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RESEARCH ARTICLE

THE EFFECT OF BOARD DIRECTOR ON THE BOARD COUNCIL FUNCTION AND CONFIGURATION.

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Abstract

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This paper studies the Chief Executive Officers (CEOs) age effect on board council function and configuration. Through utilizing a sample of the 20 largest private university in Gulf Cooperation Council (GCC). The base of the study is to examine whether age of CEOs show differences in board council configuration, official committees, or procedures that may show the board council more tolerant. The findings were age of CEOs and experience will reduce the board monitoring and control. This finding is mainly because of the variance in procedural mechanisms, instead of board configuration. Nevertheless, it is still vague about monitoring and tolerance control, which indicate that CEO's capability of negotiating, monitoring, and control is less on the board function. It is an opportunity that younger CEOs also effect the board but they may heavily effected by non-compulsory conformance with stricter board council rules.

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Introduction:-

In recent studies, board council represented by directors, and playing an important role for monitoring managers (Davies, 2000). Intervention arguments recommend that the trends of monitoring an optimal flux from board to CEO. Altogether, many scholars are recommending different direction (Jones, T. M., & Keevil, 2015; Kim, J., Yang, D., & Lee, 2017; Kumar & Zattoni, 2014). Their finding's reject the idea "boards council can be an effective by increasing the monitoring and organizational control problems" same as (Westphal & Fredrickson, 2001) who suggest that an executives are appointed and controlled by the CEO. This research, investigation the inconsistency as it relates to board council.

The first step of this study is reviewing the board council framework to confirm the study query, and then move to the discussion to explore how previous studies discussed about board council. Then assessing the hypotheses with concern to the organization model that implied in the work of (Bijman, Hendrikse, & van Oijen, 2013; Brown, 1997; Katz & Boland, 2002; Larson & Fulton, 2009). They highlight the power of CEO and the arrogance and unsuccessful board oversight in the face of excessive diversification and convolution.

The heterogeneity of board council member may cripple the board (Bijman et al., 2013), which resulting transfer the control authority to the management instead of the board. According to Brown, (1997) the organization stakeholders into inconsistent sub categorizations within over time may harm the organization. This energetic presume an effect on the agent control as member of the subcategories conflict internally. According to (Katz & Boland, 2002), in the basis of limited available cases to analysis, the finding was that the life cycle is the basis of organizations progress

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which increases heterogeneity of the board member. This type of increases will increase the board member goals achievements, and making the objectives of their agents to be further straightforwardly to achieve (Cook & Burress, 2013). Consequently, organizational age might act like an indicator about the agent's control level. On other hand, board council scholars recommend that to be closer to the concept of CEO rather than organizational age, need to transfer from principal to director concept. (Kim, J., Yang, D., & Lee, 2017) show, empirically that board council with less control makes the CEOs more effective in negotiating over the period of their duty period. On the other hand, according to (Hermalin & Weisbach, 1998) prospect, reducing board independence with less control can drive the CEOs to be more effective.

Given indication generated from board council findings, this study aims to investigate on the possibility effect of the CEOs age on his/her ability of negotiating, monitor and control. Then looking at the mechanisms that been employed to simplify a shift to lessened monitoring and control activity. The finding of empirical work derived based on a survey of 20 private university in the Gulf Cooperation Council (GCC). The data been used to examine the mechanisms that the board council may use to reduce their monitoring and control on the activities.

Analysis whether board council reveals a difference in management within the organization may give great contribution about understanding the business structure in terms of power of the CEO position. Essentially, there is no an official certified mechanism granted by CEOs that provide a superior control on the CEO age performance. For instance, CEOs are usually not having the rights to vote on the board and does not have the rights to appoint new director candidates. Furthermore, CEOs are very rarely occupy the position of the board president. Therefore, this study will determine how CEOs age effect and employ greater control in board council. A lack of significant correlation between CEO occupation and board configuration or procedure would suggest CEOs to have relatively fewer effects over their boards of directors than who is at the lower level. This finding may be reliable with the undercurrents of democratic representative boards: Management tends to have minimal opportunity to shape the board or effect its composition. On the other hand, a significant correlation between CEO age and board configuration may show the organization at greater risk.

