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SHAREHOLDER VALUE THEORY AND STAKEHOLDER VALUE THEORY IN CORPORATE GOVERNANCE: PRACTICE FROM COMPANY LAW IN THE UNITED KINGDOM, GERMANY AND RECOMMENDATIONS FOR VIETNAM

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The article provides a comparative analysis of how company law in the United Kingdom and Germany institutionalizes shareholder value theory and stakeholder value theory, thereby identifying an appropriate reform orientation for Vietnam. The study combines doctrinal legal research and comparative legal analysis, employing an analytical framework that focuses on corporate purpose, directors' duties, board structure, employee participation, disclosure obligations, and enforcement mechanisms. The findings indicate that the United Kingdom operates under the enlightened shareholder value model, whereby Section 172 of the Companies Act 2006 requires directors to consider the interests of stakeholders while ultimately maintaining a duty to promote the success of the company for the benefit of its members. In contrast, Germany more robustly institutionalizes the stakeholder model through co-determination mechanisms, a two-tier board structure, and a strong supervisory role. On this basis, the article proposes that Vietnam adopt a hybrid model that balances long-term corporate objectives with enhanced mechanisms for protecting stakeholder interests.

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1. INTRODUCTION

The debate between shareholder value theory and stakeholder value theory is widely regarded as one of the core theoretical foundations of modern company law. Shareholder value theory is grounded in agency logic, whereby the corporate structure is primarily designed to control agency costs arising from the separation of ownership and control. In contrast, stakeholder value theory conceptualizes the firm as a distinctive institutional arrangement for coordinating the investments of multiple constituencies, including employees, suppliers, customers, creditors, the community, and the broader social environment [3]. Accordingly, corporate governance cannot be confined to the maximization of shareholders' short-term financial interests, but must also account for a balanced consideration of the interests of relevant stakeholders. The debate has moved beyond the theoretical realm and has been translated into concrete legal issues, such as determining the beneficiaries of directors' duties, defining the objectives of corporate governance, and designing appropriate mechanisms for the enforcement and oversight of such duties.

In comparative legal practice, the United Kingdom and Germany represent two archetypal models of institutionalization with distinct approaches. In the United Kingdom, Section 172 of the Companies Act 2006 establishes directors' duties in accordance with the "enlightened shareholder value" (ESV) approach. Under this provision, directors are required to act in good faith to promote the success of the company for the benefit of its members as a whole, while having regard to long-term considerations, the interests of employees, relationships with business partners, the impact on the community and the environment, as well as corporate reputation and fairness among shareholders. By contrast, in Germany, a two-tier governance structure is established with a clear separation between the Management Board and the Supervisory Board. The Supervisory Board not only performs oversight and appointment functions but also participates in key corporate decisions [5]. Notably, in companies subject to co-determination, the law formally recognizes employee participation in the supervisory body, thereby directly institutionalizing the role of stakeholders within the corporate governance structure.

For Vietnam, the Law on Enterprises 2020, as amended and supplemented in 2025, continues to maintain a corporate governance model for joint-stock companies centered on traditional institutions such as the General Meeting of Shareholders, the Board of Directors, and the Supervisory Board or Audit Committee, while ensuring a relatively comprehensive protection of shareholders' rights, particularly those of ordinary shareholders. However, aspects of corporate governance that integrate stakeholder interests, including disclosure requirements, governance of public companies, and sustainable development are primarily regulated in a fragmented manner across securities law, implementing

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regulations, and soft-law instruments such as codes of best practice. This reality indicates that the current legal framework remains normatively fragmented: while shareholders' rights are relatively clearly defined in company law, the obligation to consider and balance stakeholder interests in corporate governance has not yet been designed as a central legal institution [18].

This reality highlights the need to further refine company law in a more integrated manner so as to fully reflect the multi-stakeholder nature of modern corporations. Through a comparative analysis of the United Kingdom, Germany, and Vietnam, this article examines how shareholder value theory and stakeholder value theory are institutionalized within corporate governance law. The novelty of this research lies not only in its comparison of representative corporate governance models across common law and civil law systems, but also in its effort to establish a connection between corporate governance theory and the need for corporate law reform in Vietnam. Based on the "enlightened shareholder value" model in the United Kingdom and the co-determination mechanism in Germany, the study identifies several shortcomings in the current Vietnamese Law on Enterprises regarding stakeholder interests, employee participation mechanisms, and sustainable governance responsibilities. Accordingly, the article proposes a hybrid corporate governance model that seeks to balance economic efficiency and shareholder protection while progressively institutionalizing corporate social responsibility and mechanisms for protecting stakeholder interests.

