

# ***Chapter 4***

## ***Empirical Analysis***

## 4. EMPIRICAL ANALYSIS

### 4.1. SIMPLE REGRESSION

#### 4.1.1. Optimum Composition of Board of Directors (CG1)

$D_{2it} = 1$ , if there is an optimum composition and  $= 0$ , if otherwise.

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	24.937	17.316		1.44	0.153
	VAR00002	18.395	17.86	0.103	1.03	0.306

a Dependent Variable: VAR00001

Substituting the values in Eq(1),

$$Y_{it} = 24.937 + 18.395 D_{2it}$$

$$SE (17.860)$$

$$t (1.030)$$

$$sig (0.306)$$

Mean performance with the presence of CG1

$$E(Y_{it}|D_{2it}=1) = 24.937 + 18.395$$

$$= 43.332$$

Mean performance with the absence of CG1

$$E(Y_{it}|D_{2it}=0) = 24.937$$

The hypothesis that 'the optimum representation of board will lead to better performance' is rejected. The value of  $\alpha_2$  is +ve. It implies that mean performance with the optimum board composition is higher than the mean performance with its absence. However, the value of  $\alpha_2$  is not statistically significant, therefore, it may be concluded at 5% level of significance, that the difference between the mean performance due to absence/ presence of optimum representation is not statistically significant.

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#### 4.1.2. Presence of an Audit Committee (CG2)

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	68.915	30.031		2.295	.024
	VAR00002	-27.232	30.336	-.090	-.898	.372

a Dependent Variable: VAR00001

$$Y_{it} = 68.915 + (-27.232)D_{3it}$$

$$SE (30.336)$$

$$t (-0.898)$$

$$sig (0.372)$$

Mean performance with the presence of CG2

$$E(Y_{it}|D_{3it}=1) = 68.915 + (-27.232) \\ = 41.683$$

Mean performance with the absence of CG2

$$E(Y_{it}|D_{3it}=0) = 68.915$$

The hypothesis that 'the presence of an audit committee will lead to better performance' is rejected. The value of  $\alpha_2$  is -ve. It implies that mean performance with the absence of audit committee is higher than the mean performance with presence of audit committee. However, the value of  $\alpha_2$  is not statistically significant, therefore, it may be concluded at 5% level of significance, that the difference between the mean performance due to absence/ presence of audit committee is not statistically significant.

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### 4.1.3. Composition of Audit Committee (CG3)

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	38.098	4.249		8.967	.000
	VAR00002	45.885	14.162	.311	3.240	.002

a Dependent Variable: VAR00001

$$Y_{it} = 38.098 + 45.885 D_{4it}$$

SE (14.162)

t (3.240)

sig (0.002)

Mean performance with the presence of CG3

$$E(Y_{it}|D_{4it}=1) = 38.098 + 45.885$$

$$= 83.983$$

Mean performance with the absence of CG3

$$E(Y_{it}|D_{4it}=0) = 38.098$$

The hypothesis that ‘the presence of a key executive director in audit committee will lead to lower performance’ is accepted. The value of  $\alpha_2$  is +ve. It implies that mean performance with the presence of key executive director is higher than the mean performance with its absence. Moreover, the value of  $\alpha_2$  is statistically significant, therefore, it may be concluded at 5% level of significance, that the difference between the mean performance due to absence/ presence of optimum representation is statistically significant.

#### 4.1.4. Presence of Remuneration Committee (CG4)

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	48.373	7.623		6.346	.000
	VAR00002	-8.906	9.177	-.098	-.970	.334

a Dependent Variable: VAR00001

$$Y_{it} = 48.373 + (-8.906) D_{5it}$$

SE (9.177)

t (-0.907)

sig (0.334)

Mean performance with the presence of CG4

$$E(Y_{it}|D_{5it}=1) = 48.373 + (-8.906)$$

$$= 39.467$$

Mean performance with the absence of CG4

$$E(Y_{it}|D_{5it}=0) = 48.373$$

The hypothesis that 'the presence of a remuneration committee will lead to better performance' is rejected. The value of  $\alpha_2$  is -ve. It implies that mean performance with absence of a remuneration committee is higher than the mean performance with its presence. However, the value of  $\alpha_2$  is not statistically significant, therefore, it may be concluded at 5% level of significance, that the difference between the mean performance due to absence/ presence of remuneration committee is not statistically significant.

