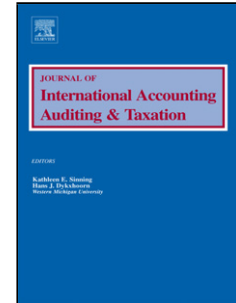


Accepted Manuscript

Title: Executive Compensation Disclosure and Private Control Benefits: A Comparison of U.S. and Canadian Dual Class Firms

Author: Surjit Tinaikar



PII: S1061-9518(17)30012-5
DOI: <http://dx.doi.org/doi:10.1016/j.intaccaudtax.2017.03.001>
Reference: ACCAUD 218

To appear in: *Journal of International Accounting, Auditing and Taxation*

Received date: 29-9-2014
Revised date: 23-2-2017
Accepted date: 15-3-2017

Please cite this article as: Tinaikar, S., Executive Compensation Disclosure and Private Control Benefits: A Comparison of U.S. and Canadian Dual Class Firms, *Journal of the Chinese Institute of Chemical Engineers* (2017), <http://dx.doi.org/10.1016/j.intaccaudtax.2017.03.001>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Executive Compensation Disclosure and Private Control Benefits: A Comparison of U.S. and Canadian Dual Class Firms

Surjit Tinaikar* surjit.tinaikar@umb.edu

University of Massachusetts Boston

* Corresponding author. College of Management, University of Massachusetts - Boston, 100 Morrissey Blvd, Boston, MA 02125

Abstract

Prior research on the cross-country variation of reporting choices induced by managerial incentives to extract private benefits is limited in its use because the research often used accounting measures that had limited empirical correlations with direct estimates of private control benefits. This study attempts to resolve the void in the literature by using a measure of compensation disclosure that has been shown to be directly correlated with excess compensation. The evidence shows that while compensation disclosure choices in dual class share firms tend to be more opaque, they are lesser so in a relatively weaker investor protection environment. This is consistent with the explanation that a weaker investor protection environment magnifies the perception of agency costs associated with dual class equity, inducing such firms to be less opaque in their disclosures in an attempt to mitigate this perception. Based on prior literature, Canada and the U.S. are used to proxy for weak and strong investor protection environments respectively. The study also provides evidence that institutional blockholders encourage compensation disclosure transparency but lesser so in Canada.

Keywords

Private benefits, Compensation disclosure, Dual class shares, Canada, Institutional investors

1 Introduction

Managers often have superior information about firm performance than outside investors. Strong accounting regulations and external auditors should ensure that managers' accounting decisions and disclosures reflect firms' underlying business economics. However, accounting regulation or auditing is often imperfect. In the presence of these imperfections, managers often tradeoff between making disclosure choices to

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات