

CEO Power and Firm Performance: A Quantile Regression Approach

Hsiu-I Ting*

Professor, Department of Money and Banking,
College of Finance and Banking,
National Kaohsiung First University of Science and Technology

The paper examines the relationship between powerful CEO and firm performance using the estimation of quantile regression which models heterogeneous effects of a variable along different points of an outcome distribution. This paper targets the nonlinear and size effects of CEO power on firm performance and explores the possibility that CEO power and firm performance are endogenously determined. The results indicate that CEOs tend to possess more power in the early stage of a company's lifecycle. They acquire more ownership, expert, and prestige power following poor market returns. There is an inverted U-shaped relation between CEO ownership and accounting performance in low quantiles of firm performance distribution, while the impact on performance becomes negative in high quantiles. Moreover, the size effect shows that the positive impact of ownership decreases when firm size grows. CEOs' expert power improves firm performance, although the effect turns negative when tenure exceeds 15 years. The negative impact of expert power is more significant in small firms. Finally, CEOs' prestige power enhances firm performance in low quantiles and hurts performance in high quantiles.

Keywords: CEO Power, Firm Performance, Quantile Regression.

* No. 1, University Rd., Yanchao District, Kaohsiung City 824, Taiwan (R.O.C.). Tel: +886-7-6011-000 ext. 3126, FAX: +886-7-6011039, E-mail: hiting@nkfust.edu.tw.

CEO 權力與公司績效：分量迴歸分析

丁秀儀*

本文採分量迴歸檢驗權力 CEO 與公司績效的關係，分量迴歸可描述被解釋變數之條件分配中各分量的行為。文中考量權力 CEO 與公司績效的非線性關係、規模效果、以及權力 CEO 與公司績效可能存在的內生性問題。結果顯示，CEO 在公司生命週期早期階段的權力較大，在市場報酬較低之後 CEO 掌握較多的所有權、專家權、與聲譽權。公司績效不佳時，CEO 所有權對公司會計績效的影響呈現倒 U 形的非線性關係；當公司績效佳時，CEO 所有權對公司績效有負向的關係。規模效果顯示所有權的正向影響會隨公司規模變大而降低。CEO 專家權對公司績效存在正面影響，然而當任期超過 15 年，此正面的影響轉為負面，且專家權的負面影響在小公司格外明顯。CEO 的聲譽權有利績效不佳的公司績效，但有損績效佳的公司績效。

關鍵字：CEO 權力，公司績效，分量迴歸。

* 國立高雄第一科技大學金融系教授，824 高雄市燕巢區大學路 1 號，電話：07-6011-000 分機 3126，傳真：07-6011039，E-mail: hiting@nkfust.edu.tw。