Concept:-

To study the effect of CEO age on board council, hypotheses developed based in derived from the board council literature. This study depend on two major models used to elaborate the board council: agency theory and stewardship theory (Korac Kakabadse, Kakabadse, & Kouzmin, 2001). According to (M. C. Jensen & Meckling, 1976) agency view is looking at the owner's as preferences distinct from those board council members. Based on that, the main role of board's council members is to follow and control agents. Board's council optimally has an independence from the CEO. Therefore, dynamic and effective control ensures agents to perform in the excellent interests of shareholders and improves organization performance. Any selfish objectives from agent are a reaction on Insufficient monitoring and low level of control.

Scholars who's working in CEO's model recommend age of CEOs may become rooted for three reasons (David, Kochhar, & Levitas, 1998; Gabrielsson & Huse, 2004). First, getting more experience and worthy performance record of accomplishment may increase the effect CEO. Second, CEOs age may play a role in board configuration and may effect on an appointing the board members and that is consequential in the board, which is trustworthy and concerned to the CEO. Third, it is common that CEOs are giving more power and authorities to their relative at the same time they increase the procedure control and internal information systems. The control over information systems and procedures gives the CEOs the ability to deny relevant information and effect the board council agenda. Another agency trends highlights the costs and benefits of decentralization (Gil, R., & Zanarone, 2017; Hippmann & Windsperger, 2013).

It is very important for the board council to be more tolerant because it gives strengthen to the CEO to be more entrepreneur and more creative toward the business development. Organizational scholars argue that an official authority power is more likely to be on the CEO hand for taking decisions among others, which gives more space to the CEO to be sufficiently innovative. This prospect may not supporting the concept of accumulated extensive prior expertise or skills. Therefore, stewardship model come up with the concept of an agents which is allegiant to the organization, honestly looking for auxiliary goals rather than personal motivation (Kiel & Nicholson, 2003) thus, the board's ideology is more to empower CEO. Then CEO will work on using the technical expertise and internal consultant about operations. Hence, internal consultants have to be more committed and ideal to organization.

Theoretically, CEO linked with superior effectiveness since of their superior knowledge of the organization. In contrast, boards may be motivated to ensure organizational success and insufficient knowledge of the organization. Thus, boards probable use their position power to improve their own benefits to the detriment of the organization and stakeholders. With regard to CEO age, stewardship scholars recommend CEOs age may have greater commitment and firm-specific expertise, leading to enhanced performance with respect to their duties. Moreover, CEOs age who have keen their profession to shape the business and its strategy may categorize their personal achievement and satisfaction with the achievement of the business. Therefore, (Davis, Schoorman, & Donaldson, 1997; Donaldson & Davis, 1991) advise senior CEO to support an integration of individual benefit with the organization objectives.

In the supportive setting, scholars claim managerial entrenchment is specific concern (Bijman et al., 2013; Katz & Boland, 2002). Organizations refereed as having become subject by management which frequently mentioned as “agent driven or staff centered” (Chaddad & Cook, 2004). However, most studies about “agent-driven” organizations is theoretical or may supported by individual case studies (Katz & Boland, 2002; Larson & Fulton, 2009) there are very few studies that have enough explanation about how organizations are with agent driven. Additionally, if CEO age is really entrenched, it is not clear which way the management has to use and efficiently argue on superior control of the organization. Furthermore, to keep up a superior track record, agency theorists argue CEOs may negotiate superior control by effecting board configuration or procedure (David et al., 1998).

Configuration of Board Council:-

Does CEOs have many ways to effect board Council configuration as their business counterparts? Even though, for appointing new directors, the CEO was called for advice (David et al., 1998; Shivdasani & Yermack, 1999), CEO involvement in director appointment will expose and reduce the independence (Aggarwal, Schloetzer, & Williamson, 2015). According to Shivdasani & Yermack, (1999) the CEO is the source of 12% of the board member appointment. Therefore, CEO may play an important role on the board council configuration through proposing new members to the board council, recommending selected members to join the board, considering the appointment standards, handling the improvement programs for the board members, or proposing nominees to work as outsider directors or as counselling level. In the face of these informal ways, there is slight indication to support the suggestion that CEOs effect board configuration. Board is will not play a proper role in appointing board members (Hermalin, B. E., & Weisbach, 2001).

