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CONTENTS

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Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF.**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

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INTRODUCTION

REVIEW OF LITERATURE

NEED/IMPORTANCE OF THE STUDY

STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

SCOPE FOR FURTHER RESEARCH

ACKNOWLEDGMENTS

REFERENCES

APPENDIX/ANNEXURE

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

10. **FIGURES &TABLES**: These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

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- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
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BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

REGULATORY FRAME WORK OF GOOD CORPORATE GOVERNANCE WITH REFERENCE TO INDIAN CORPORATE GOVERNANCE MECHANISMS

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ABSTRACT

Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. Good corporate governance (GCG) is a mandatory requirement in today's corporate world by every stakeholder groups. The analysis of the duties, responsibilities and obligations of different management group illustrates the complexities involved in the administration of modern corporations. With the broadening vision of modern thinkers and opinion makers and enhanced and heightened social values, it is now an unacceptable proposition that exist purely for the profit of those who constituted it. They are expected to be transparent, accountable and even beneficial to the larger society. Their employees, consumers of their products, and associates in their business Cush as dealers and stockiest, the communities surrounding their facilities and workstations are as important as those who contributed their ecology. The paper is an earnest effort to uncover the issue and to protect it from such unfounded critics. It covers the concept of corporate governance, its legal framework, its current status and how accounting may be practiced to protect corporate from corruption by establishing governance. It finds that better corporate frameworks benefit firms through greater access to financing, lower cost of capital, better firm performance, and more favorable treatment of all stakeholders.

KEYWORDS

Transparency, Responsiveness, Accountability, Ethical Behavior, disclosure.

INTRODUCTION

Corporations play a critical role---now ever growing---in the national economy. A nation's competitiveness and wealth, for that reason, depend on the competitive nature of its corporations. No doubt a transparent and reasonable governance structure bears positive impact on a company. Moreover, the issue of corporate governance structure now commands attention on the global stage. Corporations are the entities that create new economic value. And the competitiveness of businesses is crucial in determining the competitiveness of a country. As such, countries over the world are in pursuit of introducing competitive measures and practices according to international compatibility; liberalizing capital movement; and increasing the interaction between states to raise managerial efficiency and hence, enhance competitiveness of corporations of their respective nationality.

Corporate Governance in its most simplified iteration refers to the manner in which corporate bodies are managed and operated. Until the latter part of the 1900's the expression good corporate governance was invariably used to describe how well a business was directed and managed from the perspective of its controllers or managers. This was no doubt a truism in the context of privately owned companies in which the operators and shareholders were usually one and the same persons and there was no conflict between the persons managing or controlling by the company and the ultimate beneficiaries. However the same could not be said in respect of publicly owned enterprises in which the managers and controllers are not the sole beneficiaries of an enterprise. In such circumstances situations do arise wherein the objectives of the controllers or managers of the enterprise and the shareholders as a whole regarding the manner in which a company is directed and managed does not necessarily coincide.

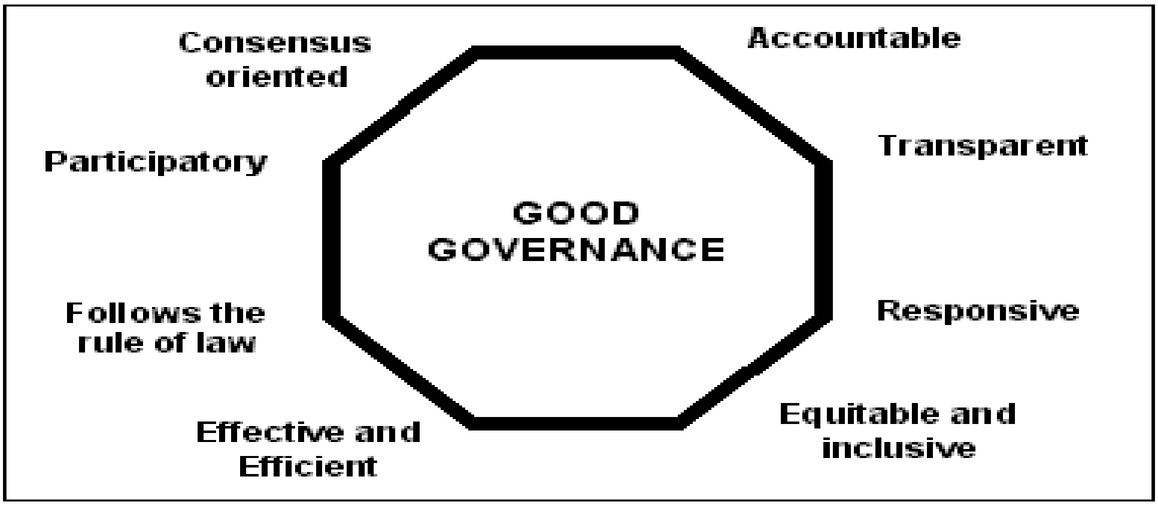
This impasse invariably gives rise to tensions between the controllers/managers and shareholders, which can sometimes have disastrous consequences not only for the company itself but also the commercial and economic environment the company, operate in. These tensions are sometimes aggravated through the lack of transparency and communication between the parties.

