

DOCTORAL THESIS

Independent non-executive directors in family-controlled listed companies in Hong Kong: a qualitative study

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Abstract

Following the growing emphasis on the monitoring role of independent directors in the board of directors in the stock exchanges of Western developed countries, companies listed on the Hong Kong Stock Exchange are required to appoint independent non-executive directors (INEDs) representing at least one-third of their boards under the Listing Rules. Unlike those Western developed capital markets where listed companies are widely held, most listed companies in Hong Kong are controlled and managed by families. This means realistically, INEDs of those family-controlled listed companies can only be appointed to the boards with the support from the controlling owners. Under such circumstances, the INEDs' ability to monitor the performance of the management of those companies independently is put in doubt. This thesis intends to conduct a qualitative study using phenomenological approach to explore and understand the role and effectiveness of INEDs in family-controlled listed companies in Hong Kong based on the INEDs' lived experiences. The study is the first of its kind in the Hong Kong corporate governance research arena, as research studies on corporate boards and directors have often adopted a quantitative approach, using only publicly available archival data without in-depth discussions with the subjects on their real experience and views on their jobs. Accordingly, issues related to directors in family-controlled listed companies that require in-depth discussions with these directors are impossible to be addressed by such research approach. Through semi-structured interviews with INEDs of companies listed in Hong Kong, this thesis has contributed to the existing knowledge and literature in the research on INEDs and corporate governance in family businesses and provide useful hints and ideas to practitioners, listed companies, investors, regulators and policy-makers.

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