Table 1 evaluates agency model prospects about board council concepts and the level of control. Based on an agency model, the CEOs hypothesis would take less control during their duties. While the probability of including an external director on the board council will be restricted by statutes and rules. Therefore, it is assume less financial consultant experts and external directors working on stabilized board of organizations with CEOs. On one hand, this would effect the board independence. On the one hand, according to Jussila, Goel, & Tuominen, (2012) it’s may expect senior board members to become satisfied, performing as a rubber stamp and improve the organizational control. However, the senior board members do not expect the CEO to effect their appointment because they are senior then him/her. Nevertheless, CEO may effect the appointment of the younger board members with shorter period (David et al., 1998; Kim, J., Yang, D., & Lee, 2017). In conclusion, an agency model confirm that, the greater boards may have less effective control in their capacity (Michael C. Jensen, 1993; Tufano & Sevick, 1997).

In contrast, in case the board size is large, that may lead to many issues such as an impedes the business arrangement and communication. Consequently, that will lead to “responsibility propagation” that prompting second-order free riding; permit insufficient time for directors to voice their position reinforcing the notion that directors should contribute only sparingly to board deliberations; and slow making decision or inaction (Cadbury, 1999; Mak & Kusnadi, 2005; Orlitzky, Schmidt, & Rynes, 2003; Poteete & Ostrom, 2004; Yamagishi, 1986). Based on a stewardship viewpoint, for the benefit of organization, CEOs should try to involve a financial expert on the board (Table 2). However, stewardship model holds that the appointment board member with superior expertise are restricted by the cooperative operations that would be greater benefit to the organization, but CEOs might not search for external directors on the board. In addition, based on stewardship scholar’s argument, the younger board members with longer experience may add a greatest benefit to the organization. Consequently, CEO effect the configuration of the board toward younger directors and to lengthen director tenure as acting to the best interest of the organization (Yamagishi, 1986).

Table 1:- Agency Model Prospects about board council configuration and control

Research Construct	Variables of study	Correlation	Description
Board configuration	Financial experts	No	To confirm Financial control
	CEO experience	No	with time satisfaction may increase
		Yes	CEO's may have less effect on appointing expert directors
	CEO age	No	Satisfaction may increase with age
		Yes	CEO's may have less effect on appointing senior directors
	Board council size	No	The control on the large boards may be less effective
	External consultant	Yes	CEO's may have less control on the external directors
Official committees	Audit committee	Yes	Indicate to control the large greater board oversight
	Members relations committee	Yes	Indicate to assist producer control
	Executive committee	Yes	Indicate to the large board oversight
Procedure	Board council training	Yes	board training is important to improve control process
	Monthly board meetings	Yes	To have more opportunity to observe and control their duties
	Strategy development	Yes	Board involvement in the strategic development is important
	Regular executive meetings	Yes	Regular executive meetings indicate superior board oversight

Table 2:- The Relationship between board council and CEO age based on the Agency and Stewardship Model's

Construct	Variable	Agency model	Stewardship model
Board configuration	Financial experts	No	Yes
	CEO experience	Unspecified	Yes
	CEO age	Unspecified	No
	Board council size	Yes	No
	External consultant	No	No
Official committees	Audit committee	No	Unspecified
	Members relations committee	No	Unspecified
	Executive committee	No	Unspecified
Procedure	Board council training	No	+
	Monthly board meetings	No	-
	Strategy development	No	Less
	Regular executive meetings	No	No

A good educational background plan an important role for younger director's expertise and make them keener for taking business opportunities risks (Kiel & Nicholson, 2003). Board's council who has members with longer experience might cohesive and their decisions are timely manner. Furthermore, they might have their commitment and loyalty is high to the organization. Finally, in terms of board council size; stewardship scholars would confirm with agency scholars, hypothesizing smaller boards to be more dynamic and responsive (Kiel & Nicholson, 2003). On other hand, larger boards are less appropriate to be controlled by an empowered CEO (Hillman & Dalziel, 2003). Therefore, Resource dependence scholars found the variety of expertise within a larger board might reduce managerial control. Nevertheless, large board's council may succeed controlling and assessing through professional created committees. For this reason, this study investigate on the effect on the official committees (Erhardt, Werbel, & Shrader, 2003).

Board Council: Committees and Procedure:-

From board director view, organizations leader that have become CEO would be less independent and less involved board council control. This is show a control reduction and may contain the absence of audit, executive, and members relations committees. Furthermore, there is a mechanism between Audit and executive committees to perform strengthen board oversight. While the mechanism of the member relations committee improve the feedback producer and ensure the voting producer and control. However, usually the top management committee (Executive Committee) is the supportive and keenly engaged with the CEO in decision making within the board meetings. Furthermore, size of the board has a correlation with the executive committee nor other committees where the board has a chance to argue about business issues without involvement of the management. This mechanism would support the board members and leaders to fulfill their control role. Therefore, a reduction in the number of executive meeting might related to reduce the board control and give more power to the CEO.

