

## REFEREE'S REVIEW

<b>Program:</b>	MIB
<b>Student:</b>	Rudenko Kirill
<b>Title of thesis:</b>	The influence of the Board of directors' structure on company effectiveness: the international comparative analysis

<b>Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis.</b> Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.		4		
<b>Structure and logic of the text flow.</b> Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.		4		
<b>Quality of analytical approach and quality of offered solution to the research objectives.</b> Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.			3	
<b>Quality of data collection and description.</b> Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.			3	
<b>Scientific aspect of the thesis.</b> Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.			3	
<b>Practical/applied nature of research.</b> Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.			3	
<b>Quality of thesis layout.</b> Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.		4		

Each item above is evaluated on the following scale, as applicable: 5 = excellent, 4 = good, 3 = satisfactory, 2 = poor .

### Additional comments:

Board of directors is a key corporate governance mechanism, and its structure, composition, activities and other characteristics affect the quality of corporate governance and eventually the company's performance. It is well studied area, the relevance of the topic is proved by the author. This thesis investigates the relationship between the board structure and financial performance. It was supposed, that comparative analysis of those relationships for companies from countries with different corporate governance models could bring new results, interesting from both theoretical and practical point of view.

The goal of the research is stated clearly. Objectives are consistent with the goal. The structure is logical in general.

The literature review (section 1.4) presented covers major issues in the area and could be judged as of a good quality. Hypotheses are stated clearly and substantiated.

Data selection criteria is logical with regard to companies with a particular board size (because of the specifics of Russian corporate legislation).

Methodology of regression analysis is adequate for this type of studies.

*Critical comments:*

Section 1.1 is named “Board of Directors: role, membership, structure”, but a significant part is devoted to corporate governance in general, that is excessive. Corporate governance mechanisms (internal and external), indicated on the p. 11, are confused, it would be reasonable to refer to international publications, rather than one Russian paper pointed out with this respect.

The structure of the chapter 1 is not logical enough: section 1.1 is devoted to the board of directors, its role and characteristics of composition, section 1.2 covers specifics of corporate governance models, in the section 1.3 the author returns to board of directors with regard to its functions.

The coverage of CG models is not complete. Apart from the models, which are not a subject of this research, the author should had covered at least the European continental model, France (one of countries studied in the thesis) belongs to.

There is a lack of references, especially recent ones, with respect to Russian CG system.

References are not always provided. For example, in the section 1.1 the author refers to International Finance Corporation a lot (pp.14-15), but there are no references to any publications. At the same time there are borrowings without any references (e.g. criteria of independent directors, p. 16-17) without indication any sources of information.

The layout is not of a very good quality. For example, models (p. 43) should be written in Microsoft equation (Math type). Description of variables would be better if presented in tables.

The data for only 1 year (2009) is used. It would be more appropriate if the data for several years was used. This type of research should include panel data analysis.

The layout of estimation results for companies from different countries is presented in different ways, unequal in volume and structure.

Section 3.1, p. 48: “France refers to German-Japanese system” – this is not correct.

Section 3.3 (p. 52) is named “Board size and composition: empirical evidence from Germany”, but the case in consideration is Malaysian firms (according to the table 9).

In general, part 3 is called “International comparative analysis”, but the thorough analysis is not provided.

Theoretical contribution and managerial implications and not properly provided. There are poor conclusions on comparative analysis, although it is declared in the title of the thesis.

Master thesis of Rudenko Kirill meets the requirements of MIB program, and deserves a “satisfactory” grade, thus the author can be given the desired degree.

Date

20/06/2011

Referee:

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