287	Adj R-Sq	0.295	0.263	0.473

TABLE10. The Number of Perquisites Analysis

This table applied the OLS regression. The dependent variable is number of perquisites items granted to CEO, CFO, and all named executives respectively. The number of perquisites information being used here is manually-collected from annual proxy statements. The independent variables in the regression, respectively, are voluntary disclosure dummy, board size, number of board meetings, average age of board members, CEO tenure, number of audit committee members, number of compensation committee members, number of nominee committee members, number of governance committee members, number of boards that CEO also serves in other companies, CEO holds the president position (if CEO and president are the same person, then such dummy variable equals one), CEO holds chairman position (if CEO and chairman are the same person, then such variable equals one), CEO is one of nominee committee members or not (dummy variable equals one if yes), average ownership of board members, larger than 5% institutional ownership, abnormal compensation, productive efficiency, income tax rate, number of segments, logarithm of firms' total assets, and book-to-market ratio. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel A.

Y=NUM(PERK)	Random Group			Y=LOG(\$PERK)	S&P100 Group		
	SUM_	SUM_	SUM_		SUM_	SUM_	SUM_
	CEO_TYPE	CFO_TYPE	EXE_TYPE		CEO_TYPE	CFO_TYPE	EXE_TYPE
INTERCEPRT	-2.973 ***	-1.591 *	-3.465 ***	INTERCEPT	-6.540 **	-1.387	-10.723 ***
	1.015	0.895	1.222		3.286	2.681	3.551
VOLUNTARILY_D				VOLUNTARILY_D			
VOLUNTEER	-0.208 *	-0.154	-0.266 *	VOLUNTEER	0.020	-0.404	-0.396
	0.122	0.107	0.147		0.478	0.390	0.516
CHA				CHA			
BOARD_SIZE	-0.053	0.030	-0.055	BOARD_SIZE	0.135 **	0.085 *	0.110 *
	0.040	0.036	0.048		0.057	0.046	0.062
NUM_MEET	-0.004	0.004	0.004	NUM_MEET	-0.003	0.027 **	0.014
	0.007	0.006	0.009		0.014	0.012	0.016
AVG_AGE	0.017	-0.002	0.019	AVG_AGE	0.073 *	0.020	0.178 ***
	0.016	0.015	0.020		0.041	0.033	0.044
CEO_TENURE	-0.016	-0.013	-0.023 **	CEO_TENURE	-0.031	-0.034 **	-0.053 **
	0.010	0.008	0.012		0.021	0.017	0.022
AUDIT_COMM_SIZE	0.158 *	0.005	0.184 *	AUDIT_COMM_SIZE	0.257 *	0.113	0.157
	0.086	0.076	0.103		0.145	0.118	0.157
COMP_COMM_SIZE	0.157 ***	0.173 ***	0.155 **	COMP_COMM_SIZE	-0.082	0.164	-0.095
	0.056	0.049	0.067		0.128	0.105	0.139
NUM_BOARD_CEO_SERVES	0.079	-0.002	0.030	NUM_BOARD_CEO_SERVES	-0.008	-0.199 ***	-0.007
	0.050	0.044	0.060		0.094	0.076	0.101
CEO_PRESIDENT_D	0.096	0.183	0.171	CEO_PRESIDENT_D	-0.083	-0.270	0.052
	0.131	0.115	0.158		0.294	0.240	0.317
CEO_CHAIRMAN_D	0.255 *	0.266 **	0.112	CEO_CHAIRMAN_D	0.400	0.299	0.046
	0.135	0.119	0.162		0.363	0.296	0.392
AVG_OWNERSHIP	6.628	-1.205	8.529	AVG_OWNERSHIP	-28.410	-57.788	8.605
	6.790	5.986	8.171		49.495	40.381	53.487
INS_OWNERSHIP	1.654 ***	1.737 ***	1.652 ***	INS_OWNERSHIP	3.418 ***	-1.317	2.734 **
	0.427	0.376	0.514		1.149	0.937	1.242
ABNORMAL COMP				ABNORMAL COMP			
ABCOMP	0.000	0.000 *	0.000	ABCOMP	0.000	0.000	0.000
	0.000	0.000	0.000		0.000	0.000	0.000
EFFSCORE				EFFSCORE			
PRODUCTIVE_	0.083	0.026	0.287 ***	PRODUCTIVE_	-0.014	-0.114	-0.152
EFFICIENCY	0.078	0.069	0.094	EFFICIENCY	0.283	0.231	0.306
STATETAX				STATETAX			
STATETAX	0.816	0.104	2.642	STATETAX	9.475 *	-3.023	-1.701
	2.292	2.020	2.758		5.634	4.596	6.088
NUMSEG				NUMSEG			
SEGMENTS	-0.006	-0.004	0.028	SEGMENTS	0.059 *	0.001	0.077 **
	0.017	0.015	0.020		0.031	0.025	0.034
SIZE				SIZE			
LOGASSET	0.323 ***	0.199 ***	0.401 ***	LOGASSET	0.099	0.026	0.155
	0.055	0.049	0.066		0.154	0.125	0.166
GROWTH				GROWTH			
BM_RATIO	-0.197	-0.307 ***	-0.209	BM_RATIO	0.034	0.250	0.335
	0.134	0.118	0.161		0.388	0.317	0.419
N	773	773	773	N	233	233	233
Adj R-Sq	0.145	0.117	0.145	Adj R-Sq	0.071	0.134	0.109

TABLE10. The Number of Perquisites Analysis

This table applied the OLS regression. The dependent variable is number of perquisites items granted to CEO, CFO, and all named executives respectively. The number of perquisites information being used here is manually-collected from annual proxy statements. Except the less than median dummy variable, all independent variables are same as independent variables used in table 16. Numbers in the table are coefficients and standard errors of each regression model. ***, **, * indicate statistical significance at the level of 1%, 5%, and 10% respectively.

