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巴黎九大高级工商管理博士学位项目

Research on the Relationship between Corporate Governance and Enterprise Growth of China's Innovative Startup Enterprises

(Thesis submitted for the degree of Executive Doctorate in Business Administration)

Cohort: 2018

Candidate: LI Ting

Supervisors: HE Dexu

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ABSTRACT

Enterprise growth is the major driver of national economic development. In building the modern enterprise system, corporate governance plays a critical role and ensures stable corporate development. Corporate governance closely intertwines with enterprise growth. Their relationship acts as a dynamic interaction, where a company keeps evolving from one state into another by constant changing, mainly in its scale and capability to grow. For listed innovative startup enterprises, the relationship between corporate governance and enterprise growth merits further research.

Considering the characteristics of innovative startup enterprises, their corporate governance is built upon a set of critical elements, including ownership structure, board of directors, management, internal governance, mergers and restructuring, and information disclosure. Their growth is mainly interpreted by the changes in the innovation indicators like capital expansion, income increase, growing profit, numbers of patents, etc. To study the relationship between corporate governance and enterprise growth in listed innovative startup enterprises, we need to answer two questions. First, how to quantify corporate governance with index formulated by indexation. Second, whether the optimization of corporate governance can improve corporate performance in listed innovative startup enterprises.

By comparing different cases in their control right governance, board governance, supervisory board governance, management governance, and governance of information disclosure, we noticed that: first, control right governance positively impacts enterprise growth; second, board governance positively impacts enterprise growth; third, supervisory board governance positively impacts enterprise growth; fourth, enterprise growth of GEM-listed companies benefits from a larger scale of management, higher shareholding proportions of executives, and reasonable managers' assignments; fifth, governance of information disclosure positively impacts enterprise growth.

In the empirical analysis, 458 research samples were selected from the GEM companies going public from 2015 to 2019. Principal components analysis was used to build indexes for evaluating the governance performance of those GEM-listed companies, from the perspective of ownership structure, board of directors, supervisory board, management, and information disclosure (covering 14 specific indexes). In other words, each company in this research was

evaluated by corporate governance indexes spanning five years. Corporate governance serves as an explanatory variable, while return on equity (ROE) and net ROE as explained variables. With the industry and capital structure under control, a panel data regression model of fixed effects was used to verify the impact of corporate governance on enterprise growth in those GEM-listed companies. The result shows that full-fledged corporate governance positively boosts enterprise growth.

Key words: corporate governance, enterprise growth, GEM-listed companies, corporate governance index, corporate performance

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