

Good governance, better PSUs

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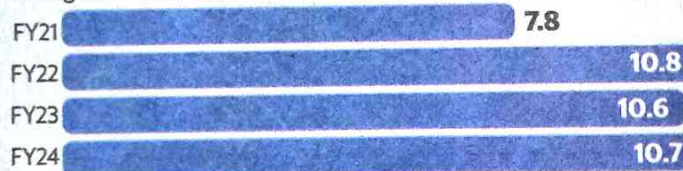
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Corporate governance plays a vital role in the effective functioning of public sector undertakings (PSUs). To maximise the board's impact, a delicate balance must be maintained. Optimal board size and a strategic mix of executive and non-executive directors are essential for operational insight. Integrating youthful perspectives into PSUs enhances relevance. Furthermore, reasonable tenure of directors is required for effective contribution, while prolonged terms can lead to staleness. Well-structured sessions are crucial for unlocking greater value, and excessive meetings pose a risk to productivity and can lead to managerial overreach. Ultimately, a dynamic, balanced and engaged board is crucial for PSUs navigating today's complex corporate landscape and setting examples of good governance practices. The fourth edition of the Excellence Enablers' survey delves into the multifaceted landscape of corporate governance among 13 *Maharatna* and 20 *Navratna* companies. Here are some of the findings.

PSUs board sizes held firm for three years

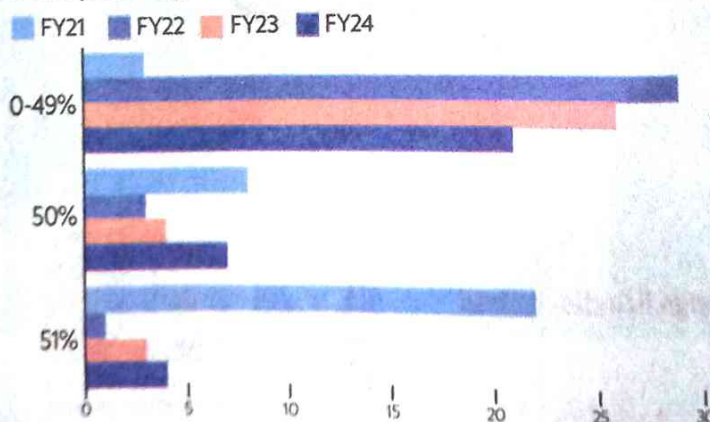
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Average size of board



Most PSUs maintain an optimal mix of executive and non-executive directors

Company count and executive director/whole-time-director board percentage



As per Department of Public Enterprises Guidelines, 2010, the number of functional directors (including chairman and managing director/managing director) should not exceed 50% of the actual strength of the Board.

Source: Excellence Enablers' survey on Corporate Governance in Maharatna and Navratna companies