



Advance Journal of Econometrics and Finance

Vol-3 Issue-4, 2025

Advance Journal of Econometrics and Finance

Online ISSN

2959-8990

Print ISSN

2959-8982

<https://ajeaf.com/index.php/Journal/About> s://ajeaf.

Name of Publisher: SCHOLAR CRAFT EDUCATION & RESEARCH HUB

Review Type: Double Blind Peer Review

Jurnal Frequency: Quarterly Research Journal



Does Family Ownership Matter in Tunneling? Moderating Role of Corporate Governance.

Muhammad Aksar¹, Uzma Bashir^{2*}, Adnan Ali³

	Abstract
<p>Muhammad Aksar Assistant Professor, Department of Management Sciences, National University of Modern Languages, Rawalpindi Email: muhammad_aksar2003@yahoo.com</p> <p>Uzma Bashir (Corresponding Author) Assistant Professor, Department of Management Sciences, National University of Modern Languages, Rawalpindi Email: uzma.bashir@numl.edu.pk</p> <p>Adnan Ali Independent researcher, Data Analyst, Hanovor, Germany Email: ali.adnan@gmx.de</p>	<p>This research empirically examines the impact of family ownership (FO) on tunneling (Tun) and moderating role of corporate governance (CG). The relationship between family ownership, tunneling, and corporate governance as moderators was established after an extensive literature review. The generalized Method of Moments (GMM) is applied to the data collected from 200 non-financial firms for 14 years (2009-2023) listed at National Stock Exchange (NSX) India. The empirical analysis confirmed that family ownership impacts tunneling activities, while corporate governance acts as a moderator between family ownership and tunneling. Hence, this study theoretically contributed by highlighting the Type-II agency conflict between controlling shareholders of family-owned firms and minority shareholders. This study also provides insight to investors, policymakers, regulators, and watchdog groups of minority shareholders to assess expropriation issues and formulate strategies and policies for protecting their rights.</p>
<p>Keywords:</p>	<p>Cash Flow Tunneling, Corporate Governance Index, Emerging economies, Family ownership, General Tunneling</p>

1 Introduction

Johnson et al. (2000) describes that tunneling involves the drainage of wealth/resources from a company for personal benefits by controlling shareholders. The involvement of controlling shareholders of a firm in taking out its value is called Tunneling (Chen, Cheng, & Xiao, 2011; Maigoshi et al., 2016). Tunneling, according to Makhija and Patton (2004), benefits from an environment with essential information that is uncertain, as is the case in many emerging economies. Such information irregularities provide a fertile surface for tunneling. Tunneling includes the shareholders' control by exercising their existing position to take out personal advantages for control at the expense of minority shareholders. Not only the managers but insiders as well may extract resources from the firm through different means. In this way, principal-agent conflict arises. Financial resources are shifted from a listed firm to controlling shareholders during tunneling (Johnson et al., 2000) and it generally causes Principal-Principal conflicts (Hu & Sun, 2019).

Different countries' legal and regulatory frameworks protect minority investors to different degrees, which influences global tunnelling trends (Peng & Jiang, 2010). Tunneling occurred as a result of poor institutional regulations protecting shareholder rights and a concentration of corporate ownership (Young, Peng, Ahlstrom, Bruton, & Jiang, 2008; Hu & Sun, 2019). External investors' investment decisions are greatly impacted by tunnelling from controlling stockholders (Chen, Dong, Tong & Zhang, 2018). Additionally, tunnelling has an impact on the expansion and performance of businesses (Cheung et al. 2006). As a result, it delayed the growth of the stock market and was the main contributor to the Asian financial crisis (1997–1999) (Johnson, Boone, Breach & Friedman, 2000).

Corporate governance helps to ensure that the interests of managers and shareholders are aligned and lessens the exploitation of the rights of minority shareholders (Leuz, Nanda, and Wysocki, 2003). According to Hab, L.H., Johan, and Muller (2016), corporate governance typically may limit tunnelling operations. On the other side, corporate governance may not explain company behavior related to tunnelling, according to Juliarto et al. (2013). As a result, it may be said that the corporate governance function in tunnelling is still ambiguous and restricted and that the outcomes are unknown.

