

## Book Manuscript Initial Submission Request to Seagull Publications

Title

**Models of Corporate Governance and Economic Value Added Linkages: A Dynamic Intervention**

Subtitle

Keywords (Separated by semicolon)

Corporate Governance; Economic Value Added; Governance Mechanisms; Value Creation

Area of Work (Ex- Business: Finance)

Finance: Corporate Governance

Program Level (Input Level if you are publishing this book for Higher Education)

Higher Education; Business Practices

Author/Editor Information

Ph.D. & D.Litt. in Corporate Governance; Teaching in Faculty of Commerce, BHU, since last 17 yrs; specialization in Finance; published more than 50 research papers ; presented more than 40 research papers nationally and internationally ; two major research projects held and completed ; chaired in several administrative committees; member of cultural exchange program to China

Primary Audience (Ex- University Teacher, Student)

Professors, Students, Practitioners

Secondary Audience (Ex- Business owner, Parents, Corporates)

### Stakeholders of Business and Education

Background and Purpose (Provide a brief description of this book, similar to what you would find on the back cover of the published book)

Lack of adequate governance of Indian corporates has been cited in the popular press, academic debates, and some committee reports as one of the primary reasons for underperformance of companies and the growing apathy of the investors in corporate financing. Over the decade it has been observed that such kind of scandals have the common feature of misbehavior, wrongdoings in their financial appraisals and misleading array of projected liabilities and contingencies that occurred as governance failures not only in a few companies rather, they were often industry-wide, nation-wide or even world-wide. Such a fact have alerted the governance authorities and the policy makers to make a substantive breakthrough by way of making reforms in the policies of the corporate governance system and analyzing through appropriate interpretation of linkages with the corporate performance metrics that ought not see another huge wave of financial and economic crisis across the globe.

In the changed scenario, as the essence of corporate governance lies in the valuation reporting, the enthused investors are no longer satisfied with bland accounting figures but need to know how much value has been created by the company in terms of true economic profit i.e. through the path of revolutionary EVA (Economic Value Added). Although the traditional measures of performance are still in vogue, it has led to value destroying actions with the false notion of creating shareholders' wealth without considering the concept of cost of capital. In the era of globalization, to achieve the best corporate performance, the corporates in their commitment to all stakeholders and shareholders' relationship, has focused on EVA, a superior performance measure for corporate reporting and internal governance. Thereupon this focuses on the cohesive management values in harmony with the corporates and engrossed by the quantum of economic value generated by them in excess of its cost of capital which is to be realized by the companies as an integral part of fully understanding the performance of their business. The significance has arisen from the superfluous reliance on the structural based form of implementations of traditional corporate governance via formal and complex rules, regulations, guidelines, and procedures provide no protection from appalling financial frauds and management failures within organizations.

Since the governance discourse advocates for a paradigm shift from conformance to performance, the study shall suggest whether the system of corporate governance warrant improving corporate performance by way of adopting EVA reporting that is important for investment decision making and internal governance. It, therefore, necessitates establishing whether the mechanisms of corporate governance viz., equitable treatment of shareholders, transparency and disclosure influences the economic value added for consistent internal governance and value creating of companies. Using econometrics and structural equation modelling, the primary contribution in regard to the occurrence of endogenous relationship between corporate governance and performance in terms of six corporate governance mechanisms and various identified controlled variables, is analyzed for any impending outcome of the sample listed Indian corporates

Benefits to Audience (List key features in your book that will be most valuable to the reader)

Taking a process view of corporate governance, this study has dissected the efficacy of the internal system of corporate governance with the value-based performance metric that is consequential for the creation of shareholder value maximization, set as the objective of the research. The adoption of the outcome from the assessment of the main contribution of this study shall form the goal of the Indian corporates endorsing valuable corporate governance in three ways. First, it provides the necessary pre-commitment between shareholders and managers for the creation of value congruence as the goal of the company. Second, it necessitates a greater flow of disclosure of relevant information and the disaggregation of financial cost information. The reflections from the study give a clear identification of the goal of the corporates for value creating activities which are important to eliminate destructive utilisation of assets and resourceful execution of contracts between shareholders and managers. Substantive flows of transparency in the information are needed to bridge the gaps in the incomplete transactions. The results of the study shall incite the regulatory and professional bodies and Indian corporates to make considerable progress in raising awareness of the values of good corporate governance practice by way of establishing a positive and significant relationship between corporate governance and economic value added, a superior performance metric of reporting for the shareholder's value creation. In times of financial uncertainty and economic downturn, it becomes crucial for management to shed their corporate cynicism and box-ticking approach to uphold internal governance and measure EVA. Thus, corporate governance should be positioned as a cost effective liberation of economic value added towards collective business goals. Notwithstanding tough financial times, companies with a solid governance framework that take into account sustainability, diversity and ethical practices in terms of value based management system like EVA, shall empower themselves in building their long term competitive advantage. Given the economic dynamism resulting from a culture of value based management system, companies must encourage appropriateness of corporate governance mechanisms facilitating worthwhile investment schemes by mentoring these in productive practices. A more positive and collaborative approach to corporate governance is required to be followed by the decision-makers, focussing on the efficient use of resources, principled by economic value added approach, would positively go some way to provide the increased investor confidence, value and sustainable deliverance of the long run stakeholder value. Reckless decisions and aggressively chasing profit at the expense of the disparaging financing costs or other activities can easily cause shareholder value to decline. Hence the study suggested for mending and amending the individual attributes of the governance mechanisms including shareholder activism in the quest for bringing in buoyancy in the disparaged system of corporate governance. Finally, this substantiates towards the adoption of corporate governance in substance rather than just form that will propel the users of the financial statements avoid unreliable accounting figures thereupon unlock the economic benefits to catapult business to the next generation of growth. This necessitates a more positive attitude of accomplishing the principles of corporate governance towards creating corporate citizenship in the economic framework which as a consequence outwit the competition in the innovatory globalised economy.

Publishing Timeline (When do you expect to get the book published?)

Within a month

Number of Illustrations

10 Models

Language

English

**Reviewers** (Enter at least three reviewers name who wish to review your manuscript)

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