Behavioral finance in corporate governance: economics and ethics of the devil's advocate

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chairs, and committees excluding CEOs might induce greater rationality and more considered ethics in corporate governance. Empirical evidence of this is scant—perhaps reflecting problems identifying genuinely independent directors.

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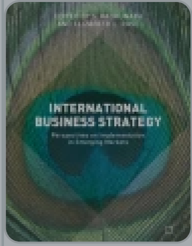

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Notes

1. See e.g. Laski (1919).

clients (see Cialdini (1998)).

7. Shiller (1995) speculates, based on the anthropology literature, that compliance and herding echo social conventions of polite conversation that enhance group survival odds. Brown and Levinson (1987) argue that such aspects of conversational politeness are standard across cultures, and that real tolerance of dissent requires effort and challenges human nature.

8. Though see Leuz (2007).

9. See e.g. Hermalin and Weisbach (2003) for a recent survey.

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