2. LITERATURE REVIEW

The classical line of research on shareholder primacy is most prominently shaped by the works of Jensen and Meckling (1976), as they developed the theory of the firm on the foundation of agency costs, as well as by Hansmann and Kraakman (2001), who argue that the ideological dominance of shareholder primacy nearly represents the "end of history" in the evolution of modern company law. The book The Economic Structure of Corporate Law by Frank H. Easterbrook and Daniel R. Fischel (1991) argues that the corporation is a "nexus of contracts," in which shareholders serve as the residual claimants bearing ultimate risk; accordingly, the maximization of shareholder value constitutes a rational standard for guiding corporate governance. The authors also conceptualize company law as a system of default rules designed to reduce transaction costs and agency costs. At the same time, they criticize multi-objective models on the grounds that such approaches weaken managerial accountability due to the absence of clear evaluative criteria. Accordingly, shareholder value theory not only provides a coherent theoretical foundation for defining the objective of the firm, but also functions as a standardizing mechanism to

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enhance governance efficiency by minimizing agency costs and ensuring clarity in monitoring managerial behavior.

By contrast, the body of literature on stakeholder theory, originating from Freeman [8] and further developed by Blair and Stout (1999), as well as in more recent studies by Dirk Schoenmaker, Willem Schramade, and Jaap W. Winter (2023), approaches the firm as a coordinated investment space in which multiple actors contribute firm-specific assets. From this perspective, treating shareholders as the sole priority is not only descriptively inaccurate but may also lead to inefficiencies, particularly in the context of modern firms that increasingly depend on knowledge, supply networks, and human capital. Accordingly, stakeholder-oriented governance is not merely an ethical imperative, but also an institutional solution for addressing issues of cooperation, innovation, and risk allocation within the firm.

For the United Kingdom, a significant strand of scholarship focuses on analyzing Section 172 of the Companies Act 2006 as a paradigmatic expression of the "enlightened shareholder value" (ESV) model. Legislative history materials and reform policy orientations indicate that the legislature deliberately opted for the ESV approach, rather than fully transitioning to a comprehensive pluralist model [6]. Conversely, post-reform scholarship, such as the works of Andrew Keay (2013), Kingsley O. Mrabure and Alfred Abhulimhen-Iyoha (2020), generally agree that Section 172 has contributed to a "softening" of shareholder primacy by imposing a duty to consider stakeholder interests, yet without fundamentally altering the priority position of shareholders within the corporate governance structure. This suggests that the ESV model in UK company law represents a conciliatory adjustment: it broadens the scope of stakeholder consideration while maintaining the foundational priority of shareholders, thereby reflecting a cautious reform trajectory rather than a full transition to a stakeholder-oriented model.

For Germany, the theoretical foundations primarily focus on analyzing specific governance institutions such as co-determination mechanisms, the two-tier board model, and the empirical implications associated with employee participation in corporate oversight. Studies by Klaus J. Hopt (2012) and Mathias Siems and David Cabrelli (2018) view the German model as an explicitly legalized system of allocation and sharing of governance power, rather than merely a set of directional duties to consider stakeholder interests. Notably, empirical evidence suggests that co-determination does not necessarily diminish firm performance; on the contrary, in certain contexts, the presence of employee representatives, particularly within audit committees, can help curb opportunistic financial reporting, reduce tax avoidance behavior, and enhance the effectiveness of oversight over earnings management. Accordingly, the defining feature of the German model lies not in the rhetorical emphasis on "stakeholder

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value," but in the institutional design that enables stakeholders to participate meaningfully and exercise substantive monitoring functions within corporate governance.

