

Ethics and corporate governance



1. INTRODUCTION A company is a congregation of various stakeholders, namely, customers, employees, investors, vendor partners, government and society. A company should be fair and transparent to its stakeholders in all its transactions. With the opening of the economy towards globalization, our corporate world requires a world-class governance system.

The essence of the corporate world lies in promoting compliance of the law in letter and in spirit, with transparency and accountability, and above all, fulfilling the fair expectations of all the stakeholders. Unless a corporation embraces and demonstrates ethical conduct, it will not be able to succeed. Corporate governance is one such tool to achieve this goal.

According to Organisation for Economic Corporation Development (OECD) (2004) Corporate Governance was defined as involving a set of relationship, between a company management, its board of directors, its shareholder and other stakeholder and provides structure through which the objectives of the company are set and the means of attaining those objectives and monitoring performance are determined. It is the way in which top managers execute...