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#### 4.1.5. Directors Remuneration (CG5)

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	41.666	6.357		6.555	.000
	VAR00002	1.023	8.571	.012	.119	.905

a Dependent Variable: VAR00001

$$Y_{it} = 41.666 + 1.023 D_{6it}$$

SE (8.571)

t (0.119)

sig (0.905)

Mean performance with the presence of CG5

$$E(Y_{it}|D_{6it}=1) = 41.666 + 1.023$$

$$= 42.689$$

Mean performance with the absence of CG5

$$E(Y_{it}|D_{6it}=0) = 41.666$$

The hypothesis that 'the inclusion of directors' remuneration in annual report will lead to better performance' is rejected. The value of  $\alpha_2$  is +ve. It implies that mean performance with the inclusion of directors' remuneration in annual report is higher than the mean performance with its absence. However, the value of  $\alpha_2$  is not statistically significant, therefore, it may be concluded at 5% level of significance, that the difference between the mean performance due to inclusion/exclusion of directors' remuneration is not statistically significant.

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#### 4.1.6. CEO /CFO Certification (CG6)

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	52.230	7.207		7.247	.000
	VAR00002	-15.155	8.871	-.170	-1.708	.091

a Dependent Variable: VAR00001

$$Y_{it} = 52.230 + (-15.155)D_{7it}$$

$$\text{SE (8.871)}$$

$$t \text{ (-1.708)}$$

$$\text{sig (0.091)}$$

Mean performance with the presence of CG6

$$\begin{aligned} E(Y_{it}|D_{7it}=1) &= 52.230 + (-15.155) \\ &= 37.075 \end{aligned}$$

Mean performance with the absence of CG6

$$E(Y_{it}|D_{7it}=0) = 52.230$$

The hypothesis that ‘the certification of annual report by CEO/CFO will lead to better performance’ is rejected. The value of  $\alpha_2$  is -ve. It implies that mean performance with the non-certification of annual report is higher than the mean performance with its certification. However, the value of  $\alpha_2$  is not statistically significant, therefore, it may be concluded at 5% level of significance, that the difference between the mean performance due to certification/ non-certification is not statistically significant.

#### 4.1.7. Compliance Report (CG7)

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29.221	9.422		3.101	.003
	VAR00002	16.259	10.534	.154	1.544	.126

a Dependent Variable: VAR00001

$$Y_{it} = 29.221 + 16.259 D_{8it}$$

$$SE (10.534)$$

$$t \ 1.544)$$

$$sig (0.126)$$

Mean performance with the presence of CG7

$$E (Y_{it}|D_{8it}=1) = 29.221 + 16.259$$

$$= 45.480$$

Mean performance with the absence of CG7

$$E (Y_{it}|D_{8it}=0) = 29.221$$

The hypothesis that ‘the presence of compliance annual report will lead to better performance’ is rejected. The value of  $\alpha_2$  is +ve. It implies that mean performance with the inclusion of compliance report in annual report is higher than the mean performance with its absence. However, the value of  $\alpha_2$  is not statistically significant, therefore, it may be concluded at 5% level of significance, that the difference between the mean performance due to presence/ absence is not statistically significant.