Tunneling is a pressing issue in emerging markets because they provide a fertile environment for it (Zhang, Yang, Strange & Zhang, 2017). Tunneling is a pressing issue in emerging economies since they have a poor institutional structure for investor protection (Zhang et al., 2017). In numerous emerging economies, where large and inside traders occasionally have more knowledge about the firm's performance and projection than the smaller minority investors, tunnelling is made easier by an unreliable and vital information environment (Makhija & Patton, 2004).

Prior studies have identified several tunneling-related topics that require more consideration and understanding, including a study of business strategies to handle tunnelling in emerging economies and the main reasons why agency conflicts occur (Chen et al., 2018). The expropriation of minority shareholders through tunnelling activities in a developing economy with weak corporate governance is thus a topic of interest in light of past studies. This paper contributes to the existing line of research in several ways. This study focuses on the impact of corporate governance as a moderator on tunneling in lower-middle economies, where weak investor protection prevails. Results obtained in this study would be fruitful for investors, regulators, policymakers, and watchdog groups to assess expropriation and formulate policies for the protection of dispersed minority shareholders' rights.

2 Literature Review

2.1 Family Ownership and Tunneling

The controlling stockholders of a business engaged in tunnelling while undermining the interests of minority owners. According to Kim and Li (2015), controlling owners have access to more knowledge than other minority shareholders, which creates various principal-principal agency conflicts between minority and majority shareholders as well as between minority investors who are more and less informed (Zhang et al. 2017). Additionally, insiders and/or major investors are more knowledgeable about emerging economies than minority investors (Makhija & Patton, 2004, cited in Zhang et al., 2017).

In many emerging economies, the institutional environment for protecting investors is frequently poor (Kumar & Zattoni, 2015). Due to informational asymmetry, laxer investor protection laws, and insider trading, stock markets are typically more fragmented and less efficient (Beny, 2006). Large growing economies are often more volatile, which has an impact on how firms behave (Sun, Qu, & Liao, 2018). Tunneling concerns are particularly prevalent in family-owned enterprises because of the highly concentrated ownership, which provides controlling shareholders a lot of influence. Because voting rights are more significant than cash flow rights, highly concentrated ownership encourages dominant shareholders to obtain resources at the expense of minority shareholders (Bertrand, Mehta, & Mullainathan, 2002).

Propping is the opposite of tunnelling or negative tunnelling (Riyanto & Toolsema, 2008). Majority shareholders limit tunnelling by imposing market restraint on management and driving stock prices back to their fundamental levels through large-scale trading. On the other hand, they may benefit from trading by exercising the option to exploit their data, and as a result, they fully support tunnelling. Tunneling frequently reduces an organization's performance and stock value (Lemmon and Lins, 2003).

After measuring diminished investor protection, Yiu et al. (2007) concluded that business groupings could benefit from private management advantages, which would help to explain their success in emerging economies. Big audit businesses were found not to vary from smaller audit firms in terms of audit quality in situations where high-quality audits are not in high demand, according to an empirical study done by Alhadab (2018) using Jordan as a population. The efficiency of such procedures in developing nations with distinct governance models is in doubt, even though many corporate governance standards used in Jordan and other developing countries are based on what is considered to be effective practices in more developed countries (Chanda et al., 2017; Uddin et al., 2017).

H₁: Family Ownership has a relationship with Tunneling.

2.2 Moderating Role of Corporate Governance between Family Ownership and Tunneling

The majority of tunnelling research focused mostly on tunnelling activities in affluent nations and those with excellent corporate governance norms (Cheung et al., 2009). Tunneling may happen in locations with high levels of corporate governance as well as in nations with poor corporate governance (Johnson et al., 2000). Nenova (2003) found that majority owners working in low-corporate governance environments had a greater possibility of siphoning off the wealth of minority shareholders. However, Hab et al. (2016) explained that tunnelling activities are constrained by usually stricter corporate governance norms. According to Juliarto et al.(2013) .'s investigation, corporate governance factors might not be able to fully account for tunneling-related business behavior. Few studies have examined the relationship between board size and corporate governance or financial performance, and those have found conflicting evidence about the importance of board size or the effectiveness of bigger or smaller boards. For instance, Nurazi et al. (2015) observed no connection between tunnelling and board size. Board size, on the other hand, has a negative relationship with business value (Kumar & Singh, 2013).