The board council that commonly have less meetings or may not involve in training development, may have lack of control because an untrained board may be less prepared for proper achievements. According to (Cadbury, 1999) in a normal organization, the board council needs to meet about 100 hour annually, approximately once a month for successful achievement and control their responsibilities. Finally, the board involvement on the business strategy development is supposed to be confident and have practically more control than an easy or simple board. According to Westphal & Fredrickson, (2001) involving the board in the strategy development makes the opinions in unclear situation to describes the board is basically working along with management's proposals. However, the participation in the business strategy development should have lower control, and perhaps have higher level of collaboration from deferent department. In contrast, stewardship model assumes the board independence to be in the lowest level and linking an active member to the most efficient board's member. Stewardship model has no specific purpose to recommend greater number of committees or arranging routinely an executive meeting about developing the strategy and the board's expertise, may not need to meet as frequently. In other hand, (Klein, 1998) recommends that an independent boards perhaps needs to meet frequently and train non-executive directors. Finally, stewardship model and agency model are in the same prospect in terms of suggesting a good training for the board members and for more efficient and effective, recommend involving them in the strategy development.

Methodology:-

This study employ data collected via mail survey to investigate on CEO age effects on board configuration, committee structure, and board procedures. The study covered 63 private university listed in the Gulf Cooperation Council (GCC). The estimation of collecting data among all the GCC private universities and conduct at least 90% of their board members and CEO's. Therefore, the sample frame of the study is the private universities at the GCC, preserving on percentages of the functional categorization such as university and college, similar to those in the population. All the GCC private universities are having a non-member CEO. Categorization by research takes illustrates about 68% as universities, 38% as colleges. Based on that 232 survey for universities, and 174 for colleges and the the survey distributed among the board council. Their leadership and secretary's member respond with great information and the total collected survey is 362 out of 406, which is adequate to represent the sample.

The data analysis of this research categorized into two categories to investigate the relationship between CEO age and board configuration, and the official committee structure. The finding of the data analysis shows that the sample mean of CEO age equals to 40 years old. Based on that, the Universities and colleges categorized into two categories: Universities and colleges with age of CEO less than 40 years old. Universities and colleges with age of CEO greater than or equal to 40 years old. Recent researches about board council, shows the significant changes in several points of board configuration confirmed to occur when CEO age is beyond 40 years old (Kim, J., Yang, D., & Lee, 2017). Thus, using the 40year-old as a mark; also make the research easier to link the research findings to the board council literature. The data collected in the mid of 2016 and cover the control variables, including university size measured by the total number of students, the number of programs, and number of graduation.

The reason of choosing the board chair as a representative of the board members, because he/she may represent the interest of all members. Therefore, this study has no indications about the preference, accordingly did not show clearly the defined property for the right issues, which present the chairs of boards like a collective group of assumptions. The integrity levels among GCC universities are quite protracted and have high-level of complexity and formality. For each tested hypothesis values with the odds ratios and chi-square are presented and compared with the each category using an observed frequency with the considering rates of expected chance. This method helps on presenting an accurate information and control whether there is a significant relation between CEO age and other variables (Post, Rahman, & McQuillen, 2015). The reported ratios represent the event probabilities and taking place in one level and then compared with other values. Therefore, the odds ratio demonstrates the size of the effect and for both categories the odds ratio of 1 shows that the particular outcome are equals (Field, 2005).

Research Finding:-

The finding reported with highlighting the Correlation between board council constructs and CEO age. Then discussed in different category: No correlation, Minor correlation, and Significant correlation.

1. **No Correlation**

by looking at this factor, financial experts has no correlation between CEO age and board configuration and the results show that there is a 33% of CEOs with age greater or equal to 40 years old are involving the financial expert in the board council. Therefore, 56 % of CEOs with age of smaller or equal to 40 years old have at least one consultant expert on the board.

CEO Experience data were categories into two category based on the sample mean of CEO experience, which is 15 Years. The first is less than 15 years and the second is greater than or equal to the 15 Years' experience. The finding shows there is No correlated between CEO experience and CEO age. The average of CEO experience is approximately same with the average of CEO age. Therefore, 45% of directors with age minimum 40 years old have a board member with average experience minimum 15 years. Therefore, 43 % of CEOs has at least 40 years' experience may involve a board member with minimum experience 15 years or more.