4.2. MULTIPLE REFRESSION ANALYSIS to assess the comparative influence of corporate governance norms on firm performance.

**Coefficients(a)**

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	67.533	35.496		1.903	.060
	VAR00002	11.086	17.311	.062	.640	.524
	VAR00003	-41.638	29.148	-.138	-1.428	.157
	VAR00004	44.625	14.234	.303	3.135	.002
	VAR00005	-5.488	10.000	-.060	-.549	.584
	VAR00006	5.272	8.844	.062	.596	.553
	VAR00007	-13.737	9.029	-.154	-1.522	.132
	VAR00008	13.771	10.177	.130	1.353	.179

a Dependent Variable: VAR00001

Substituting the values in the model (No.2), we get the following equation:

$$Y_{it} = 67.531 + 11.085D_{2it} - 41.633D_{3it} + 44.62D_{4it} - 5.488D_{5it} + 5.271 D_{6it} - 13.738D_{7it} + 13.769D_{8it}$$

SE	-17.311	-29.147	-14.233	-10	-8.844	-9.028	-10.176
T	-0.64	-1.428	-3.135	-0.548	-0.596	-1.521	-1.353
Sig	-0.523	-0.156	-0.002	-0.584	-0.552	-0.131	-0.179

The result depicts that the value of  $\alpha_4$  is significant at 5% level of significance. This means that only  $D_{4it}$  ie.CG3 (Representation of a Key Executive Director in the Audit Committee) has a major impact on the performance of the companies and is a key determinant in the affecting the performance of an organization. However, the managerial significance with positive/ negative signs and magnitudes of  $\alpha$ 's are also important with reference to the ranking of the performances. The statistical significance will however limit the combinations of the rankings upto certain groups.

**4.3. RANKING** to assess the best combination of corporate governance norms for best performance

To know the impact of various corporate governance norms, regression with additive nature of dummy variables has been applied. On the basis of above-mentioned model (No.2), the various combinations of different corporate governance norms may be framed and certain conclusion may be drawn regarding the mean performance of companies adopting different combinations. The more the mean performance, the more effective the combination may be rated. Accordingly, a complete set of mean performance of seven corporate governance norms has been estimated & a total number of 128 combinations are computed.

Equations for the above combinations can be written as follows:

**1. Mean performance with the presence of CG1, CG2, CG3, CG4, CG5, CG6 and CG7**

$$\begin{aligned} E(Y_{it} | D_{2it}=1, D_{3it}=1, D_{4it}=1, D_{5it}=1, D_{6it}=1, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_2 + \alpha_3 + \alpha_4 + \alpha_5 + \alpha_6 + \alpha_7 + \alpha_8 \\ = 81.423 \end{aligned}$$

**2. Mean performance with the presence of CG2, CG3, CG4, CG5, CG6 and CG7 and absence of CG1**

$$\begin{aligned} E(Y_{it} | D_{2it}=0, D_{3it}=1, D_{4it}=1, D_{5it}=1, D_{6it}=1, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_3 + \alpha_4 + \alpha_5 + \alpha_6 + \alpha_7 + \alpha_8 \\ = 70.338 \end{aligned}$$

3. **Mean performance with the presence of CG1, CG3, CG4, CG5, CG6 and CG7 and absence of CG2**

$$\begin{aligned} E(Y_{it}|D_{2it}=1, D_{3it}=0, D_{4it}=1, D_{5it}=1, D_{6it}=1, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_2 + \alpha_4 + \alpha_5 + \alpha_6 + \alpha_7 + \alpha_8 \\ = 123.056 \end{aligned}$$

4. **Mean performance with the presence of CG1, CG2, CG4, CG5, CG6 and CG7 and absence of CG3**

$$\begin{aligned} E(Y_{it}|D_{2it}=1, D_{3it}=1, D_{4it}=0, D_{5it}=1, D_{6it}=1, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_2 + \alpha_3 + \alpha_5 + \alpha_6 + \alpha_7 + \alpha_8 \\ = 36.797 \end{aligned}$$

5. **Mean performance with the presence of CG1, CG2, CG3, CG5, CG6 and CG7 and absence of CG4**

$$\begin{aligned} E(Y_{it}|D_{2it}=1, D_{3it}=1, D_{4it}=1, D_{5it}=0, D_{6it}=1, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_2 + \alpha_3 + \alpha_4 + \alpha_6 + \alpha_7 + \alpha_8 \\ = 86.911 \end{aligned}$$

