



RCAPS

Ritsumeikan Center for Asia Pacific Studies



Onigiri Seminar

**Empirical research on corporate governance:
Culture and organizational characteristics
-Power of tournament incentives: Evidence
from Japanese corporate boards**



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In the past decades, many countries have launched mandatory or quasi-mandatory guidelines on corporate governance structure. Those governance standards commonly adopt one-size fits all approach, assuming that independent boards monitor management effectively. However, previous studies show that the one-size fits all approach does not work well even within the US. Given that the one-size fits all approach does not work well even inside the US, a natural question is raised: does international convergence of corporate governance toward US good practices improve performance of local companies?

We find robust evidence that Japanese firms with many inside directors younger than the top manager (junior directors) frequently replace managers. The proportion of junior directors over non-top manager directors is positively associated with firm performance. Those results suggest that firms with many junior directors conduct frequent turnovers to provide tournament incentives to young directors and fierce competition among them create value.

Date: Friday, June 7, 2019

Time: 14:15 – 15:50 p.m.

Venue: RCAPS Room A (2F, Bldg. B)

Chair: Assistant Prof. FAN, Pengda APU-APM

Discussant: Associate Prof. NAKAJIMA, Katsushi APU-APM

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