Based on the literature review, the article identifies three main research gaps. First, existing studies tend to emphasize theoretical analysis and examine individual legal systems in isolation, thereby failing to clarify the fundamental distinction between "stakeholder consideration" and "stakeholder participation" in corporate governance. Second, in the Vietnamese context, research has largely remained at the level of practical recommendations and transparency standards, without being translated into structurally grounded legislative proposals within company law. Third, although standards such as the Vietnam Corporate Governance Code 2026 [24] and OECD-based guidelines [17] have been adopted, there remains a lack of a clear academic framework to guide their internalization in terms of priority setting, scope of regulation, and appropriate legal instruments.

2.1. Shareholder Value Theory and Stakeholder Value Theory in Corporate Governance in the United Kingdom

In the United Kingdom, modern corporate governance is profoundly influenced by two central theories: shareholder value theory and stakeholder value theory. Shareholder value theory, reinforced by the agency theory of Michael C. Jensen and William H. Meckling (1976), posits that the firm exists to maximize returns for shareholders, who provide capital and bear residual risk. This perspective has been internalized into UK law, most notably through Section 172 of the Companies Act 2006, which requires directors to act in the best interests of the company while taking into account long-term factors and the interests of stakeholders such as employees, suppliers, customers, and the community. This synthesis gives rise to the "enlightened shareholder value" (ESV) model, under which shareholder wealth maximization remains the core objective, but is pursued within a framework of sustainability and ethical responsibility. By contrast, stakeholder theory, developed by R. Edward Freeman in the 1980s, argues that firms should create value for all stakeholders connected to their operations. Although it has not been fully institutionalized as an independent legal doctrine in the UK, stakeholder-oriented thinking has significantly permeated corporate practice through mechanisms such as ESG standards, non-financial reporting, and responsible governance frameworks. In practice, major UK-based corporations such as Unilever [23], BP [4], and HSBC [12] have actively integrated social and environmental considerations into their business strategies. Overall, the contemporary UK corporate governance model does not treat these two theories as mutually exclusive but rather reconciles them, protecting shareholder interests while

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promoting long-term social responsibility thereby contributing to a more sustainable and accountable economic system in the context of globalization.

The "enlightened shareholder value" model represents a significant shift in corporate governance thinking in the United Kingdom, aiming to reconcile the objective of shareholder value maximization with the demands of business ethics and sustainable development. Unlike traditional shareholder value theory, which prioritizes shareholders' financial interests as the ultimate goal, ESV recognizes that firms cannot operate effectively or sustainably if they disregard the interests of stakeholders such as employees, suppliers, customers, the community, and the environment. ESV has been codified in the UK through Section 172(1) of the Companies Act 2006, which requires directors to act in good faith in the best interests of the company, while having due regard to long-term considerations, including the likely consequences of decisions on long-term sustainability, the interests of employees, relationships with suppliers and customers, the impact on the community and the environment, corporate reputation, and fairness among shareholders. This constitutes a fundamental distinction between the UK model and traditional shareholder value theory in the United States, where corporations are generally understood to owe direct legal duties primarily to shareholders.

According to the analysis of Lucian A. Bebchuk, Kobi Kastiel, and Roberto Tallarita (2022), the ESV model does not displace shareholder primacy but rather "softens" it by encouraging managers to take into account ethical considerations and long-term interests. However, empirical evidence suggests that such managerial discretion does not necessarily result in effective stakeholder protection, as corporate leadership behavior continues to be predominantly driven by the objective of shareholder value maximization [1]. According to these authors, the effectiveness of the ESV model in practice depends significantly on enforcement mechanisms, given that the law does not require directors to ensure or optimize stakeholder interests, but merely to "have regard" to them. This approach risks rendering ESV a form of "ethical veneer," while substantive decision-making remains oriented toward shareholder value maximization. Nevertheless, the UK experience demonstrates that ESV has contributed to shaping a legal framework that guides firms toward sustainable development. This is reflected in the practice of major corporations such as Unilever, BT Group, and Marks & Spencer, which have proactively integrated ESG factors into their governance strategies. In addition, research by Ilze Zumente and Julija Bistrova [25] indicates an increasingly evident shift from shareholder value theory toward a more balanced approach that incorporates stakeholder considerations. Their findings suggest that integrating ESG factors not only enhances financial performance and reduces risk, but also strengthens non-financial dimensions such as corporate reputation, stakeholder trust, and employee engagement, factors that are particularly significant

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for long-term value creation. This practice reflects a broader trend in which firms are no longer solely focused on short-term profit maximization for shareholders, but are gradually transitioning toward a sustainable development model in which stakeholder interests are regarded as a key condition for preserving and enhancing shareholder value in the long run.