6. **Mean performance with the presence of CG1, CG2, CG3, CG4, CG6 and CG7 and absence of CG5**

$$\begin{aligned} E(Y_{it}|D_{2it}=1, D_{3it}=1, D_{4it}=1, D_{5it}=1, D_{6it}=0, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_2 + \alpha_3 + \alpha_4 + \alpha_5 + \alpha_7 + \alpha_8 \\ = 76.152 \end{aligned}$$

7. **Mean performance with the presence of CG1, CG2, CG3, CG4, CG5 and CG7 and absence of CG6**

$$\begin{aligned} E(Y_{it}|D_{2it}=1, D_{3it}=1, D_{4it}=1, D_{5it}=1, D_{6it}=1, D_{7it}=0, D_{8it}=1) \\ = \alpha_1 + \alpha_2 + \alpha_3 + \alpha_4 + \alpha_5 + \alpha_6 + \alpha_8 \\ = 95.161 \end{aligned}$$

**8. Mean performance with the presence of CG1, CG2, CG3, CG4, CG5 and CG6 and absence of CG7**

$$\begin{aligned} E(Y_{it}|D_{2it}=1, D_{3it}=1, D_{4it}=1, D_{5it}=1, D_{6it}=1, D_{7it}=1, D_{8it}=0) \\ = \alpha_1 + \alpha_2 + \alpha_3 + \alpha_4 + \alpha_5 + \alpha_6 + \alpha_7 \\ = 67.654 \end{aligned}$$

**9. Mean performance with the presence of CG3, CG4, CG5, CG6 and CG7 and absence of CG1, CG2**

$$\begin{aligned} E(Y_{it}|D_{2it}=0, D_{3it}=0, D_{4it}=1, D_{5it}=1, D_{6it}=1, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_4 + \alpha_5 + \alpha_6 + \alpha_7 + \alpha_8 \\ = 111.971 \end{aligned}$$

**10. Mean performance with the presence of CG2, CG4, CG5, CG6 and CG7 and absence of CG1 and CG3**

$$\begin{aligned} E(Y_{it}|D_{2it}=0, D_{3it}=1, D_{4it}=0, D_{5it}=1, D_{6it}=1, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_3 + \alpha_5 + \alpha_6 + \alpha_7 + \alpha_8 \\ = 25.712 \end{aligned}$$

**11. Mean performance with the presence of CG2, CG3, CG5, CG6 and CG7 and absence of CG1 and CG4**

$$\begin{aligned} E(Y_{it}|D_{2it}=0, D_{3it}=1, D_{4it}=1, D_{5it}=0, D_{6it}=1, D_{7it}=1, D_{8it}=1) \\ = \alpha_1 + \alpha_3 + \alpha_4 + \alpha_6 + \alpha_7 + \alpha_8 \\ = 81.423 \end{aligned}$$

Further equations for various combinations can be written accordingly and organized in a tabular format with the highest mean at the top and then in descending order of mean value as follows:

