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Corporate Governance and Ethics in Indian Companies: An Empirical Study

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ABSTRACT :

The intricate relationship between governance and moral conduct of Indian companies is investigated in this research. Corporate professional interviews and surveys were conducted using a mixed-methods approach. The findings indicate that despite the majority of companies having formal governance structures and ethics codes, ethics training and effective reporting mechanisms are still lacking. The research indicates how framework of governance, e.g., independent boards and audit committees, encourages moral conduct. It concludes with recommendations to improve ethics through stakeholder engagement, policy implementation, and training.

Keywords: India, ethical practices, stakeholders, sustainability, corporate governance, and business ethics.

INTRODUCTION

Corporate ethics and governance are essential for ensuring the sustainable development and long-term prosperity of organizations. While corporate governance ensures accountability, transparency, and responsibility in the operation of a firm, ethics refers to the moral values that underpin organizational choices. Corporate scandals and international pressures have forced the Indian business environment to pay more attention to governance practices. This research seeks to examine the interaction between governance mechanisms and ethical behavior in Indian firm.

LITERATURE REVIEW

- A number of studies have confirmed the connection between ethics and governance
- Tricker (2015) focuses on transparency and accountability in ethical governance.
- Gupta (2018) discovered that independent boards improve ethical results.
- Fernando (2019) points out the importance of audit committees and codes of conduct in mitigating ethical risk.
- Sharma & Singh (2020) link ethical failure to poor oversight.
- The study relies on three primary theories:
- Agency Theory: Governance specifies managers' actions to match the interests of stakeholders.
- Stakeholder Theory: Ethical responsibilities apply to all organizational stakeholders.
- Institutional Theory: Ethical behavior is influenced by social and regulatory standards.

DATA ANALYSIS AND INTERPRETATION

60% of the population is male, and they are mostly middle-level workers in the manufacturing, services, and financial sectors.

Important Results:

Written governing systems are present in 88% of businesses. Only 10% of those surveyed had received ethical instruction. Sixty percent firmly believe that ethics are driven by government. Because of the fear of retaliation, there are few reports of ethical transgressions.

Analysis of Regression:

Weakest effect (0.5 coefficient) is caused by board composition. The effect of audit committees is moderate (0.3).

Ethics code: minimal impact (0.2). Interview Perspectives:

Ethics are often confined to the written word.

In an ethical climate, middle managers play a crucial role. Real-world ethics training is more

RESEARCH METHODOLOGY

A mix of approaches was utilized:

- Quantitative Data: A prepared questionnaire on a Likert scale was utilized to collect data from 20 Indian business professionals.
- Qualitative Information: Gained through in-depth interviews.
- Purposive sampling was utilized to select experts from BSE and NSE- registered companies.
- Analysis: Thematic analysis, regression analysis, and descriptive statistics using Microsoft Excel.
- effective than theory-based courses.

CONCLUSION AND RECOMMENDATION

The research proves that corporate governance and ethical behavior go hand in hand. Yet, there exists a policy to practice gap.

Suggestions:

- conduct regular ethical training workshops.
- Strengthen whistleblower procedures.
- Encourage code enforcement transparency.
- Make governance policies more transparent and better known..

LIMITATION AND FUTURE RESEARCH

Generalizability of the small sample size (20 responders) is restricted. Potential for bias in the self-reporting.

Future studies must measure the impact on the business performance and employ larger sample sizes.

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