A notable and innovative feature of the enlightened shareholder value model lies in its capacity to facilitate a "dialogue" between two seemingly opposing theories in corporate governance: shareholder value theory, which emphasizes profit maximization for shareholders, and stakeholder theory, which focuses on balancing the interests of multiple constituencies connected to the firm. ESV does not eliminate the central position of shareholders, an essential pillar of the free-market model and a key driver of capital attraction, but instead seeks to expand the ethical and long-term responsibility framework of the firm by requiring directors to consider the impact of their decisions on employees, customers, the community, and the environment. The "hybrid" nature of ESV is reflected in its avoidance of extremes: it neither absolutizes shareholder primacy as in the traditional U.S. model, nor establishes a legally mandated power-sharing structure akin to the co-determination system in Germany. Rather, ESV articulates a flexible governance mechanism in which directors are expected to integrate long-term value creation and social responsibility into strategic decision-making, while still maintaining the primary objective of promoting the success of the company for the benefit of shareholders, albeit in an "enlightened," ethically grounded, and sustainability-oriented manner. In the context of contemporary global challenges, such as climate change, social inequality, declining trust in corporations, and increasing demands for transparency, the ESV model can be viewed as a pragmatic intermediate solution. On the one hand, it preserves market-based principles and sustains investor confidence in value maximization. On the other hand, it encourages firms to enhance their social responsibility by embedding environmental, social, and governance (ESG) considerations as strategic imperatives rather than merely reactive measures. In this sense, ESV facilitates a transition from short-termism to long-term orientation, and from pure profit-seeking to a model of development that harmonizes economic efficiency with social ethics.

2.2. Shareholder Value Theory and Stakeholder Value Theory in Corporate Governance in Germany

In contrast to the corporate governance model in the United Kingdom, the system of corporate governance in the Federal Republic of Germany is deeply rooted in stakeholder theory. It represents one of the most prominent and long-standing examples of the legal institutionalization of a pluralistic approach

to interests within the corporate framework, whereby employees, shareholders, the community, and other stakeholders are all afforded a voice in strategic decision-making and corporate oversight.

The most distinctive feature of the German model is the system of co-determination (Mitbestimmung), which is clearly stipulated in the German Stock Corporation Act (Aktiengesetz – AktG) and, in particular, the Co-Determination Act of 1976 (Mitbestimmungsgesetz). Under this framework, in companies with more than 2,000 employees, workers are entitled to occupy 50% of the seats on the Supervisory Board, the body responsible for appointing and overseeing the Management Board [10]. This demonstrates that employees, as key stakeholders, are not only protected by law but are also granted a structurally embedded role in corporate governance. On this basis, the German corporate model does not operate according to a strict logic of shareholder value maximization, but rather is oriented toward a long-term balance of interests, reflected in the notion of "sustainable enterprise value." Under this approach, strategic corporate decisions are not based solely on short-term financial metrics, but must also take into account their broader impact on employees, the environment, local communities, and the economy as a whole.

According to the analysis of Henry Hansmann and Reinier Kraakman (2001), the German co-determination model reflects a form of "legitimized distribution of interests," whereby the corporation is conceived as a social institution rather than merely a profit-generating instrument for shareholders. This sharing of governance power enables German firms to mitigate internal conflicts, orient decision-making toward the long term, and promote more sustainable development, in line with the principles of stakeholder theory. At the same time, the model preserves market discipline and financial efficiency in accordance with shareholder-oriented principles, as ultimate decisions must still be directed toward overall performance and profitability. In this sense, the German co-determination model embodies a deeply institutionalized and reconciliatory approach, effectively integrating the two major governance theories within a coherent and advanced legal framework.