Given their anticipated lack of conflicts of interest and issues with the restricted agency, independent board members are predicted to better defend shareholder rights than block shareholders, who may misuse their authority at the expense of minority shareholders (Bammens et al., 2011; Monks & Minow, 2008; Garner et al., 2017). Boateng and Huang

(2017) discovered that controlling owners' capacity to engage in tunnelling was constrained by the presence of many non-controlling significant shareholders in a business. Similarly, Chen et al. (2014) discovered that independent directors had a favorable impact on managing tunnelling.

According to Oman (2001), corporate governance refers to a private and public organization made up of rules, laws, and customs that regulate the relationship between business management and stakeholders. Corporate governance mechanisms prevent resource expropriation by ensuring that management uses organizational assets effectively and in the best interests of all stakeholders. Corporate governance's goals include enhancing organizational effectiveness, fostering the organization's expansion, boosting investor confidence, and giving shareholders a framework within which to determine their goals (Garca-Meca et al., 2018). The effectiveness of corporate governance to tunnelling is still limited, and the research's conclusions are not definite, it has been emphasized. According to Hab et al. (2016), generally speaking, corporate governance procedures may stop tunnelling operations. While Juliarto et al. (2013) concluded that factors related to corporate governance did not account for business behavior regarding tunnelling.

Although shareholder rights may be utilized to limit tunnelling (Atanasov, V., Black, & Ciccotello, 2011; Jung and Chung, 2016), corporate governance procedures may also concurrently attenuate the harmfulness of tunnelling. The majority shareholders do not always support tunnelling (Wahab, E.A., Haron, H., Lok, C.L., Yahya, S., 2011). According to Paccès (2011), independent directors play a critical role in defending shareholders against insider extortion. Minority shareholders anticipate that governance will mitigate the harm related party transactions (RPTs) cause to them, and governance achieves this (Black et al., 2015). In this situation, the reputation effect may have a significant impact on external directors since they are viewed as an additional monitoring mechanism that should restrain controllers' tunnelling behavior (Barak, Ronen, Kapah, Oren, 2016). Because inadequate mechanisms do not protect minority shareholders and business ownership structures encourage behavior that facilitates confiscation (Aharony et al. 2010). According to Claessens et al. (2000), focused possession, like poor corporate governance, is a contributing factor in the Asia-specific tunnelling problem. According to Hab et al. (2016), corporate governance often prohibits majority shareholders from engaging in tunnelling operations.

Despite effective management, corporate governance is a vital tool to resolve agency conflict between managers and shareholders because it keeps managers accountable and compels them to behave in the interests of the shareholders (Aksar & Ahmed, 2022). On the other hand, Juliarto et al. (2013) concluded that corporate governance factors might not be able to account for business behavior related to tunnelling.

H₂: Corporate Governance moderates the relationship between family ownership and tunneling.

3 Data and Methodology

The unit of analysis of the study is a company from an emerging economy i.e. India. Therefore, the panel data has been gathered from non-financial 200 companies for the period of 14 years from 2009 to 2023. The source of the data is Wharton Research Data Services and annual reports of the companies. The major factor driving the decision to choose a rising economy is the abundance of confusing and complex information, which facilitates tunnelling advancement (Claessens & Fan, 2002; Makhija & Patton, 2004).

The majority of shareholders perform tunneling activities in different ways. Different types of tunneling and their proxies have been identified in past studies, such as cash-flow tunneling (Other receivables), asset tunneling or general tunneling, and equity tunneling (Atanasov, Black, & Ciccotello, 2014; Zhang et al., 2017). Diversion of cash flow to controlling shareholders is known as cash flow tunneling; equity tunneling is an extraction of value through financial transactions that affect ownership claims instead of the firm's operations; while assets tunneling or general tunneling refers to asset sale by an organization to the controlling shareholders far below-market value or asset's purchase from the majority or controlling shareholders above-market value. Asset or general tunneling is based on abnormal accruals (Zhang et al., 2017). The Asset or General tunneling is measured by following Zhang et al. (2017), worked out based on abnormal accruals calculated with a modified Jones model (1991). We have specified the following econometric model:

$$\frac{\text{Accruals}_{it}}{\text{TA}_{it}} = \delta_1 + \frac{\delta_2 \Delta \text{Rev}_{it}}{\text{TA}_{it}} + \frac{\delta_3 \text{PPE}_{it}}{\text{TA}_{it}} + \text{error}_{it} \quad (\text{Eq-1})$$