CORPORATE GOVERNANCE ENCAPSULATES

- The management of the relationships between a corporate body's management, its board, its Shareholders and its other stakeholders.
- The provision of the structure through which the objectives of the company are identified and the monitoring of the means used to attain these objectives including the monitoring of performance in this regard.
- Bringing more transparency to bear on the decision-making processes of the company.
- The provision of proper incentives for the board and management to pursue objectives that is in the interests of the corporate body and shareholders.
- Encouraging the use of resources in a more efficient manner.
- The management of risk and the minimization of the effects of commercial misadventure.

The concept of "governance" is not new. It is as old as human civilization. Simply put "governance" means: the process of decision-making and the process by which decisions are implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance. Since governance is the process of decision-making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision-making and implementing the decisions made and the formal and informal structures that have been set in place to arrive at and implement the decision. Government is one of the actors in governance. Other actors involved in governance vary depending on the level of government that is under discussion.

Recently the terms "governance" and "good governance" are being increasingly used in development literature. Bad governance is being increasingly regarded as one of the root causes of all evil within our societies. Major donors and international financial institutions are increasingly basing their aid and loans on the condition that reforms that ensure "good governance" are undertaken.It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.



CHARACTERISTICS OF GOOD GOVERNANCE

- **PARTICIPATION**

Participation by both men and women is a key cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making.

- **RULE OF LAW**

Good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.

- **TRANSPARENCY**

Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.

- **RESPONSIVENESS**

Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.

- **CONSENSUS ORIENTED**

There are several actors and as many view points in a given society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved.

- **EQUITY AND INCLUSIVENESS**

A society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being.

- **EFFECTIVENESS AND EFFICIENCY**

The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

- **ACCOUNTABILITY**

Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders.

THE IMPORTANCE OF CORPORATE GOVERNANCE

The subject of corporate governance commenced attracting attention at national level in more developed markets in the late 1900's. This was in the wake of some spectacular business collapses, which appeared to be largely attributable to the lack of proper corporate governance. The above coupled with the globalization of economies and financial and investment markets in the 1990's lead to the convergence of national initiatives on the subject. This development was accelerated with the onset of the Asian crisis in mid 1997 after which the subject attracted significant attention internationally especially in the context of emerging markets. Whilst the causes of the crisis are still the subject of contention and debate there is an overall consensus that the lack of proper corporate governance in companies operating in the affected economies contributed significantly to the onset and spread of the contagion.

In this background a concerted international effort was initiated to improve the levels of corporate governance especially in emerging market economies. This initiative was no doubt spurred on amongst other factors by the recognition that the degree to which corporations observe basic principles of good corporate governance will be an increasingly important factor for investment decisions in the future.

THE PRINCIPLES OF CORPORATE GOVERNANCE

The principles advocated in these codes are essentially non-binding and embody the experience and views of members in countries of these organizations on the subject. While a multiplicity of factors affect the governance and decision-making processes of firms, and are important to their long-term success, the principles focus primarily on governance problems that result from the separation of ownership and control.

Key elements of good corporate governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization.

COMMONLY ACCEPTED PRINCIPLES OF CORPORATE GOVERNANCE

- **RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS**: Organizations should respect the rights of shareholders and help shareholders to exercise those rights. They can help shareholders exercise their rights by effectively communicating information that is understandable and accessible and encouraging shareholders to participate in general meetings.
- **INTERESTS OF OTHER STAKEHOLDERS**: Organizations should recognize that they have legal and other obligations to all legitimate stakeholders.
- **ROLE AND RESPONSIBILITIES OF THE BOARD**: The board needs a range of skills and understanding to be able to deal with various business issues and have the ability to review and challenge management performance.