However, this model does not entirely eliminate shareholder value theory. Shareholders continue to hold authority within the General Meeting of Shareholders and retain the power to approve major decisions such as dividend distributions, share issuances, or amendments to the company's charter. Nevertheless, this authority is balanced by the Supervisory Board, which has a dual structure composed of shareholder representatives and employee representatives, thereby creating an institutionalized forum of dialogue among competing interests, an emblematic feature of Germany's social market economy. This

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dialogical structure enables firms to maintain governance stability in the face of economic volatility, a challenge that many purely market-oriented systems continue to encounter.

In practice, the German governance system has enabled major corporations such as Volkswagen, Siemens, and BASF to sustain long-term stability and growth, even during periods of global financial crisis. Moreover, this model fosters stronger internal cohesion, reduces labor conflicts, and enhances corporate ethical reputation in international markets, an increasingly significant factor for global investors and ESG-oriented funds in the transition toward sustainable development. Thus, co-determination is not merely a corporate governance design, but a broader institutional solution that reconciles economic growth with social equity, and financial performance with corporate ethics in the era of globalization.

In Germany, the corporate governance model is organized under a two-tier structure consisting of a Management Board, which performs the function of corporate management, and a Supervisory Board, which is responsible for oversight, appointment, and control of the Management Board's activities. A distinctive feature of this model is the co-determination mechanism (Mitbestimmung), under which employees in companies with more than 2,000 workers are entitled to occupy up to 50% of the seats on the Supervisory Board. This mechanism represents a direct institutionalization of stakeholder value theory within corporate governance, ensuring that employees have a substantive voice in the strategic decision-making processes of the company. Numerous studies have demonstrated that the co-determination model contributes to strengthening the balance between shareholder interests and broader social interests, while also promoting sustainable development and the long-term stability of enterprises. By contrast, Vietnamese law has not yet recognized any mechanism for the direct participation of employees within the corporate governance structure, except in cases where the State appoints representatives to manage state capital in certain large enterprises or state-owned enterprises.

A notable characteristic of the German corporate governance model is the direct participation of employees in corporate supervision and decision-making, thereby creating a balancing mechanism between shareholder interests and the interests of other stakeholders, consistent with the orientation of a socially embedded market economy. Nevertheless, this model also presents certain limitations, such as the potential reduction of managerial flexibility due to the need to achieve consensus among multiple interest groups, as well as increased negotiation and internal coordination costs. For Vietnam, the adoption of co-determination principles could be implemented gradually through pilot mechanisms in state-owned enterprises or large corporations, for instance by allowing trade union representatives or employee representatives to participate in the Board of Directors or Supervisory Board. At the same time, it is

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necessary to establish a clear legal framework governing the rights, obligations, and responsibilities of employee representatives in order to minimize conflicts of interest, ensure effective corporate governance, and maintain the stability of business operations.

2.3. Shareholder Value Theory and Stakeholder Value Theory in Corporate Governance in Vietnam

In Vietnam, the current corporate legal framework is predominantly influenced by shareholder value theory, as reflected in the central position accorded to the rights and legitimate interests of shareholders in the design of corporate governance institutions. The Law on Enterprises 2020, as amended and supplemented in 2025, the most important legal instrument governing this field devotes a separate chapter to the regulation of shareholders' rights, particularly those of ordinary shareholders, including the right to attend and vote at the General Meeting of Shareholders, the right to receive dividends, the right to access information, and the right to initiate legal action to protect personal or corporate interests. The prevailing governance structure follows a one-tier model, in which the Board of Directors performs both strategic and, in certain cases, executive functions, with the Chairperson of the Board often concurrently serving as the Chief Executive Officer. This arrangement reflects a relatively centralized ("concentrated") characteristic of corporate governance [22].

