

Investigating the relationship between board structure and risk appetite of accepted companies in Tehran Stock Exchange

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Abstract Corporate governance provides a structure that defines the goals of the company, and the means for achieving objectives, definitions and performance monitoring practices. Risk taking, risk tolerance, or risk appetite is a clear indication that you are willing to accept how much risk you will incur for a projected level of profits in your investments. In this research, we try to answer the question whether there is a relationship between the board structure and the risk appetite of the companies in Tehran Stock Exchange. What is the effect of this connection on risk appetite? To answer this question, a sample of 106 approved companies in the Tehran Stock Exchange was reviewed during the period 2011 to 1394. Since the purpose of this research is to achieve a practical goal in relation to one of the most important issues in financial markets, it is considered as an applied research. On the other hand, considering the relationship between multi-variables with each other is a descriptive-correlation statistical method. To analyze the obtained data, the governance variables in this research are extracted the management members database. First, the size of the board is measured on the basis of the natural logarithm of the total size of service managers in the structure of the members of the company. In addition, the independence of board members is ed based on the number of non-executive directors and the total number of managers of the company's members. And in the last part of the power of the CEO, it is measured through artificial variables, and if the boss and manager is the same person, the number 1 and otherwise takes the number zero. Findings of the research indicate that the size of the board has a negative and significant effect on risk, so that one unit of increase in this risk variable is reduced by 0.008 unit, the board's independence variable has a negative and significant effect on risk So that an increment in this risk variable is

reduced by 0. 003 units, and the manager's duality variable has a negative and significant risk effect, so that a unit increments this risk variable at a rate of 0.002 units.

Keywords : Keywords: board structure, company risk taking, stock exchange, governance.

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