

BOARD OF DIRECTORS
AS A COMPANY'S VALUE GROWTH DRIVER.
PART 1

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Abstract

This article is the first episode of our study that concentrates on the Board of directors. The main goal of the study is to show perspectives of Russian companies' value growth that can be achieved by employing theoretical and empirical issues that have been already gathered by companies in developed countries. We suppose that these issues can significantly improve quality of corporate governance and, therefore, open a prospect of the growth of value and capitalization of Russian companies. In the article we have outlined three key methods of the Board of directors' quality assessment: employment of the external assessment, building up standard ratings and indices, and calculation of the residual growth after excluding fundamental factors of the company's growth. We also specify main directions in foreign literature on the analysis of the Board of directors. Board of directors are analyzed by their structure, size, gender diversification, directors' tenure, overboarding, frequency of board meetings, participation of directors in meetings, annual performance evaluation, the role of the chairman, the size and the structure of leading committees, the Board of directors policy and directors remuneration. Then we go into details describing each direction: its substance, methods, typical problems and positive issues. We plan to go on analyzing directions in the second part of his study.

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Key words: corporate governance, stockholders, Board of directors.

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