

Corporate governance

Business, Management



CORPORATE GOVERNANCE By Location Corporate Governance Introduction

Corporate Governance de s system, processes, as well as principles put in place to ensure the proper governance of a company promoting the interests of all the stakeholders involved. The purpose of corporate governance is ensuring that a company engages good business, which ensures a measure of fairness as well as accountability. Different processes that define corporate governance also promote transparency. Notably, corporate governance also involves a company's compliance to both statutory and legal requirements. Companies that are committed to ensuring proper corporate governance ensure that they operate in accordance with the existing business ethics and that they remain socially responsible (Goodman & Schwartz 2013, p. 67). The board of governors is tasked with the responsibility of ensuring that all the systems of corporate governance are functional, and that all shareholders and the stakeholders are well protected. In addition, successful corporate governance is exhibited by the commitment of the board of governors in carrying out transparent transactions and ensuring that the company registers value and minimal risks. This high level of commitment ensures that the no stakeholder interest is compromised. Corporate governance is a concept that emerged in the early years when ownership and management of companies became separate entities. However, the concept was fully described in the 1990s because of numerous scandals that surrounded many companies. In the modern day, it is a critical concept in the business world (Boubaker, Nguyen, & Nguyen 2012, p. 38). A close analysis of one of the global leading companies and its corporate governance strategies will serve to shed more light on the criticality of this

concept. BP Plc is a multinational oil and gas company whose headquarters are in London United Kingdom. The company has been ranked in the top ten oil and gas companies and qualifies to be under the category of “super majors” in the industry. The company has existed for over a century since it was established in 1909. Over the years, the company has registered remarkable success extending its operations to about 80 countries according to the 2013 statistics (New Report Provides an In-depth Company Profile for Multinational Oil Company BP Plc 2007, n. p). BP Plc is one of the companies that can provide highlights on different aspects of the corporate governance. BP plc is an established company with evident business strategies, and diverse range of stakeholders that need its protection. Moreover, the oil and gas industry poses more risks than other industries. This means that a company operating in this industry must strive to remain socially responsible, putting the interests of the stakeholders first. A close analysis of the company reveals that it has failed to do so in different instances resulting to numerous scandals. These scandals have served to test the efficiency of BPs corporate governance (Research 2011, n. p). This is the reason why this paper will focus on analysing the corporate governance codes of the company and assess whether the company abides by them.

Bibliography

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