Table 1

	$\alpha_1$	$\alpha_2$	$\alpha_3$	$\alpha_4$	$\alpha_5$	$\alpha_5$	$\alpha_6$	$\alpha_7$	MEAN
	67.531	11.085	-41.633	44.626	-5.488	5.271	-13.738	13.769	
		$D_{2it}$	$D_{3it}$	$D_{4it}$	$D_{5it}$	$D_{6it}$	$D_{7it}$	$D_{8it}$	
1	67.531	1	0	1	0	1	0	1	142.282
2	67.531	1	0	1	0	0	0	1	137.011
3	67.531	1	0	1	1	1	0	1	136.794
4	67.531	1	0	1	1	0	0	1	131.523
5	67.531	0	0	1	0	1	0	1	131.197
6	67.531	1	0	1	0	1	1	1	128.544
7	67.531	1	0	1	0	1	0	0	128.513
8	67.531	0	0	1	0	0	0	1	125.926
9	67.531	0	0	1	1	1	0	1	125.709
10	67.531	1	0	1	0	0	1	1	123.273
11	67.531	1	0	1	0	0	0	0	123.242
12	67.531	1	0	1	1	1	1	1	123.056
13	67.531	1	0	1	1	1	0	0	123.025
14	67.531	0	0	1	1	0	0	1	120.438
15	67.531	1	0	1	1	0	1	1	117.785
16	67.531	1	0	1	1	0	0	0	117.754
17	67.531	0	0	1	0	1	1	1	117.459
18	67.531	0	0	1	0	1	0	0	117.428
19	67.531	1	0	1	0	1	1	0	114.775
20	67.531	0	0	1	0	0	1	1	112.188
21	67.531	0	0	1	0	0	0	0	112.157
22	67.531	0	0	1	1	1	1	1	111.971
23	67.531	0	0	1	1	1	0	0	111.94
24	67.531	1	0	1	0	0	1	0	109.504

25	67.531	1	0	1	1	1	1	0	109.287
26	67.531	0	0	1	1	0	1	1	106.700
27	67.531	0	0	1	1	0	0	0	106.669
28	67.531	1	0	1	1	0	1	0	104.016
29	67.531	0	0	1	0	1	1	0	103.69
30	67.531	1	1	1	0	1	0	1	100.649
31	67.531	0	0	1	0	0	1	0	98.419
32	67.531	0	0	1	1	1	1	0	98.202
33	67.531	1	0	0	0	1	0	1	97.656
34	67.531	1	1	1	0	0	0	1	95.378
35	67.531	1	1	1	1	1	0	1	95.161
36	67.531	0	0	1	1	0	1	0	92.931
37	67.531	1	0	0	0	0	0	1	92.385
38	67.531	1	0	0	1	1	0	1	92.168
39	67.531	1	1	1	1	0	0	1	89.890
40	67.531	0	1	1	0	1	0	1	89.564
41	67.531	1	1	1	0	1	1	1	86.911
42	67.531	1	0	0	1	0	0	1	86.897
43	67.531	1	1	1	0	1	0	0	86.880
44	67.531	0	0	0	0	1	0	1	86.571
45	67.531	0	1	1	0	0	0	1	84.293
46	67.531	0	1	1	1	1	0	1	84.076
47	67.531	1	0	0	0	1	1	1	83.918
48	67.531	1	0	0	0	1	0	0	83.887
49	67.531	1	1	1	0	0	1	1	81.640
50	67.531	1	1	1	0	0	0	0	81.609
51	67.531	1	1	1	1	1	1	1	81.423
52	67.531	1	1	1	1	1	0	0	81.392

53	67.531	0	0	0	0	0	0	1	81.300
54	67.531	0	0	0	1	1	0	1	81.083
55	67.531	0	1	1	1	0	0	1	78.805
56	67.531	1	0	0	0	0	1	1	78.647
57	67.531	1	0	0	0	0	0	0	78.616
58	67.531	1	0	0	1	1	1	1	78.43
59	67.531	1	0	0	1	1	0	0	78.399
60	67.531	1	1	1	1	0	1	1	76.152
61	67.531	1	1	1	1	0	0	0	76.121
62	67.531	0	1	1	0	1	1	1	75.826
63	67.531	0	0	0	1	0	0	1	75.812
64	67.531	0	1	1	0	1	0	0	75.795
65	67.531	1	0	0	1	0	1	1	73.159
66	67.531	1	1	1	0	1	1	0	73.142
67	67.531	1	0	0	1	0	0	0	73.128
68	67.531	0	0	0	0	1	1	1	72.833
69	67.531	0	0	0	0	1	0	0	72.802
70	67.531	0	1	1	0	0	1	1	70.555
71	67.531	0	1	1	0	0	0	0	70.524
72	67.531	0	1	1	1	1	1	1	70.338
73	67.531	0	1	1	1	1	0	0	70.307
74	67.531	1	0	0	0	1	1	0	70.149
75	67.531	1	1	1	0	0	1	0	67.871
76	67.531	1	1	1	1	1	1	0	67.654
77	67.531	0	0	0	0	0	1	1	67.562
78	67.531	0	0	0	0	0	0	0	67.531
79	67.531	0	0	0	1	1	1	1	67.345
80	67.531	0	0	0	1	1	0	0	67.314

