The Impact of Compensation Incentive Effect on Corporate Governance

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Abstract
The main purpose of this study is to examine the impact of compensation incentive effect on corporate governance. This study selects 757 samples between 2001 and 2006 from Taiwan listed companies. The empirical results show that:
1. Stock ownership concentration is significantly natively related to compensation incentive.
2. Holding share rate of organization investor is significantly positively related to compensation incentive.
3. Scale of directors is significantly positively related to compensation incentive.
4. The independent director's holding share rate is significantly natively related to compensation incentive.

Keywords:  Corporate governance, compensation incentive effect.