TA_{it} = total assets for firm i , in year t , ΔRev_{it} = The change in sales revenue for firm i , in year t PPE_{it} = Gross property, plant, and equipment for firm i , in year t , error_{it} = The estimated residual error_{it} from above model is abnormal accruals (ACC).

3.1. Research Equation

$$\text{Tun}_{it} = \beta_{00} + \beta_{08} \text{FO}_{it} + \beta_{09} \text{CGI}_{it} + \beta_{10} \text{Fown}_{it} * \text{CGI}_{it} + \beta_{11} \text{FS}_{it} + \beta_{12} \text{Lev}_{it} + \beta_{13} \text{Liq}_{it} + \beta_{14} \text{FA}_{it} + \beta_{15} \text{ROA}_{it} + \varepsilon_{it} \quad (\text{Eq-2})$$

Table No. 1 Measurement of the variables

Proxies of variables			
S.No	Variables		Proxy (Explanation)
1	$\text{Tun} - \text{CF}_{jft}$	Cashflow Tunneling	The value of "Other receivables" containing financial statements for the year t , firm f , and country j .
2	$\text{Tun} - \text{G}_{jft}$	General Tunneling (Asset Tunneling)	Abnormal accruals ratio (Error term of equation-5 (Jones Model))
3	FO	Family ownership	% age of family ownership in total shares.
4	FS	Firm size	Total Assets (Natural Log).
5	FA	Firm age	Number of years of incorporation (Natural Log)
6	Lev	Leverage ratio	Total Debt to Total Assets or Equity ratio
7	ROA	Return on Assets	ROA=Profit after-tax/Total assets



Advance Journal of Econometrics and Finance

Vol-3 Issue-4, 2025

8	Liq	Liquidity	Stock's trading volume at year-end over the total outstanding share
9	CGI	Corporate Governance Index	A dummy variable measures duality. In case the Board Chair and Chief Executive Officer are the same person, then a value of 1 is assigned, otherwise 0; B.Size is the natural logarithm of the number of directors present on the board; M.Size is the natural logarithm of the number of executive managers; B.Indep is %age of independent directors in the board. Corporate Governance Index is constructed using Principal Component Analysis.
10	TA	Total Assets	Value of total assets
11	ΔRev_{it}	Change in revenues	Current sale - previous year's sale of the company i and for year t
12	PPE	Property, Plant, Equipment	

4 Results and Discussion

The Generalized Method of Moments (GMM) has been applied while taking two proxies of tunneling, i.e.; cash-flow tunneling and asset tunneling. Results showing the impact of family ownership on tunneling while corporate governance as moderator is elaborated below:

Table No.2

Family-Ownership, Cash-Flow Tunneling, and Corporate Governance as moderator			
Variable	Coefficient	t-Statistic	Prob.
C	-2.2585	-20.1714	0.000
FO	-0.0265	-2.8767	0.028
CGI	-0.0076	-2.1970	0.047
FO*CGI	-0.0603	-5.0839	0.000
FS	0.9049	94.7122	0.000
Lev	-0.0012	-0.6771	0.4984
Liq	-0.0008	-0.1662	0.8680
ROA	0.0938	1.1161	0.2645
FA	0.4924	14.1955	0.0000
Adjusted R²	0.7891		

Where FO= Family Ownership, CGI= Corporate Governance Index, FO*CGI= Interaction term of Moderator, FS=Firm Size, Lev=Leverage, Liq=liquidity, FA=Firm Age

Source: Authors

Table No. 2 the results of the generalized method of moments (GMM) showing that the model's explanatory power is almost 79% as the Adjusted R-square is 0.7891. The coefficient of family ownership is -0.026, i.e., negative and significant, which means family ownership has a negative influence on cash tunneling. Moreover, the corporate governance index (CGI) also shows a negative and significant influence on cash flow tunneling. The Corporate Governance Index (CGI) shows a moderating effect in the relationship of family ownership with cash flow tunneling as it has a significant negative value. The corporate governance index strengthens the relationship between family ownership and cash flow tunneling as the co-efficient of the both family ownership and interaction term are negative and significant. In control variables, firm size and firm age have a significant and positive relationship with tunneling; however other control variables are insignificant.

