Study on Corporate Governance and Financial Performance of Wanjiang Cities Zone

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Abstract: For listed companies, the corporate governance structure is characterized by complex structure, which is mainly caused by the interaction between different power agencies of listed companies. Different power institutions are making decisions about governance and making decisions about listed companies Of the implementation process, in which the game can maintain the relationship between the development of the company to maintain the relationship, then the governance structure of listed companies will inevitably show a scientific and professional structural characteristics, it can really bring financial performance for the company Improvement of substantive development such as improvement.

Keywords: Corporate Governance, Financial Performance, Wanjiang Cities

1. INTRODUCTION

The governance structure of listed companies is implemented by different power structures. To a large extent, the policy choices of the governance structure of listed companies and the implementation of the policies depend on the support and efforts of different power structures in the same development direction. The existence of a mutual restraint relationship among the various power agencies of listed companies plays an important role in promoting the healthy development of the company. However, the stratification of such a structure also leads to the stratification of interests among different power structures Which leads to the disorganization of the corporate governance structure. The impact of such a change in corporate governance structure on the financial performance of the company will eventually threaten the company's future development. Therefore, clarifying the correlation between the corporate governance structure and financial performance of listed companies has important reference value for enhancing the scientific and stable corporate governance structure. In order to promote the governance structure of listed companies to become professional and rational, Governance structure and financial performance of the relevant research conducted a study and analysis, hoping to improve the listed company's irrational governance structure play a warning role.

2 CORPORATE GOVERNANCE STRUCTURE ANALYSIS

The structure of the board of directors, the board of supervisors, the shareholders and the manager is the main governance structure of the listed companies in our country. The theoretical basis of its establishment lies in mutual gaming and supervision between different forces, which can inject inexhaustible impetus into the development of the company. For the analysis of the governance structure of listed companies, we can know the characteristics of the governance of listed companies and provide theoretical reference for the subsequent correlation analysis.

Ownership structure is the most core form of governance structure of listed companies, but also the most important structural components of the governance structure of listed companies. As the name implies, ownership structure is the division of management tasks implemented in accordance with the equity. The party that owns the equity has the right to exercise the power of decision through the voting right. The composition of the company's board of directors, the company's business model and the company's payroll standards are all within the scope of equity holders, which have played a huge role in the promulgation of these various decisions. As the supreme power structure of the listed company, the general meeting of shareholders plays a significant influence in influencing the decision-making of company size. The company's standing policy-making body is the board of directors. There is also a remuneration committee under the board of directors and a more professional committee such as the audit committee Responsible for certain types of issues in the corporate governance process. The supervisory board, as a supervisory organ of a listed company, is responsible for supervising the internal board of directors and the manager as well as the relevant financial department.

The corporate governance index is a dataized display of corporate governance calculated using scientific calculations such as statistics and operations research and mixed knowledge structures such as mixed economics, philosophy, sociology and economics and management, The level of corporate governance analysis of professional considerations, the final use of quantitative forms of expression will show it a measure of corporate governance standards. When a listed company gets the governance index of the Company, it can self-restrict its own development according to the index level and further deepen the effective management mode of the company.

Investors can refer to the governance index of the listed company to estimate the next development trend of the listed company, To guide their own next investment direction; and banks and other credit agencies can be used as a reference to determine the company credit credit reference to measure the scale of the next credit.

The Anglo-American model, the German-Japanese model and the family model are the main structural forms of the governance model of listed companies today. The Anglo-American model, which emphasizes the absoluteness of the external control forces, has fragmented equity ownership in this model in order to avoid absolute control of internal personnel. In the Anglo-American mode, the board of supervisors generally does not exist. The decision-making of various issues in the company needs to be discussed and negotiated through equity holders in the context of collective bargaining. The German-Japanese model and the Anglo-American model are the opposite of each other. They mainly reflect the relatively concentrated internal management features and set the board of supervisors and the board of supervisors even higher than the board of directors to supervise with the board of directors. In the family mode, the major shareholders of the company usually have family characteristics. Although the shareholding parties are different, due to the maintenance of their family ties, the majority of the family members holding the shares hold the group as a whole and their shareholdings become the largest Shares, it is extremely easy to produce a single dominant internal control.