- **INTEGRITY AND ETHICAL BEHAVIOUR**: Ethical and responsible decision making is not only important for public relations, but it is also a necessary element in risk management and avoiding lawsuits. Organizations should develop a code of conduct for their directors and executives that promotes ethical and responsible decision making.
- **DISCLOSURE AND TRANSPARENCY**: Organizations should clarify and make publicly known the roles and responsibilities of board and management to provide shareholders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of the company's financial reporting.

Recently the terms "governance" and "good governance" are being increasingly used in development literature. Bad governance is being recognized now as one of the root causes of corrupt practices in our societies. Major donors, institutional investors and international financial institutions provide their aid and loans on the condition that reforms that ensure "good governance" are put in place by the recipient nations. As with nations, corporations too are expected to provide good governance to benefit all their stakeholders. At the same time, good Corporates are not born, but are made by the combined efforts of all stakeholders, which include shareholders, board of directors, employees, customers, dealers, government and the society at large. Law and regulation alone cannot bring about changes in corporate to behave better to benefit all concerned. Directors and management, as goaded by stakeholders and inspired by societal values, have a very important role to play. The company and its officers, who, *inter alia,* include the board of directors and the officials, especially the senior management, should strictly follow a code of conduct, which should have the following desiderata:

REVIEW OF LITERATURE

Hundreds of articles and dozens of books have been written about corporate governance in the last few years alone. One book that should be mentioned is *Corporate Governance* by Monks and Minow (2004). Davis Global Advisors publishes an annual *Leading Corporate Governance Indicators* (2007), which measures corporate governance compliance using a variety of indicators.

The Cadbury Report (1992) published the findings of the Committee on Financial Aspects of Corporate Governance. The Greenbury Report (1995) discusses directors' remuneration. The Hampel Committee Report (1998) addresses some of the same issues as the Cadbury and Greenbury reports. It has separate sections on the principles of corporate governance, the role of directors, directors' remuneration, the role of shareholders, accountability and audit and issued conclusions and recommendations. The *Encyclopedia of Corporate Governance* is a good reference tool for obtaining information on corporate governance. It is available online. The OECD's *Principles of Corporate Governance* (1999) has been used as a benchmark for a number of corporate governance codes in transition economies. OECD has also published a *Survey of Corporate Governance Developments in OECD Countries* (2003b). The European Corporate Governance Institute maintains many links to codes of corporate conduct for many countries on its website.

The OECD has also published several studies on corporate governance in Asia, the most notable being its *White Paper on Corporate Governance in Asia* (2003c). Clarke (2000) criticized corporate governance structures in Asia. His criticism focused on the Asian financial crisis, which was partially caused by poor corporate governance practices.

The Securities and Exchange Board of India (2002) issued the *Kumar Report* on corporate governance in India. This report attempted to evolve a code of corporate governance for Indian corporations. Mani (2004) did a country study of India for Standard & Poor's that looked at a number of factors, including market infrastructure, the legal environment, the regulatory environment and the informational infrastructure.

Solomon, Solomon and Park (2002a) developed a conceptual framework for corporate governance in Korea. They also examined some empirical evidence on the evolving role of institutional investors (2002b). Jang and Kim (2002) did a case study of Samsung Corporation's governance policies and procedures. Kim (2003) looked at the interlocking ownership of the Korean chaebols. Wong (2004) did a country governance study of Korea for Standard & Poor's that examined the same factors as those examined by Mani (2004) in the India study.

In 2008, the world experienced the biggest economic crisis since the Great Depression (Blundell- Wignall, Atkinson, & Lee, 2009; Cheffins, 2009; Ely, 2009; Lang & Jagtiani, 2010). Stock prices dropped further than they had in a single year since the 1930s, and major banks either received bailouts or entered bankruptcy (Cheffins, 2009). Prior to the crisis, aggressive lenders engaged in extremely high-risk subprime mortgages and violated traditional underwriting standards for the industry (Lewis, Kay, Kelso, & Larson, 2010). When the overheated real estate market began to cool down, it produced a domino effect that caused the collapse of major players in the financial sector.