81	67.531	0	1	1	1	0	1	1	65.067
82	67.531	0	1	1	1	0	0	0	65.036
83	67.531	1	0	0	0	0	1	0	64.878
84	67.531	1	0	0	1	1	1	0	64.661
85	67.531	1	1	1	1	0	1	0	62.383
86	67.531	0	0	0	1	0	1	1	62.074
87	67.531	0	1	1	0	1	1	0	62.057
88	67.531	0	0	0	1	0	0	0	62.043
89	67.531	1	0	0	1	0	1	0	59.39
90	67.531	0	0	0	0	1	1	0	59.064
91	67.531	0	1	1	0	0	1	0	56.786
92	67.531	0	1	1	1	1	1	0	56.569
93	67.531	1	1	0	0	1	0	1	56.023
94	67.531	0	0	0	0	0	1	0	53.793
95	67.531	0	0	0	1	1	1	0	53.576
96	67.531	0	1	1	1	0	1	0	51.298
97	67.531	1	1	0	0	0	0	1	50.752
98	67.531	1	1	0	1	1	0	1	50.535
99	67.531	0	0	0	1	0	1	0	48.305
100	67.531	1	1	0	1	0	0	1	45.264
101	67.531	0	1	0	0	1	0	1	44.938
102	67.531	1	1	0	0	1	1	1	42.285
103	67.531	1	1	0	0	1	0	0	42.254
104	67.531	0	1	0	0	0	0	1	39.667
105	67.531	0	1	0	1	1	0	1	39.45
106	67.531	1	1	0	0	0	1	1	37.014
107	67.531	1	1	0	0	0	0	0	36.983
108	67.531	1	1	0	1	1	1	1	36.797



109	67.531	1	1	0	1	1	0	0	36.766
110	67.531	0	1	0	1	0	0	1	34.179
111	67.531	1	1	0	1	0	1	1	31.526
112	67.531	1	1	0	1	0	0	0	31.495
113	67.531	0	1	0	0	1	1	1	31.200
114	67.531	0	1	0	0	1	0	0	31.169
115	67.531	1	1	0	0	1	1	0	28.516
116	67.531	0	1	0	0	0	1	1	25.929
117	67.531	0	1	0	0	0	0	0	25.898
118	67.531	0	1	0	1	1	1	1	25.712
119	67.531	0	1	0	1	1	0	0	25.681
120	67.531	1	1	0	0	0	1	0	23.245
121	67.531	1	1	0	1	1	1	0	23.028
122	67.531	0	1	0	1	0	1	1	20.441
123	67.531	0	1	0	1	0	0	0	20.41
124	67.531	1	1	0	1	0	1	0	17.757
125	67.531	0	1	0	0	1	1	0	17.431
126	67.531	0	1	0	0	0	1	0	12.16
127	67.531	0	1	0	1	1	1	0	11.943
128	67.531	0	1	0	1	0	1	0	6.672

SOURCE : On the basis of Scholars Calculations using SPSS.

Analyzing the data in the above table, the top ten mean values were selected and various combinations were ranked accordingly.