Panel B.

Y=NUM(PERK)	Random Group			Y=LOG(\$PERK)	S&P100 Group		
	SUM_ CEO_TYPE	SUM_ CFO_TYPE	SUM_ EXE_TYPE		SUM_ CEO_TYPE	SUM_ CFO_TYPE	SUM_ EXE_TYPE
INTERCEPT	-3.418 *** 0.986	-1.905 ** 0.873	-3.983 *** 1.194	INTERCEPT	-4.715 3.145	-0.798 2.657	-9.182 *** 3.431
<i>VOLUNTARILY_D</i>				<i>VOLUNTARILY_D</i>			
MEDIAN_D	0.456 *** 0.139	0.233 * 0.123	0.225 0.168	VOLUNTEER	-1.306 *** 0.283	-0.611 ** 0.239	-1.293 *** 0.309
<i>CHA</i>				<i>CHA</i>			
BOARD_SIZE	-0.063 0.040	0.027 0.036	-0.057 0.049	BOARD_SIZE	0.112 ** 0.055	0.073 0.046	0.087 0.059
NUM_MEET	-0.006 0.007	0.003 0.006	0.002 0.008	NUM_MEET	0.009 0.014	0.029 ** 0.012	0.023 0.015
AVG_AGE	0.020 0.016	-0.001 0.014	0.021 0.020	AVG_AGE	0.078 ** 0.039	0.018 0.033	0.177 *** 0.042
CEO_TENURE	-0.015 0.010	-0.012 0.008	-0.023 ** 0.012	CEO_TENURE	-0.023 0.019	-0.026 0.016	-0.040 * 0.021
AUDIT_COMM_SIZE	0.153 * 0.085	0.005 0.076	0.189 * 0.103	AUDIT_COMM_SIZE	0.202 0.139	0.091 0.117	0.106 0.151
COMP_COMM_SIZE	0.177 *** 0.056	0.185 *** 0.049	0.171 ** 0.067	COMP_COMM_SIZE	0.000 0.123	0.214 ** 0.104	-0.002 0.134
NUM_BOARD_CEO_SERVES	0.101 ** 0.050	0.012 0.044	0.047 0.060	NUM_BOARD_CEO_SERVES	-0.006 0.088	-0.186 ** 0.075	0.008 0.096
CEO_PRESIDENT_D	0.086 0.130	0.178 0.115	0.168 0.158	CEO_PRESIDENT_D	-0.031 0.279	-0.218 0.235	0.132 0.304
CEO_CHAIRMAN_D	0.221 * 0.134	0.244 ** 0.118	0.079 0.162	CEO_CHAIRMAN_D	0.168 0.341	0.121 0.288	-0.253 0.372
AVG_OWNERSHIP	7.661 6.753	-0.582 5.978	9.370 8.177	AVG_OWNERSHIP	-48.941 47.416	-67.845 * 40.055	-12.181 51.722
INS_OWNERSHIP	1.479 *** 0.429	1.659 *** 0.380	1.601 *** 0.520	INS_OWNERSHIP	2.793 ** 1.089	-1.445 0.920	2.280 * 1.188
<i>ABNORMAL COMP</i>				<i>ABNORMAL COMP</i>			
ABCOMP	0.000 0.000	0.000 0.000	0.000 0.000	ABCOMP	0.000 0.000	0.000 0.000	0.000 0.000
<i>EFFSCORE</i>				<i>EFFSCORE</i>			
PRODUCTIVE_	0.075	0.019	0.276 ***	PRODUCTIVE_	0.012	-0.041	-0.065
EFFICIENCY	0.077	0.068	0.094	EFFICIENCY	0.261	0.221	0.285
<i>STATETAX</i>				<i>STATETAX</i>			
STATETAX	1.462 2.274	0.511 2.013	3.228 2.753	STATETAX	11.103 ** 5.385	-2.236 4.549	-0.064 5.874
<i>NUMSEG</i>				<i>NUMSEG</i>			
SEGMENTS	-0.004 0.016	-0.003 0.015	0.030 0.020	SEGMENTS	0.032 0.030	-0.012 0.025	0.051 0.033
<i>SIZE</i>				<i>SIZE</i>			
LOGASSET	0.343 *** 0.055	0.211 *** 0.048	0.418 *** 0.066	LOGASSET	-0.036 0.143	0.004 0.120	0.062 0.155
<i>GROWTH</i>				<i>GROWTH</i>			
BM_RATIO	-0.219 0.133	-0.321 *** 0.118	-0.229 0.162	BM_RATIO	-0.047 0.370	0.193 0.312	0.236 0.403
N	773	773	773	N	233	233	233
Adj R-Sq	0.154	0.119	0.143	Adj R-Sq	0.155	0.156	0.174