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Abstract of Doctoral Dissertation

Firm Performance and Top Executive Turnover : An Empirical Analysis of NSE Listed Companies in India[1]

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I. Introduction

ONE OF THE key features of an effective corporate governance (CG) mechanism in any country is the existence of several provisions for holding accountability and penalizing for poor performance. The provision for executing top executive turnover is one way of penalizing poorly performing top executives. Several factors like the legal origin of the nation, regulatory framework and enforcement, objectivity of the board of directors are important factors in executing top executive turnover decisions. With many high profile corporate scandals impacting the corporate landscape in the last couple of decades around the world[1] including India[2], there has been a rising call by investors/stakeholders for tighter regulations and enhanced scrutiny of top executives by the board of directors. Several corporate governance committees[3] were constituted in different countries to address the concerns of stakeholders and restore investor confidence. These committees worked towards empowering the control mechanisms such as introduction of more independent directors for enhanced objectivity, constitution of different committees for matters of vital importance. Overall, the board is given more say in overseeing the affairs of a company. The board also appoints top executives with the expectation that they would undertake decisions which would maximize shareholder's wealth and would be beneficial to the financial health of the company at the same time. However, if they fall short of expectation and financial performance under their leadership is poor, then the board might execute the decision of removing the top executives. It is one of the many provisions to infuse faith

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