Table No. 3

Family Ownership, Asset Tunneling, and Corporate Governance as moderator			
Variable	Coefficient	t-Statistic	Prob.
C	0.1840	2.9778	0.0029
FO	-0.0045	-2.1520	0.0374
CGI	-0.0019	-1.4193	0.1559

FO*CGI	0.0103	3.0859	0.0021
FS	-0.0223	-5.6841	0.0000
Lev	-0.0009	-1.9452	0.0519
Liq	0.0071	6.2997	0.0000
ROA	-0.0292	-1.1556	0.2480
FA	0.0660	9.1687	0.0000
Adjusted R ²	0.8464		

Where FO= Family Ownership, CGI= Corporate Governance Index, FO*CGI= Interaction term of Moderator, FS=Firm Size, Lev=Leverage, Liq=Liquidity, FA=Firm Age

Source: Authors

The generalized method of moments (GMM) is shown in Table 3 and the explanatory power of the model is 84% as the Adjusted R-square is 0.8463. The coefficient of family ownership is -0.0045 i.e., negative and significant ($P < 0.05$), which means family ownership negatively affects general tunneling. Furthermore, the Corporate Governance Index (CGI) also shows a positive and insignificant influence on general tunneling. However, the corporate governance index (CGI) shows a moderating effect on family ownership relationships with general tunneling. The corporate governance index weakens the tunneling relationships with family-owned firms as the co-efficient of interaction-term is positive and significant at the 05% level of significance and family ownership has positive influence on asset tunneling. In control variables, leverage and firm size have a negative and significant influence on general tunneling, while liquidity and firm age have a significant positive relationship with general tunneling.

5 Conclusion, Practical Implications, Limitations and Future Direction

5.1 Conclusion

The ultimate purpose of the study is to investigate the moderating role of corporate governance in the relationship between family ownership and tunneling. The final goal of the study is to examine how corporate governance, which is a moderating factor in family-owned businesses, affects tunnelling. The findings show a connection between family ownership and tunnelling. According to research by Bertrand et al. (2002) in Indian business teams, the findings show that tunnelling occurs whenever there are money outflows from lower-level organizations to higher-level ones, where the dominant teams have greater ownership rights. Similar to how family ownership and tunnelling are being moderated by company governance. Previous research has backed up the moderating effect of corporate governance (e.g., Young et al., 2008; Hu & Sun, 2019).

5.2 Practical Implications: Tunneling is a pressing problem, particularly in developing nations where the protection of small shareholders is sometimes lacking. Family-owned businesses' (FO) engagement may improve market discipline but it can also lead to issues. Policymakers must thus safeguard minor shareholders' rights from outside interference. The study's findings assist policymakers in creating stringent regulations to safeguard the interests of junior shareholders and settle agency disputes.

5.3 Limitations and Future Aspects of Study: Tunneling measurement may also make use of other proxies. The sector-based study might also be used to examine any differences in how investors behave when choosing which sectors to invest in.

References:

