

Abstract of Doctoral Dissertation

Corporate Board and Governance: A Comparative Study of USA and India¹

SHWETA MEHROTRA*

I. Introduction

CORPORATE GOVERNANCE HAS been perceived as indispensable in the contemporary business setup as it empowers corporations to realize their corporate objectives, protect shareholder rights, meet legal requirements and demonstrate to a wider public how they are conducting their business. As corporations grow in size and complexity and doing business in the global arena, it has become essential for boards to uphold the highest standards of corporate governance and to perform its role effectively. It is the responsibility of board of directors to monitor and control the managers on behalf of shareholders which is the primary role of board of directors (Jensen and Meckling, 1976; Fama and Jensen, 1983) so that managers can operate the corporation in an effective and ethical manner to produce long-term value for shareholders. Ideally, the board guides long-term corporate strategy, puts the key agents in place to implement it, and monitors performance against the strategy set out. Prior studies recognise that board attributes such as board size (Raheja, 2005; Ramadan El-Faitouri, 2014), board independence (Hermalin and Weisbach, 1988; Sarkar, J. & Sarkar, S., 2009), board diversity in terms of gender (Adams and Ferreira, 2009; Sikand et al., 2013), board leadership structure (Rachner and Dalton, 1991; Jackling, & Johl, 2009), etc. makes a board efficient and effective towards performing its duties and responsibilities. Those studies have revealed the fact that different continents react differently in terms of the corporate governance practices (Farrar, 2001; and Bonn, 2004). Hence, based on the above discussion, this study contributes to the existing body of knowledge

¹ The Thesis was submitted to Banaras Hindu University, Uttar Pradesh, in 2014, for the award of Ph.D Degree, awarded, in 2014, under the supervision of Prof. Twinkle Prusty, Associate Professor, Banaras Hindu University, Faculty of Commerce, Varanasi 221005, INDIA

* Assistant Professor, Manipal University, School of Business and Commerce, Dehmi Kalan, Near GVK Toll Plaza, Jaipur-Ajmer Expressway, Jaipur, Rajasthan 303007, INDIA