

BICM Research Seminar 35

We cordially invite you to join our research seminar and contribute to share academic excellence. Please note the following specifics about the upcoming seminar.

Paper details	
Title	Fortress Boardrooms: The Impact of Co-opted Boards on Anti-Takeover Provision in US Firms
Authors	Dr. Mohammad Dulal Miah Associate Professor Department of Accounting and Finance College of Banking and Financial Studies, Oman
	Dr. Rashedul Hasan Assistant Professor of Accounting Coventry University, UK
Presentation details	
Presenter researcher	Dr. Mohammad Dulal Miah
Date	29 July 2024 (Monday)
Time	12:00 PM – 01:00 PM
Venue	BICM Multipurpose Hall
Expected Participants	Faculty Members of BICM & Invited Guests
Discussant	Dr. Md. Nurul Kabir Associate Professor & Chair Department of Accounting and Finance North South University

About the Presenter
<p>Dr. Mohammad Dulal Miah is an Associate Professor, Department of Accounting and Finance, College of Banking and Financial Studies (CBFS), Muscat, Oman. He has obtained his MBA and PhD from Ritsumeikan Asia Pacific University, Japan. Dr. Miah has coauthored three edited books and two research monographs (one published from Cambridge University Press). He has published more than 40 research papers in several peer reviewed international journals including Energy Economics, International Review of Economics and Finance, Journal of Behavioral and Experimental Finance, Business Strategy and the Environment, Energy Policy, Pacific-Basin Finance Journal etc. Dr. Miah has attended numerous international conferences as invited speaker and facilitator in various countries. His research interest includes corporate finance and governance, financial institutions and markets, Islamic finance and banking, and environmental finance etc. Currently he is serving as editorial member of several journals.</p>

The paper abstract is given below. If you have any questions regarding the seminar or you wish to present a paper or invite a guest researcher, please do not hesitate to communicate S. M. Kalbin Salema, Assistant Professor, BICM at kalbin@bicm.ac.bd.

Fortress Boardrooms: The Impact of Co-opted Boards on Anti-Takeover Provision in US Firms

Dr. Mohammad Dulal Miah¹ & Dr. Rashedul Hasan²

Abstract

In this study, we examine the impact of co-opted boards on anti-takeover provisions (ATPs). Applying various estimation techniques to a sample of 593 US firms (5,585 observations) for the period 2012–2022, we document a positive effect of co-opted boards on ATPs. We identify that firms' performance and governance quality moderate the positive effect of board co-option on ATPs. The results further show, in line with the mainstream agency theory, that large board sizes, low board skills, and CEOs on the board increase firms' ATPs. On the other hand, firms where CEOs serve as chairman of the board decrease ATPs. We further document that the interaction between co-opted boards and anti-takeover provisions results in higher compensation for directors and managers, lower research and development (R&D) activities, higher stock price volatility, and a lower price-earnings ratio. This paper makes several contributions to the literature. First, since Coles et al. (2014) first introduced the concept of board co-option, there has been a surge in academic research examining the costs and benefits of such boards. Our study adds to this stream of literature by exploring another important dimension of the effects of co-opted board. Second, our study adds to the growing literature on firms ATPs by identifying co-opted boards as a critical factor affecting ATPs. This finding underscores the need for stronger corporate governance measures to limit the CEO's influence in selecting board members. Finally, our study adds to the growing body of literature by identifying the determinants that moderate the relationship between co-opted boards and ATPs. Our finding that co-opted boards lead to more ATPs for firms with poor financial performance and weak governance quality underscores the need for better corporate governance to limit managerial entrenchment.

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