By contrast, stakeholder theory, although reflected in various national policy orientations and sustainable development strategies, has not yet been clearly and comprehensively institutionalized within the current corporate legal framework. Stakeholders such as employees, customers, suppliers, the community, and the environment, despite their close connection to corporate activities, are primarily regulated through specialized laws, including the Labor Code, the Law on Environmental Protection, and the Law on Consumer Protection, rather than being directly integrated into the internal governance structure of enterprises. This has resulted in a governance reality in which many Vietnamese enterprises remain heavily short-term oriented, demonstrate limited commitment to sustainable development, and lack effective mechanisms for internal dialogue among different stakeholder groups. [21]

However, in the context of international economic integration and the growing prominence of ESG standards, Vietnam has begun to recognize and move toward integrating the principles of stakeholder theory into its corporate governance framework. Key policy instruments include Resolution No. 24-NQ/TW on climate change adaptation and sustainable development, the National Green Growth Strategy

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for the period 2021–2030, and commitments made at COP26, where Prime Minister Phạm Minh Chính, on behalf of Vietnam, pledged to achieve net-zero emissions by 2050. At the same time, Vietnam has formally joined two major initiatives closely related to the agricultural sector: (i) the Global Methane Pledge and (ii) the Glasgow Declaration on Forests and Land Use. These steps clearly reflect Vietnam's political commitment and sustainable development orientation in the face of intensifying climate change challenges. To operationalize these commitments and position Vietnam as a producer and supplier of food aligned with transparency, responsibility, and sustainability, the government has formulated a strategy for sustainable agricultural development in the coming period. The core focus of this strategy is the transformation of the food system toward a "green," low-emission, and climate-resilient model. In addition, Vietnam aims to increase investment in agricultural infrastructure, encourage deeper private sector participation in investment, development, and the application of scientific and technological advancements in agricultural production [15]. Expanding public-private partnership models and promoting the adoption of digital technologies across the entire agricultural value chain are also key priorities, aimed at enhancing efficiency, transparency, and the global competitiveness of the national agricultural sector.

The government's policy direction reflects a clear determination to transition toward a more sustainable development model, requiring enterprises not only to prioritize shareholder interests but also to consider their social and environmental impacts. A number of large listed companies have taken the lead in publishing sustainability reports in accordance with GRI standards and integrating corporate social responsibility into their internal governance frameworks. However, these initiatives remain largely voluntary and have yet to be embedded within a broadly binding legal framework. Accordingly, it can be observed that Vietnam's corporate legal system continues to place primary emphasis on the protection of shareholder rights, clearly reflecting the influence of shareholder value theory. In contrast, stakeholder theory remains at a "pre-institutionalization" stage, existing mainly as policy guidance or practical recommendations, rather than being translated into binding legal mechanisms or formal corporate governance structures. This situation creates a gap in balancing the interests of different constituencies, thereby generating an urgent need for corporate law reform toward a more progressive framework that reconciles economic efficiency with social responsibility. The study and internalization of stakeholder principles, combined with transparent oversight mechanisms and ESG commitments, will constitute a crucial foundation for enhancing governance quality, strengthening competitiveness, and advancing sustainable development among Vietnamese enterprises in the coming period.

2.4. Some Lessons Learned for Vietnam

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Based on the study of corporate governance models in the United Kingdom and Germany, several important lessons can be drawn for improving Vietnamese corporate law toward a balance between economic efficiency and sustainable development:

Firstly, codifying the duty of the Board of Directors to balance the interests of shareholders and stakeholders. One of the key directions for corporate law reform in Vietnam is the gradual codification of the duty of the Board of Directors to consider and balance the interests of shareholders with those of stakeholders, including employees, customers, communities, and the environment. Accordingly, the Law on Enterprises should be amended to incorporate a provision similar to Section 172 of the United Kingdom's Companies Act 2006, requiring board members, when making decisions, to take into account long-term factors, social and environmental impacts, and employee interests in order to ensure the sustainable development of the enterprise. To facilitate effective implementation, it is necessary to promulgate guiding decrees on governance responsibility reporting and organize training programs for enterprises regarding disclosure obligations related to stakeholders. However, expanding governance obligations may increase compliance costs and create concerns among businesses. Therefore, implementation should follow an appropriate roadmap, initially applying on a pilot basis to public companies or large enterprises, while developing standardized reporting templates to minimize practical difficulties.