Scholars have agreed that a bubble in housing prices triggered the crisis (Lang & Jagtiani, 2010; Scott, 2009; Yeoh, 2010). They further cite a failure to properly regulate the market for subprime mortgages, mortgage securitization, and the exposure of the banking system to securitization risk (Grosse, 2010; Pacces, 2010; Rotheli, 2010). This failure "triggered the downward spiral transforming a liquidity crisis in a credit crunch, a cyclical slowdown of the economy in a severe recession, underperformance of financial assets in banks' inability to fuel investments and growth" (Pacces, 2010, p. 80). As Paces (2010) explains:

Individual mortgage deals were closed as they were pooled together with thousands of similar mortgages, securitized, and sold immediately to investors in different tranches of Mortgage Backed Securities (MBS). In this way, originators could earn their fees without bearing any risk. Mortgage originators did not have incentives to screen the quality of the credit being provided, for the simple reason they did not have sufficient … skin in the game. (Pacces, 2010, p. 82)

OBLIGATION TO SOCIETY AT LARGE

A corporation is a creation of law as an association of persons forming part of the society in which it operates. Its activities are bound to impact the society as the society's values would have an impact on the corporation. Therefore, they have mutual rights and obligations to discharge for the benefit of each other.

1. **National interest:** A company (and its management) should be committed in all its actions to benefit the economic development of the countries in which it operates and should not engage in any activity that would militate against such an objective. A company should not undertake any project or activity detrimental to the nation's interest or those that will have an adverse impact on the social and cultural life patterns of its citizens. A company should conduct its business in consonance with the economic development of the country and the objectives and priorities of the nation's government and must strive to make a positive contribution to the realisation of its goals.
2. **Political non-alignment:** A company should be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system and should not support directly or indirectly any specific political party or candidate for political office. The company should not offer or give any of its funds or property as donations directly or indirectly to any specific political party candidate or campaign.
3. **Legal compliances:** The management of a company should comply with all applicable government laws, rules' and regulations. The employees and directors should acquire appropriate knowledge of the legal requirements relating to their duties sufficient to recognise potential dangers. Violations of applicable governmental laws, rules and regulations may subject them to individual criminal or civil liability as well as disciplinary action by the company apart from subjecting the company itself to civil or criminal liability or even the loss of business.

Legal compliance will also mean that corporations should abide by the tax laws of the nations in which they operate such as corporate tax, Income tax, Excise Duties, sales tax, Customs and other levies imposed by respective governments. These should be paid on time and as per the required amount.

4. **Honest and ethical conduct:** Every officer of the company including its Directors, executive and non executive directors, managing director, CEO, CFO and CCO should deal on behalf of the company with professionalism, honesty, commitment and sincerity as well as high moral and ethical standards. Such conduct must be fair and transparent and should be perceived as such by third parties as well .The officers are also expected to act in accordance with the highest standards of personal and professional integrity and ethical conduct at their place of work or while working on offsite locations where the company's business are located or at social events or at any other place where they represent the company. Honest conduct is a conduct that is free from fraud or deception. Ethical conduct is an ethical handling of actual or apparent conflicts between personal and professional relationship.

5. Corporate citizenship: A corporation should be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations, but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self-reliant and enjoy a better quality of life.

6. Ethical behavior: Corporations have a responsibility to set exemplary standards of ethical behavior, both internally within the organisation, as well as in their external relationships. Unethical behaviour corrupts organisational culture and undermines stakeholder value. The board of directors have a great moral responsibility to ensure that the organisation does not derail from an upright path to make short-term gains.

7. Social concerns: Corporations exist beyond time and space. So they have to set an example to their employees and shareholders. New paradigm is that the company should not only think about its shareholders but also think about its stakeholders and their benefit. A corporation should not give undue importance to shareholders at the cost of small investors. They should treat all of them equally and equitably. The company should have concerns towards the society. It can help the needy people and show its concern by not polluting the water, air and land. The waste disposal should not affect any human or other living creatures.

8. Corporate social responsibility: Accountability to stakeholders is a continuing topic of divergent views in corporate governance debates. In line with the developing trends towards an integrated model of governance toward the creation of an ideal corporate, the emphasis should be laid on corporate social responsiveness and ethical business practices seeking what might well turn out to be not only the first small steps for better governance on this front but also the promise-of a more transparent and internationally respected corporates of the future.