$\alpha_1$	$\alpha_2$	$\alpha_3$	$\alpha_4$	$\alpha_5$	$\alpha_5$	$\alpha_6$	$\alpha_7$	MEAN	RANK
67.531	11.085	-41.633	44.626	-5.488	5.271	-13.738	13.769		
	$D_{2it}$	$D_{3it}$	$D_{4it}$	$D_{5it}$	$D_{6it}$	$D_{7it}$	$D_{8it}$	142.282	I
67.531	1	0	1	0	0	0	1	137.011	II
67.531	1	0	1	1	1	0	1	136.794	III
67.531	1	0	1	1	0	0	1	131.523	IV
67.531	0	0	1	0	1	0	1	131.197	V
67.531	1	0	1	0	1	1	1	128.544	VI
67.531	1	0	1	0	1	0	0	128.513	VII
67.531	0	0	1	0	0	0	1	125.926	VIII
67.531	0	0	1	1	1	0	1	125.709	IX
67.531	1	0	1	0	0	1	1	123.273	X

SOURCE : On the basis of Scholars Calculations using SPSS.

**Equation for Best Mean Performance with Rank I can be written as :**

$$\begin{aligned}
 E(Y_{it} | D_{2it} = 1, D_{3it} = 0, D_{4it} = 1, D_{5it} = 0, D_{6it} = 1, D_{7it} = 0, D_{8it} = 1) \\
 &= \alpha_1 + \alpha_2 + \alpha_4 + \alpha_6 + \alpha_8 \\
 &= 142.282
 \end{aligned}$$

**Equation for the mean performance with the presence of all the norms:**

$$\begin{aligned}
 E(Y_{it} | D_{2it} = 1, D_{3it} = 1, D_{4it} = 1, D_{5it} = 1, D_{6it} = 1, D_{7it} = 1, D_{8it} = 1) \\
 &= 81.423
 \end{aligned}$$

**Equation for the mean performance with the absence of all the norms:**

$$\begin{aligned}
 E(Y_{it} | D_{2it} = 0, D_{3it} = 0, D_{4it} = 0, D_{5it} = 0, D_{6it} = 0, D_{7it} = 0, D_{8it} = 0) \\
 &= 67.531
 \end{aligned}$$

Likewise, equations for all the combinations can be written and conclusions can be derived accordingly.

Observing the combinations with top ten mean values, it can be seen that out of the norms selected for the purpose of the study, the norms which carried a value of 1, indicates that they are present in the top combination and hence it may be suggested that these factors have a vital impact on the performance of organizations.

Such norms are Optimum representation of **Non-Executive Directors on Board (D<sub>2it</sub>)**; Presence of a **Key Executive Director in Audit Committee (D<sub>4it</sub>)**; Inclusion of **Directors' Remuneration** in Annual Report (**D<sub>6it</sub>**) and Inclusion of **Compliance Report** in Annual Report (**D<sub>8it</sub>**)

It may be suggested that the above-mentioned factors affect the performance of an organization to a great extent. The presence of these norms are of vital importance in shaping of organizations' productivity. Moreover, out of these norms, only the value of D<sub>4it</sub> ( i.e presence of a Key Executive Director in Audit Committee) has been found statistically significant. It depicts that only this norm has statistical as well as managerial significance while others have managerial significance in enhancing an organization's competitiveness leading to an elevated performance. Further analysis of the top ten best combinations, we derived that the norms whose presence doesn't hold much importance may be ignored while framing a set of desired combination for best performance. The norms which have least significance are the Presence of an **Audit Committee (D<sub>3it</sub> )**, Presence of a **Remuneration Committee(D<sub>5it</sub> )** and **Certification of Annual Reports by CEO/ CFO (D<sub>7it</sub> )**.

Thus, we can conclude that the combination with a presence of a Key Executive Director in Audit Committee, Inclusion of Directors' Remuneration in Annual Report, Inclusion of Compliance Report in the Annual Reports and an Optimum representation of Non-Executive Directors on board empirically suggests the best mean performance. This also suggests that the norms such as Presence of an Audit Committee & Remuneration Committee and Certification of Annual Reports by CEO/ CFO do not necessarily affect the performance of the firms.

Hence, based on our findings, certain policy implications may be suggested which may enhance the functioning of an organization leading to elevated performance, which have been elaborated in the forthcoming chapter.