- Aharony, J., Wang, J., & Yuan, H. (2010). Tunneling as an incentive for earnings management during the IPO process in China. *Journal of Accounting and Public Policy*, 29(1), 1-26.
- Aksar, M., & Ahmed, J. (2022). Does Managerial Behaviour Matter? Evidence from Emerging Economies. *Global Business Review*, 09721509221109054.
- Alhadab, M. (2018). The impact of executive compensation and audit quality on accrual-based and real-based earnings management: Evidence from Jordan. *Corporate Ownership and Control*, 15(2-1), 209-219.
- Atanasov, V., Black, B., & Ciccotello, C. S. (2011). Law and tunneling. *J. Corp. L.*, 37,1.
- Atanasov, V., Black, B., & Ciccotello, C. S. (2014). "Unbundling and measuring tunneling" *University of Illinois Law Review*, 1697-1738.
- Bammens, Y., Voordeckers, W., & Van Gils, A. (2011). Boards of directors in family businesses: A literature review and research agenda. *International Journal of Management Reviews*, 13(2), 134-152.
- Barak, R., & Kapah, O. (2016). Directors' Networks and Firm Valuation in a Concentrated Ownership Structure Economy. *Journal of Network Theory in Finance*, 2(3), 53-78.
- Beny, L. N. (2006). Insider trading laws and stock markets around the world: An empirical contribution to the theoretical law and economics debate. *J. Corp. L.*, 32, 237.
- Bertrand, M., Mehta, P., & Mullainathan, S. (2002). Ferreting out tunneling: An application to Indian business groups. *The Quarterly Journal of Economics*, 117(1), 121-148.
- Black, B. S., Kim, W., Jang, H., & Park, K. S. (2015). How corporate governance affect firm value? Evidence on a self-dealing channel from a natural experiment in Korea. *Journal of Banking & Finance*, 51, 131-150.
- Boateng, A., & Huang, W. (2017). Multiple large shareholders, excess leverage and tunneling: Evidence from an emerging market. *Corporate Governance: An International Review*, 25(1), 58-74.
- Chanda, S., Burton, B., & Dunne, T. (2017). "The nature and potential of corporate governance in developing countries: Zambian perceptions". *Accounting, Auditing and Accountability Journal*, 30(6), 1257-1287.
- Chen, J., Cheng, P., & Xiao, X. (2011). "Related party transactions as a source of earnings management". *Applied Financial Economics*, 21(3), 165-181.
- Chen, J., Dong, W., Tong, J., & Zhang, F. (2018). "Corporate philanthropy and tunneling: Evidence from China". *Journal of Business Ethics*, 150(1), 135-157.
- Chen, Y., Wang, Y., & Lin, L. (2014). "Independent directors' board networks and controlling shareholders' tunnelling behavior". *China Journal of Accounting Research*, 7, 101-118.
- Cheung, Y. L., Jing, L., Lu, T., Rau, P. R., & Stouraitis, A. (2009). Tunneling and propping up: An analysis of related party transactions by Chinese listed companies. *Pacific-Basin Finance Journal*, 17(3), 372-393.