9. Environment-friendliness: Corporations tend to be intervening in altering and transforming nature. For corporations engaged in commodity manufacturing, profit comes from converting raw materials into saleable products and vendible commodities. Metals from the ground are converted into consumer durables. Trees are converted into boards, houses, and furniture and paper products. Oil is converted into energy. In all such activities, a piece of nature is taken from where it belongs and processed into a new form. So companies have a moral responsibility to save and protect the environment. All the pollution standards have to be followed meticulously and organizations should develop a culture having more concern towards environment.

10. Healthy and safe working environment: A company should be able to provide a safe and healthy working environment and comply with the conduct of its business affairs with all regulations regarding the preservation of environment of the territory it operates in. It should be committed to prevent the wasteful use of natural resources and minimise the hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

11. Competition: A company should play its role in the establishment and support a competitive, open market economy and co-operate to promote the progressive and judicious liberalisation of trade and investment by a country. It should not covertly or overtly engage in activities, which lead to or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

A company should market its products and services on its own merits and should not resort to unethical advertisements or include unfair and misleading pronouncements on competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

12. Trusteeship: Corporates have both a social purpose and an economic purpose. They represent a coalition of interests, namely, those of the shareholders, other providers of capital, business associates and employees. This belief, therefore, casts a responsibility of trusteeship on the company's board of directors. They are to act as trustees to protect and enhance shareholder value, as well as to ensure that the company fulfills its obligations and responsibilities to its other stakeholders. Inherent in the concept of trusteeship is the responsibility to ensure equity, namely, that the rights of all shareholders, large or small, foreign or local, majority or minority, are equally protected.

13. Timely responsiveness: Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe. They should also address the concerns of all stakeholders and the society at large.

14. Corporations should uphold the fair name of the country: When companies export their products or services, they should ensure that these are qualitatively good and are delivered in time. They have to ensure that the nation's reputation is not sullied abroad during their deals, either as exporters or importers. They have to ensure maintenance of the quality of their products, which should be the brand ambassadors for the country.

OBLIGATION TO INVESTORS

Obligation to investorsthat the investors as shareholders and providers of capital are of paramount importance to a corporation is such an accepted fact that it need not be overstressed here. A company has the following obligations towards investors:

1. **Towards shareholders:** A company should be committed to enhance shareholder value and comply with all regulations and laws that govern shareholder's rights. The board of directors of the company shall and fairly inform its shareholders about all relevant aspects of the company's business and disclose such information in accordance with the respective regulations and agreements. Every employee shall strive for the implementation of and compliance with this in his professional environment. Failure to adhere to the code could attract the most severe consequences including termination of employment or directorship as the case may be.

2. **Measures promoting transparency and informed shareholder participation:** A related issue of equal importance is the need to bring about greater levels of informed attendance and meaningful participation by shareholders in matters relating to their companies without, however, such freedom being abused to interfere with management decision. An ideal corporate should address this issue and relate it to more meaningful and transparent accounting and reporting.

3. **Transparency:** Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.

4. **Financial reporting and records:** A company should prepare and maintain accounts of its business affairs fairly and accurately in accordance with the accounting and financial reporting standards, laws and regulations of the country in which the company conducts its business affairs. Likewise, internal accounting and audit procedures shall fairly and accurately reflect all of the company's business transactions and disposition of assets. All required information shall be accessible to the company's auditors, non-executive and independent directors on the board and other authorized parties and government agencies. There shall be no willful omissions of any transaction from the books and records, no advance income recognition and no hidden bank account and funds. Such willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the firm's ethical conduct and also will invite appropriate civil or criminal action under the relevant laws of the land.

OBLIGATION TO EMPLOYEES

For too long, corporations in free societies had been adopting a "Hire and Fire" policy in employment of men and women in their work places and hardly treated them humanely taking advantage of the fact that workers had a commodity, namely, labour that was highly perishable with little bargaining power. But in the context of enhanced awareness of better governance practices, managements should realize that they have their obligations towards their workers too.

