

ON INFLUENCE OF CORPORATE GOVERNANCE QUALITY ON RUSSIAN COMPANIES' EFFICIENCY

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Abstract

In our article we set a goal to systemize researches on the role of corporate governance quality in improvement of efficiency and market value of Russian companies. So, the article generalizes study models and examines arisen controversies and discussions. The main problem is the lack of generally accepted corporate governance indicators. That is why researchers have to develop their own indices because ratings constructed by credit-rating agencies and investment companies are rather costly and, hence, are unavailable for the majority of companies. We consider that corporate governance serves to lower risks and raise efficiency of a company, but implementation of best practices makes sense only if a company plans to break into an international market with the purpose of attracting foreign strategic or portfolio investors. Moreover, conducted empirical analysis shows that the absence of generally accepted ratings witnesses that companies should be guided by the interests of a target investor base because not all the parameters of corporate governance influence funding decisions.

JEL: G32, G34

Key words: corporate governance, firm value, efficiency.

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