3 COMPANY FINANCIAL PERFORMANCE ANALYSIS

The financial performance of a company refers to the operating profit realized by the company and the business performance achieved by the company within certain business hours. In examining the company's operating profit, the company's profitability, debt repayment ability, assets operating level and the company's development prospects are within the scope of being assessed. Therefore, for the related analysis of the financial performance of the company, it can scientifically and professionally evaluate the various aspects of the company's operation, and then provide reference test indicators for the operation feasibility of the company's financial policies so as to provide the Company with the following financial operations Strategy level guidance. Moreover, the analysis of the financial performance of listed companies is in line with the relevant state financial management policy requirements, for the implementation of national policies and promote the company's financial management model are of great significance.

The analysis of the input-output ratio of a company and the predictive analysis of its development capability are two major principles to be followed in selecting the indicators of financial performance. First, the performance indicators of the assessment must be based on the company's input-output ratio as a reference basis. For a listed company, only when the cost input can make a corresponding return on investment can the related relationship of the corporate governance structure be stabilized, the investor's investment desire can be stabilized or further strengthened, and the credit foundation of the company can be further established. Only when a company makes a profit can it realize the further development of the company. Although the profitability can not be regarded as the only measure of the development of a company, it reveals whether the corporate governance structure is in line with the company's development direction and can keep the company's development stability. The profitability of the company is sufficient to reveal the reasonableness or defect of its operating mode and governance structure. Second, we also need to predict the future development of listed companies to understand whether the company still has the momentum of continuous development, whether it can break through the bottleneck of the current development model and achieve new life. This is also the company's long-term development from the company to inspect, because the company's short-term profit does not mean that it has the ability to make long-term profits, only the company's prospects for the development and scientific development ability to predict the company's governance model Provide the most reasonable reference.

For the company's total asset return rate of the index assessment, we can clearly observe the company's capital utilization efficiency and the effectiveness of the use of funds between the understanding of the company's profitability of the durability and stability, and to a considerable extent, can reflect the company's Comprehensive management of operational capacity. By calculating the return on total assets of listed companies, we can know whether the company's inputs and outputs are between normal values, so as to understand the return on output of listed companies, clarify the current profitability of listed companies, The operation of the strategy provides a powerful reference guide. In addition, the total assets of listed companies in a certain period of time are relatively stable. Therefore, by calculating the total return on assets of the company, the profitability of the company can be further analyzed. If the company can maintain the stability of earnings over a long period of time, The management structure and operating policies of the company are quite scientific and reasonable. Otherwise, the company will face the situation of unstable earnings for a long time, which will easily affect the decision-making power of the decision-making level and ultimately affect the future development of the company. Finally, the return on total assets can also be used as a reference to judge the overall management of the company. Because the increase of the return on assets depends on the good cooperation of the business decision-making and the management structure of the company, the improvement of the total return on assets shows that the management of the company The corresponding scientific structure, for the company's sustainable development has a certain role in promoting.

Return on total assets of listed companies can be calculated by the following formula: Total Return on Assets = Total Profit of Listed Companies / Total Assets of Listed Companies * (Average Liabilities + Average Owners' Equity) * 100%

The capital adequacy ratio refers to the extent to which the bank can not afford to lose the assets of the depositors and creditors under the current overall capital level and the losses a bank can bear on its own capital. In other words, if the company's operating conditions are good, the risks borne by the banks are small and the banks' own operations are able to operate normally on their own assets without the need for loans to maintain the operation of the banks. Therefore, the more adequate the bank's capital and the higher its capital adequacy ratio, the more scientific the company's governance structure will be.

The Tobin Q value, the ratio between the company's assets and the company's assets, is an estimate of the market value of the listed companies in the stock market. The Tobin Q value is high, indicating that the listed company's high rate of return on industrial investment also shows that the listed company's stock market has high value and its value is higher than the listed company's capital replacement cost. At this time, the listed company Many will choose to buy a large number of investment products, the financial capital into industrial capital; on the contrary, Tobin's Q value becomes smaller, it means that companies want to expand the number of shares held.