1. Fair employment practices: An ideal corporate should commit itself to fair employment practices, and should have a policy against all forms of illegal discrimination. By providing equal access and fair treatment to all employees on the basis of merit, the success of the company will be improved while enhancing the progress of individuals and communities. The applicable labour and employment laws should be followed scrupulously wherever it operates. That includes observing those laws that pertain to freedom of association, privacy, and recognition of the right to engage in collective bargaining, the prohibition of forced, compulsory and child labour, and also laws that pertain to the elimination of any improper employment discrimination.

2. Equal opportunities to all employees: A company should provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Its employees should be treated with dignity and in accordance with a policy to maintain a conducive work environment free of sexual harassment, whether physical, verbal or psychological.

Employee policies and practices should be administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

3. Encouraging whistle blowing: It is generally felt that if whistle blower concerns have been addressed to some of the recent disasters could have been avoided, and that in order to prevent future misconduct, whistle blowers should be encouraged to come forward. So an ideal corporate is one that deals pro-actively with whistle blowers and to make sure employees have comfortable reporting channels and are confident that they will be protected from any form of retribution. Such an approach will enhance the company's chances to become aware of, and to appropriately deal with, a concern before an illegal act has been committed rather than after the damage has been done. If reporting is delayed, the company's reputation can be seriously harmed and it can face a serious risk of prosecution with all its disastrous consequences. An ideal Whistle Blower Policy would mean:

(a) Personnel who observe an unethical or improper practice (not necessarily a violation of law) shall be able to approach the CEO or the audit committee without necessarily informing their supervisors.

(b) The company shall take measures to ensure that this right of access is communicated to all employees through means of internal circulars, etc. The employment and other personnel policies of the company should contain provisions protecting "whistle blowers" from unfair termination arid other prejudicial employment practices.

(c) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

4. Humane treatment: Now corporations are viewed like humans and similar kind of behaviour is expected from them like a man with good sense. Companies should treat their employees as their first customers and above all as human. They have to meet the basic needs of all employees in the organisation. There should be a friendly, healthy and competitive environment for the workers to prove their ability.

5. Participation: Participation by both men and women is a key cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. Participation needs to be informed and organised. This means freedom of association and expression on the one hand and an organised civil society on the other.

6. Empowerment: Empowerment is an essential concomitant of any company's principle of governance that management must have the freedom to drive the enterprise forward. Empowerment is a process of actualising the potential of its employees. Empowerment unleashes creativity and innovation throughout the organisation by truly vesting decision-making powers at the most appropriate levels in the organisational hierarchy.

7. Equity and inclusiveness: A corporation is a miniature of a society whose well being depends on ensuring that all its employees feel that they have a stake in it and do not feel excluded from the mainstream. This requires all groups, particularly the most vulnerable, have opportunities to improve or maintain their well being.

8. Participative and collaborative environment: There should not be any form of human exploitation in the company. There should be equal opportunities for all levels of management in any decision-making. The management should cultivate the culture where employees should feel they are secure and are being well taken care of. Collaborative environment would bring peace and harmony between the working community and the management, which in turn, brings higher productivity, higher profits and higher market share.

OBLIGATION TO CUSTOMERS
A corporation's existence cannot be justified without its being useful to its customers. Its success in the marketplace, its profitability and its being beneficial to its shareholders by paying dividends depends entirely as to how it builds and maintains fruitful relationships with its customers.

1. Provide Quality Products and Services
2. Products at affordable prices
3. Unwavering commitment to customer satisfaction

CONCLUSION
The analysis of the duties, responsibilities and obligations of different management group illustrates the complexities involved in the administration of modern corporations. Gone are the days when the society looked at corporations as forms of business enterprises working exclusively for the material benefit of its shareholders. With the broadening vision of modern thinkers and opinion makers and enhanced and heightened social values, it is now an unacceptable proposition that exist purely for the profit of those who constituted it. They are expected to be transparent, accountable and even beneficial to the larger society. Their employees, consumers of their products, and associates in their business Cush as dealers and stockiest, the communities surrounding their facilities and workstations are as important as those who contributed their ecology. And the concerns are no more community based or country – specific. In a global village such as the one all of us are moving into, if a corporate has to survive, grow and wants to be counted, its vision should focus on the ways and means of becoming a responsible and responsive corporate citizen, and its mission could no more be myopic as it used to be in the distant past. The values, concerns, duties and responsibilities the society casts on the corporate are exemplified in the following beautifully formulated and well – articulated Credo of Johnson & Johnson.

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