Secondly, piloting employee representation mechanisms in corporate governance. Experience from the German co-determination model demonstrates that employee participation in corporate governance structures can enhance transparency, reduce conflicts of interest, and promote long-term development orientations. On that basis, Vietnam may consider amending the Law on Enterprises to allow large enterprises, for example those employing more than 1,000 workers, to elect one or two members of the Board of Directors or Supervisory Board as employee representatives. This mechanism should initially be implemented on a pilot basis within certain state-owned enterprises or large private corporations in order to assess its feasibility before broader application. At the same time, it is necessary to establish transparent election procedures and clearly define the rights and responsibilities of employee representatives in corporate governance activities. Although this model may raise concerns among owners regarding the disclosure of business secrets or delays in decision-making processes, such risks may be mitigated through strict confidentiality obligations, internal dialogue mechanisms, and governance training programs for employee representatives.

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Thirdly, strengthening transparency mechanisms and ESG sustainability reporting. In the context where ESG standards are increasingly becoming a common requirement in international markets, Vietnam needs to further improve its legal framework by strengthening corporate disclosure obligations relating to sustainable development, particularly for listed companies and large enterprises. Accordingly, the Law on Enterprises or regulations governing information disclosure should require enterprises to prepare and publish annual sustainability reports covering environmental, labor, corporate governance, and social responsibility issues. To ensure feasibility, regulatory authorities should issue technical guidelines based on international ESG standards, while strengthening coordination among the Ministry of Finance, the State Securities Commission, and professional organizations in supervising and supporting enterprises in compliance activities. Nevertheless, the implementation of ESG reporting obligations may create cost pressures and the risk of formalistic reporting practices. Therefore, it is necessary to establish standardized reporting criteria, provide technical support for small and medium-sized enterprises, and impose strict administrative sanctions for false or misleading disclosures in order to ensure effective legal enforcement.

3. RESEARCH METHODOLOGY

The article employs a combination of doctrinal legal research and comparative legal analysis. At the doctrinal level, it interprets statutory provisions, case law, and official guidance to clarify the content, scope, and internal logic of legal standards governing directors' duties, board structures, strategic reporting, and co-determination. At the comparative level, the article adopts a functional approach: rather than merely comparing the wording of legal provisions, it examines how different legal systems address the same governance problem, and how to compel companies to balance long-term value, shareholder interests, and impacts on stakeholders. This approach aligns with the tradition of "comparative anatomy" in company law, where the focus extends beyond legal form to institutional function and internal power structures within the corporation.

3.1. Sources and Research Approach

The primary sources of the article include international materials such as the Companies Act 2006, the Companies (Miscellaneous Reporting) Regulations 2018, the UK Corporate Governance Code 2024, research reports from the Department for Business and Trade, guidance issued by the Financial Reporting Council, as well as case law and case summaries relating to Section 172 in the United Kingdom; the Mitbestimmungsgesetz, the Aktiengesetz, the German Corporate Governance Code, and empirical studies on co-determination in Germany. Within the Vietnamese context, the author examines the Law on

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Enterprises 2020 (as amended in 2025), the Green Growth Strategy, the Vietnam Corporate Governance Code 2026, and the Corporate Governance Manual 2025. Priority is given to authoritative official and scholarly sources, while secondary sources are used only for clarification or synthesis.

3.2. Comparative Legal Method

Six criteria are consistently applied throughout the analysis: (i) corporate purpose; (ii) the legal status of shareholder and stakeholder interests; (iii) board structure and the allocation of power; (iv) the degree of employee participation in governance; (v) disclosure obligations and accountability; and (vi) enforcement mechanisms, including the roles of shareholders, courts, soft law instruments, and market pressures. This analytical framework enables a clear distinction and avoids conflating two fundamentally different phenomena: on the one hand, legal systems that recognize stakeholder interests at the level of duty-based language but fail to establish corresponding enforcement mechanisms; on the other hand, systems that do not emphasize stakeholder value discourse yet successfully institutionalize effective representation and oversight mechanisms for these actors within the internal structure of the company.

3.3. Legal Analytical Method

The article employs three analytical techniques. First, normative analysis is used to identify positive legal obligations. Second, functional analysis examines how these rules operate in actual corporate governance practice. Third, normative evaluation assesses which model is more suitable for Vietnam based on criteria such as transparency, legal certainty, the promotion of long-term investment, the level of protection afforded to key stakeholders, and the feasibility of enforcement. Through this integrated approach, the article not only describes the law but also develops reform-oriented recommendations.