Advance Journal of Econometrics and Finance

Vol-3 Issue-4, 2025

- Cheung, Y.-L., Rau, P. R., & Stouraitis, A. (2006). "Tunneling, propping, and expropriation: evidence from connected party transactions in Hong Kong". *Journal of Financial Economics*, 82(2), 343-386.
- Claessens, S., & Fan, J. (2002). Corporate Governance in Asia: A Survey *International Review of Finance* 3(2), 71-103.
- Claessens, S., Djankov, S., & Lang, L. H. (2000). The separation of ownership and control in East Asian corporations. *Journal of financial Economics*, 58(1-2), 81-112.
- Cooperation, S. A. R. Problems and Prospects in South Asian Economic.(1996). *England: Intermediate Technology Publications*.
- Garner, J., Kim, T., & Kim, W.Y. (2017). "Boards of directors: A literature review". *Managerial Finance*, 43(10), 1189-1198.
- Gilson, Ronald and Jeffrey Gordon, (2003). "Controlling Shareholders". *University of Pennsylvania Law Review*, 152, 785-850.
- Haß, L. H., Johan, S., & Müller, M. A. (2016). The effectiveness of public enforcement: Evidence from the resolution of tunneling in China. *Journal of Business Ethics*, 134(4), 649-668.
- Hu, H. W., & Sun, P. (2019). "What determines the severity of tunneling in China?" *Asia Pacific Journal of Management*, 36(1), 161-184.
- Johnson, S., Boone, P., Breach, A., & Friedman, E. (2000). "Corporate governance in the Asian financial crisis". *Journal of Financial Economics*, 58(1), 141-186.
- Johnson, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2000). "Tunneling". *American Economic Review*, 90(2), 22-27.
- Jones, J. J. (1991). Earnings management during import relief investigations. *Journal of accounting research*, 29(2), 193-228.
- Juliarto, A., Tower, G., Van der Zahn, M., & Rusmin, R. (2013). Managerial ownership influencing tunnelling behaviour. *Australasian Accounting, Business and Finance Journal*, 7(2), 25-46.
- Jung, W.O., Chung, H., (2016). "Do managers reduce related-party sales to counter the enforcement of gift taxes on the benefits tunneled through abnormal related-party sales?" *Korean Academic Society of Business Administration*, 8,992-1030.
- Kim, J.B., & Li, C. H. (2015). "Foreign versus domestic institutional investors in emerging markets: Who contributes more to firm specific information flow?" *China Journal of Accounting Research*, 8, 1-23.
- Kumar, N. & Singh J.P. (2013). "Effect of board size and promoter ownership on firm value: Some empirical findings from India". *Corporate Governance: The International Journal of Business in Society*, 13(1), 88-98.
- Kumar, P., & Zattoni, A. (2015). "Ownership structure, corporate governance and firm performance". *Corporate Governance: An International Review*, 23(6), 469-471.
- Lemmon, M. L., & Lins, K. V. (2003). Ownership structure, corporate governance, and firm value: Evidence from the East Asian financial crisis. *The journal of finance*, 58(4), 1445-1468.
- Leuz, C., Nanda, D., & Wysocki, P. D. (2003). "Earnings management and investor protection: an international comparison". *Journal of financial economics*, 69(3), 505-527.
- Makhija, A. K., & Patton, J. M. (2004). The impact of firm ownership structure on voluntary disclosure: Empirical evidence from Czech annual reports. *The Journal of Business*, 77(3), 457-491.
- Monks, R.A.G. & Minow, N. (2008). Corporate Governance, 4th edition, Chichester, UK, *John Wiley and Sons Ltd*.
- Nenova, T. (2003). The value of corporate voting rights and control: A cross-country analysis. *Journal of financial economics*, 68(3), 325-351.
- Nurazi, R., Santi, F., & Usman, B. (2015). "Tunnelling: Evidence from Indonesia Stock Exchange". *Asian Academy of Management Journal of Accounting and Finance*, 11(2), 127-150.
- Oman, C. P. (2001). "Corporate Governance and National Development", *An outgrowth of the OECD Development Centre s Experts Workshop in 2000 and Informal Policy Dialogue in 2001 sponsored in part by CIPE*.
- Paccos, A. M. (2011). "Controlling the Corporate Controller's Misbehaviour". *Journal of Corporate Law Studies*, 11(1), 177-214.
- Peng, M. W., & Jiang, Y. (2010). "Institutions behind family ownership and control in large firms". *Journal of management Studies*, 47(2), 253-273.
- Riyanto, Y. E., & Toolsema, L. A. (2008). "Tunneling and propping: A justification for pyramidal ownership". *Journal of Banking & Finance*, 32(10), 2178-2187.
- Sun, P., Qu, Z., & Liao, Z. (2018). How and when do subnational institutions matter for R&D investment? Evidence from the Chinese pharmaceutical sector. *IEEE Transactions on Engineering Management*, 65(3), 379-391.
- Uddin, S., Jayasinghe, K., & Ahmed, S. (2017). "Scandals from an island: Testing Anglo-American corporate governance frameworks". *Critical Perspectives on International Business*, 13(4), 349-370.
- Wahab, E.A., Haron, H., Lok, C.L., Yahya, S., (2011). "Does corporate governance matter? evidence from related party transactions in Malaysia". *International Corporate Governance* 14, 131-164.
- Yiu, D. W., Lu, Y., Bruton, G. D., & Hoskisson, R. E. (2007). "Business groups: An integrated model to focus future research". *Journal of Management Studies*, 44(8): 1551-1579.
- Young, M. N., Peng, M. W., Ahlstrom, D., Bruton, G. D., & Jiang, Y. (2008). "Corporate governance in emerging economies: A review of the principal-principal perspective". *Journal of management studies*, 45(1), 196-220.
- Zhang, X., Yang, X., Strange, R., & Zhang, Q. (2017). "Informed trading by foreign institutional investors as a constraint on tunneling: Evidence from China". *Corporate Governance: An International Review*, 25(4), 222-235.