CEO Age: data were categories into two category based on the sample mean of CEO age which is 50 Years. The first is less than 50 years old and the second is greater than or equal to the 50 Years old. The finding shows there is No correlated between CEO age and CEO experience. Therefore, 47 % of CEOs with minimum age 50 years old are having director in the board with age 40 years old. Moreover, 43 % of CEOs with minimum age 50 years are having director in the board with CEO age more than 50 years old.

Size of Board Council: data were categories into two category based on the sample mean of board council size, which is nine directors. The first is less than nine directors and the second is greater than or equal to nine directors. The finding shows there is No correlation between CEO age and board council size. Therefore, 26 % of CEOs with age of 50 years old or more are involved in board containing minimum nine directors. Thus, 28 % of CEOs their ages are less than 50 years old and they are involved in board has more than nine directors.

2. **Minor Correlation.**

The research analysis shows that $Z^2(1)$ = 3.17, p < 0.10, which reflect a minor correlation between CEO age and external consultant serve on the board. This seems to represent the statement that the odds percentage of younger CEO was 3.45 times likely to have at least one external consultant on the board council. Which mean that the board's council might become less independent. Therefore, 30% of CEOs with age more than 50 years old are involving an external consultant in the board. At the audit committee, 70% of CEOs who is age less than 40 years old are having at least one external consultant.

Furthermore, the research analysis find that $Z^2(1)$ = 2.72, p < 0.10, which reflect a minor correlation between CEO age and the board council structure. This seems to represent the fact that, the odds percentages of board council with CEO age 40 years old were 3.42 times likely to involve in the board structure an audit committee. Therefore, 45% of board's council who have a CEO's age more than 50 years old is involving in their board structure an audit committee. Moreover, 43% of board's council who have their CEO with age less than 50 years old are includes in their board structures an audit committee and board member training. In addition, the results shows that $Z^2(1)$ = 3.00, p < 0.10, which means a minor correlation between CEO age and full board training. All this results shows the fact, the odds percentage of boards council with CEO age less than 40 years old were 2.15 times possible to engage annually at least one hour full board training. So, 59% of board's council their CEO's age is more than 50 years old are engaged in full board training. Moreover, 75% of board's council whose CEO age is less than 40 years old is engaged in the training of the board member.

3. **Significant Correlation**

Monthly Meetings: The research finding shows $Z^2(1)$ = 12.76, p < 0.001, which means significant correlation between CEO age and monthly of board meetings. That is means the odds percentage and board council with younger CEO whose age less than 40 years old was 3.34 times possible to meet as a minimum monthly once time. Moreover, 71% of CEO whose age is 50 years old or greater meets at least 12 times annually. In addition, 85% of CEO whose age less than 50 years old meets as a minimum in one year 12 time. The findings recommend increasing the CEO observation by increasing the number of board meetings annually that reduce according to the CEO age.

Regular **Meetings for Executive** shows $Z^2(1) = 6.51$, $p < 0.05$, which reflect significant correlation between CEO age and regular of board meetings. This means the odds percentage and board council with younger CEO age 40 years old were 2.12 times possible to meet as a minimum four meetings annually. Therefore, 18% of CEO whose age is greater than 50 years old meets at least four executive meetings annually. Moreover, 28% of CEO whose age is less than 50 years meets at least four executive meetings annually. This result suggests that CEO has number of annual executive meetings tends to reduction with CEO age.

Member Committee of Relations results shows $Z^2(1) = 7.94$, $p < 0.05$, which reflect significant correlation between CEO age and board council structure involved member relations committee. This means the odds percentage and the board council with young CEO whose age less than 40 years old was 2.51 times possible to involve committee relations in their board structure. So, 17 % of board council with CEO age more than 40 years old is involved as a member of committee relations in their board structure. In addition, 28% of board council has a CEO age lower than 40 years contains committee member relations.

4. **Committee of an Executives**

Results show $Z^2(1) = 9.81$, $p < 0.05$, which means significant correlation between CEO age and board council structure including an executive committee. This seem to show the odds as a fact that present board council with young CEO less than 40 years old are 2.21 times possible to involve a committee of an executives in their board structure. Moreover, 52% of board council with CEO age more than 40 years old involved committee of an executive in their board structure. In addition, 78% of board council with CEO age lowers than 40 years old involved in a committee of an executives in their board structure.