4. CONCLUSION

A comparison of company law in the United Kingdom and Germany demonstrates that the debate between shareholder value theory and stakeholder value theory cannot be resolved through rhetorical assertions, but must instead be operationalized through institutional design. The UK model reflects the enlightened shareholder value approach, whereby stakeholder interests are incorporated into directors' duty of consideration and reinforced through reporting mechanisms, while shareholders continue to occupy the central normative position. By contrast, Germany exhibits a deeper level of institutionalization, as stakeholder interests, particularly those of employees, are directly embedded into corporate governance

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structures and supervisory mechanisms. These two models should therefore not be understood as opposing extremes, but rather as alternative approaches to addressing the same fundamental issues of corporate purpose, internal power allocation, and legal enforcement techniques. On this basis, for Vietnam, an appropriate approach would be to develop a hybrid model that ensures the company is oriented toward long-term sustainable value, while progressively integrating duties to consider key stakeholders, strengthening accountability requirements for major decisions, enhancing internal oversight through independent directors and specialized committees, and developing appropriate institutional mechanisms to systematically reflect the voices of employees and other stakeholders in corporate governance. Such an approach would help mitigate the formalistic nature of stakeholder discourse without imposing institutional burdens beyond the enforcement capacity of the existing legal system.

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TEORÍA DEL VALOR PARA EL ACCIONISTA Y TEORÍA DEL VALOR PARA LAS PARTES INTERESADAS EN EL GOBIERNO CORPORATIVO: PRÁCTICA DEL DERECHO SOCIETARIO EN EL REINO UNIDO Y ALEMANIA, Y RECOMENDACIONES PARA VIETNAM

RESUMEN

El artículo ofrece un análisis comparativo de cómo el derecho societario del Reino Unido y Alemania institucionaliza la teoría del valor para el accionista y la teoría del valor para las partes interesadas (*stakeholders*), identificando así una orientación de reforma adecuada para Vietnam. El estudio combina la investigación jurídica doctrinal y el análisis jurídico comparado, empleando un marco analítico centrado en el propósito corporativo, los deberes de los administradores, la estructura del consejo de administración, la participación de los empleados, las obligaciones de divulgación de información y los mecanismos de aplicación normativa. Los resultados indican que el Reino Unido opera bajo el modelo de «valor ilustrado para el accionista» (*enlightened shareholder value*), en virtud del cual la Sección 172 de la Ley de Sociedades de 2006 (*Companies Act 2006*) exige a los administradores tener en cuenta los intereses de las partes interesadas, manteniendo al mismo tiempo el deber fundamental de promover el éxito de la empresa en beneficio de sus miembros. Por el contrario, Alemania institucionaliza con mayor firmeza el modelo de partes interesadas mediante mecanismos de cogestión, una estructura de consejo de administración de dos niveles y una sólida función de supervisión. Sobre esta base, el artículo propone que Vietnam adopte un modelo híbrido que equilibre los objetivos corporativos a largo plazo con mecanismos reforzados para proteger los intereses de las partes interesadas.

Palabras clave: gobierno corporativo, valor para el accionista, valor para las partes interesadas, ESV.

公司治理中的股东价值理论与利益相关者价值理论：英德公司法实践及对越南的建议

摘要

本文对英国和德国公司法如何制度化股东价值理论与利益相关者价值理论进行了比较分析，旨在为越南确定适宜的改革方向。该研究结合了法学教义研究与比较法分析方法，构建了一个侧重于公司宗旨、董事义务、董事会结构、员工参与、信息披露义务及执行机制的分析框架。研究发现，英国实行“开明股东价值”模式，即《2006年公司法》第172条要求董事在履行促进公司成功以造福股东（成员）这一最终义务的同时，必须考量利益相关者的利益。相比之下，德国通过共同决定机制、双层董事会结构以及强有力的监督职能，更为有力地制度化了利益相关者模式。基于此，本文建议越南采取一种混合模式，既兼顾公司长期目标，又强化保护利益相关者利益的机制。

关键词：公司治理，股东价值，利益相关者价值，开明股东价值（ESV）

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