The return rate of equity is used to measure the amount of the rights and interests of shareholders. The higher the rate of return on equity, the higher the return on shareholders' income. On the contrary, the lower the return on shareholders. By calculating the return on equity of listed companies, the performance indicators of listed companies such as financial strategy, management performance and company marketing can be analyzed. We generally regard the rate of return of listed companies as a positive correlation with the corporate governance index. That is to say, the higher the rate of return of a listed company is, the more scientific and rational the governance structure of the listed company. Equity rate of return is calculated as: Equity Return = Net Profit for the Reporting Period / Average Net Assets for the Reporting Period.

4 CORPORATE GOVERNANCE AND FINANCIAL PERFORMANCE ANALYSIS

, Corporate governance index and return on assets there is a positive correlation between, and as the corporate governance index gradually reached its highest value, the positive correlation between the performance of the more obvious, it can be said that listed companies more efficient use of assets , Then the company's efforts to increase assets and capital savings will become more apparent. If the corporate governance index declines, the return on corporate assets will also show a corresponding downward trend, indicating that the company's performance in the utilization of assets is not outstanding enough. In addition, if we regard 60 as a threshold of the corporate governance index, then the corporate governance index does not reach 60, the overall return on assets of the company is low and does not change significantly with the change of corporate governance index, which Also shows that the correlation between corporate governance index and return on assets need to experience a certain cumulative change, only the corporate governance index reaches or exceeds 60, the company's return on assets will have a greater positive correlation, is positively correlated The relationship is more stable.

Corporate governance index and corporate asset adequacy ratio showed a clear negative correlation between. In other words, the higher the corporate governance index of a listed company, the less the proprietary investment of a listed company in the business process will be, and the investment of its debt funds will increase. In other words, the rationalization of the corporate governance structure For the company operating the structure of the assets have a certain degree of optimization. This situation has been verified in the actual operation of most of the listed companies in our country. The outstanding governance abilities of listed companies will attract a large amount of funds as corporate debt to the company's operational assets. The financing channels of enterprises are opened up and the quality of financing Will also be significantly improved, this time, companies do not need to invest a lot of money, we can make the company a stable development, which relies on many debt capital investment. Similarly, there is a positive correlation between the corporate governance index and the return on equity of the company, which shows that the optimization of the management structure of listed companies can bring good equity return to its investors.

The structure of the board of directors plays an important role in the governance of listed companies. It consists of independent directors and non-independent directors. Independent directors are independent shareholders. Independent directors are shareholders who participate in the company but do not participate in corporate governance. They can be independent, objective, Fair supervision and management, effective management of the hierarchy, can improve the company's governance level, so the financial performance is positively related to its relationship, the corporate governance structure, you can consider increasing the independence of the board level, that is, to increase the proportion of independent directors, with a view to raising the company Financial Performance. The audit committee is the main structure of corporate governance. It is responsible for the internal auditing of listed companies. It plays an important role in improving the quality of financial reports and improving the system of internal control disclosure. The audit committee should strengthen the proportion of accounting professionals because the accounting staff is Professional auditing trainees, whose personal qualities and audit abilities far exceed those of non-accounting personnel, so increasing the proportion of accounting professionals is a way to improve the financial performance of the company. Second, the independence of the audit committee should be strengthened, that is, Increasing the proportion of independent directors can improve the financial performance of listed companies. In the governance of listed companies, debt management is a very common business model, but to ensure its level reasonable, so within the scope of financial risk, give full play to the role of financial leverage, the most cost-effective for listed companies to improve financial performance, Because it is a kind of capital operation in itself, it can minimize the difficulty of the company's capital turnover.

5 CONCLUSION

The degree of optimization of the governance structure of listed companies and the financial performance of the company are interrelated. The improvement of the corporate governance level can enhance the company's return on assets and equity, reduce the company's cost and expenditure, provide more financing channels for the company, The operation of the company's own assets in the process of investment, the company brought a steady financial income, and financial stability of the company's governance level will play an encouraging role, making the company continuously optimize the corporate governance structure, so that it continues to adapt to the development Changes in the economic environment, the company's development in an invincible position, the real achievement of the sustainable and stable development of listed companies. While meeting the development needs of the Company, it also provides an inexhaustible motive force for China's economic market and provides a guarantee for the stable development of China's economic market.

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