Strategical development show $Z^2(1) = 4.54$, $p < 0.05$, which means significant correlation among CEO age and board's council level of contribution in strategical development. This mean the odds percentage and board council with younger CEO less than 40 years old are 2.32 times possible to be involved in strategical development (greater than 6 on a scale of 1–7). Therefore, 43 % of board's council with CEO experience more than 15 years is extremely involved in developing the strategy. Moreover, 44% of board council with CEO age less than 15 years old is extremely involved in developing the strategy.

Conclusions:-

In the recent researches, it takes a good place in organization that CEO age extends beyond 40 years and give significant changes in board configuration. Changes in board council configuration presented as a mechanism, which CEOs negotiate less control (Kim et al., 2017). In addition, it seems like older CEOs more likely to negotiate with the lowest levels of control. Therefore, CEOs experience act like a mechanisms to reduce control, which is mainly due to official procedure of the committees and features of board not like the board configuration as shown in (Table 3).

CEOs have less external consultant serving on the board confirmed by the current research results, which show board configuration has an insignificant correlation with CEO age. While an official committee, procedural variable overwhelmed on the configurational marks, and correlated with CEO age. Specifically, the senior CEOs often likes to have less meetings, and prefer to engage with less board training, and attend less executive meetings. Furthermore, they do not like to include an official committee such as an audit and member relations to be involved in their board structure, which recommend a senior CEOs experience with less board control and monitoring.

Speculation about senior CEOs with lower levels of board's experience of control is not recommended since they worked long time together and they are very familiar with each other. In addition, operationally board members have become satisfied. This study does not support either hypothesis. Specifically, the finding confirm that no correlation between CEO age and age of directors. Variables that study the levels of relationship among the board and management, furthermore to simple control, the findings refer to some indications that support the hypothesis and the relationship of the senior CEOs and board, which is, lowers collaborative. The finding indicate that boards of senior CEOs are lower possible to be involved in developing the strategy and less possible to contain a committee of executive in their board structure. Reductions in levels of monitoring, control, and collaboration looks like to support the hypothesis that organizations with senior CEO may be at risk.

Until now, among senior CEOs, there are some reasonable explanations about an incidence of more boards tolerant. (1) To fulfill the responsibility of board members, senior CEOs may accept more from stewardship model, nor an agency model. Which means, boards with senior CEOs may notice that the CEO has acquired superior organization with specific knowledge over the length of his/r experience. Therefore, the board chooses to take advantage of this knowledge for the benefit of the principals. A stewardship model to board may illuminate why boards of senior CEOs are less likely to take in external directors, occupy in fewer board meetings, and conduct fewer executive meetings. (2) Cannot simply ignore the effect of stricter government guidelines about board configuration and processes. Younger CEOs in this study may be more appropriate to be effected by the evolving norms embodied in this legislation. If young CEOs also have some effect over their boards, this may describe why boards of young CEOs are more likely to include external directors, employ an audit committee, engage in training, meet at least once a month, and have frequent executive meetings.

Table 3:- Correlation between board Constructs and CEO experience

Construct	Variable	Correlation	CEO Experience <15years
Configuration	**Financial Experts**	Director	Experience
		Director	Age
		Board	Size
Committees	External Consultant is likely 2.50		Minor, p<0.10
	Audit committee is likely 1.38		Minor, p<0.10
	Executive committee is likely 1.91		Significant, p<0.05
	Relations committee is likely 1.93		Significant, p<0.05
Procedure	Full board training is likely 1.44		Minor, p<0.10
	Monthly board meeting is likely 2.29		Significant, p<0.001
	Board involved in strategy development is likely 1.52		Significant, p<0.05
	Frequent executive meeting 1.80		Significant, p<0.05

This research progresses the vital issue of CEO against principal control in patron owned organization. Based on the economies measure, markets opportunity, and organizational complexities, the board is loaded on representative agents that predicted to move to the CEO and senior staff, because of the accumulated experience, data, and knowledge. **This study does not directly address this question but** enlightens **related concerns of CEO age and the degree of control exercised by the** board to highlights the need for more studies. The best place to start is the board council literature. However, board council created over a unique cluster of conditions, formal environment and directed using strong cluster of organizational ideologies that commands on a unique approach to improve the **mechanisms of** control.

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