Reshaping Management and Economic Thinking through Integrating Eco-Friendly and Ethical Practices
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Handling Key Issues in Corporate Governance and Business Ethics: To be True to Self & Beyond Rules and Regulations

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1. Introduction: Current Views of Corporate Governance and Business Ethics

Nowadays the significance of Corporate Governance is well recognized both nationally and internationally. Of late however, there appears to have been a lapse particularly in the area of ethical behaviour. Politicians, policy makers, regulators, business leaders, and market participants have made substantial contribution to find out solutions to circumstances that led to the global financial crisis. These efforts have relied largely on the implementation of more rules, regulations and more revisions to corporate governance codes and standards.

According to Sir Adrian Cadbury's famous definition, "Corporate governance is the system by which business corporations are *directed* and *controlled*" (Cadbury, 1992).

Based on my governance work and experience in several countries, for me, 'Corporate governance is the mechanism by which companies are rationalized, directed, controlled and monitored. Corporate Governance coordinates different types of stakeholders such as shareholders, directors, managers, employees, creditors, customers, global environment and the rest of the society to enhance corporate performance and wellbeing as a common goal. Major considerations of a system of corporate governance are:

- how successfully companies formulate the *rational*; the reason for existence & future direction
- how effectively *corporate decisions* are made; guidelines and procedures
- how well *the board on behalf of shareholders appraise managers'* decision making, and monitor the execution
- how fruitfully the *different stakeholders* are *facilitated* to protect their interests

(Dissabandara, 2012)

Accordingly, the objectives of corporate governance are:

- to build up an environment of trust and confidence amongst those having competing and conflicting interest
- to enhance shareholders value and protect the interest of the other stakeholders by enhancing the corporate performance and accountability

Further Corporate Governance is trying to overcome agency costs associated with the separation of ownership and control, and address the following issues.

- Align the interests of managers and shareholders
- Prevent managers from pursuing own interests
- Prevent high and excessive executive pay
- Avoid abuse of power

The rising interest in *corporate governance* has reflected the rise in concern in *business ethics* with the huge amount of literature on high profile corporate failures and scandals in firms providing a common base for much work in both areas. These two subjects commonly share a *key focus on agency problem*, which has driven much theoretical and empirical work. On average, many experts on corporate governance across

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the world assume that boards, if properly play their role, can bring enhanced performance. On the same way, many ethical theorists and practitioners express a parallel thinking about the bottom-line and long-run sustainability benefits of ethical principles and practices.

Today, my aim is to examine and discuss some of the *key issues in corporate governance* and to identify *some of the important ethical implications* arising from them. The nature of this discussion will be a broad review of themes from the various strands of the corporate governance deliberations, while highlighting the ethical issues that have emerged. As far as the structure of my discussion is concerned, the two main relationships between *the board of directors and shareholders* and the *board of directors and shareholders and society* will be looked at; and finally, the applicability of self-regulation as a means of enhancing corporate governance and ethical practices will be discussed.

2. Culture and Ethics

According to Tylor (1871), *culture* is that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society. At the present, culture is meant as a set of shared attitudes, values, norms, guiding beliefs, and understandings that are shared by members of an organization. It tells us whether our behavior is moral or immoral with fundamental human relationships. Therefore, Ethical Principles are Guides to *moral behavior*. Drucker writes; "There is only one ethics, one set of rules of morality, one code that of individual behavior in which the same rules apply to everyone alike." According to Daft (2013), business ethics means the application of general ethical ideas to business behavior. In other terms, this concept encapsulates the values, norms, guiding beliefs, and understandings that are shared by members of an organization, so the business ethics enlighten new members as the correct way to think, feel, and behave. Each company has its own norms of behaviour, which help its members to understand what the organization represents. The essence is that ethics is a part of culture (Godfrey, 2011).

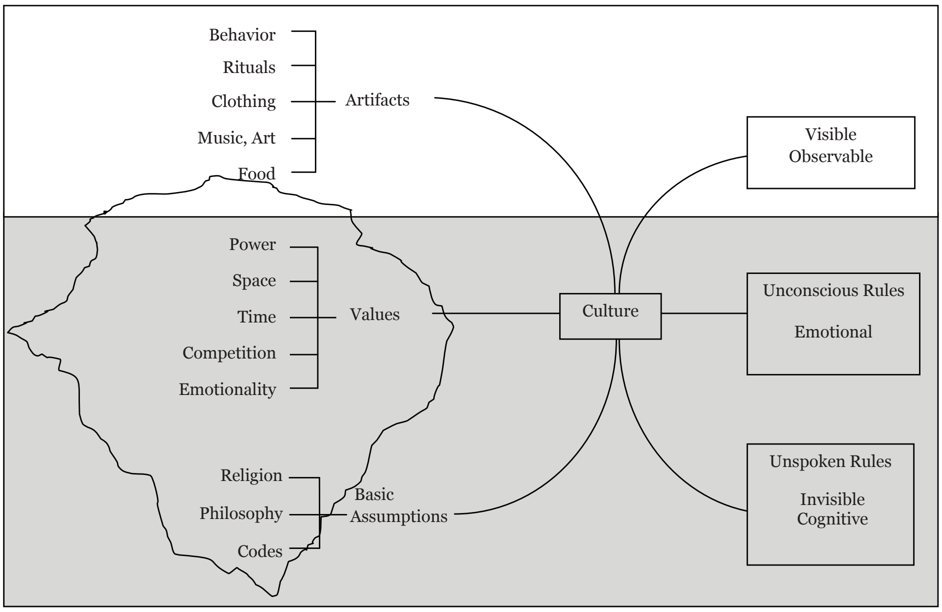


Figure 1: The Iceberg of Culture (*Source: based on various sources*)

Hall (1976) developed the iceberg analogy of culture. If the culture of a society was the iceberg, Hall reasoned, then there are some aspects visible, above the water, but there is a larger portion hidden beneath the surface. In an iceberg, as shown in figure 1, only about 10% of the iceberg is visible above the waterline. What does that mean? The external, or conscious, part of culture is what we can see, which is only the tip of the iceberg and includes behaviors and some beliefs. The internal, or subconscious, part of culture is below the surface of a society; the majority, or 90%, of culture (internal or deep culture) is hidden below the surface and includes some beliefs and the values and thought patterns that underlie human behavior. There are major differences between the conscious (external) and unconscious (internal) culture as depicted in table 1.

Table 1: Internal Culture vs. External Culture

Internal Culture (deep/invisible)	**versus**	**External Culture (surface/visible)**
Implicitly Learned		Explicitly Learned
Unconscious		Conscious
Difficult to Change		Easily Changed
Subjective Knowledge		Objective Knowledge

Source: Based on Edward T. Hall (1976)

Then, what and how do you think about your organization's cultural iceberg? Hall suggests that the only way to learn the internal culture of others is to actively participate in their culture. When one first enters a new culture, only the most obvious behaviors are apparent. As one spends more time in that new culture, the underlying beliefs, values, and thought patterns that dictate that behavior will be revealed. What this model teaches us is that we cannot judge a new culture based only on what we see when we first enter it. We must take the time to get to know individuals from that culture and interact with them. Only by doing so can we uncover the values and beliefs that underlie the behavior of that society. In organizations, individuals are contributing to achieve the set objectives. This individual behavior in an organization is influenced by the history, society, and local environment as given in figure 2.

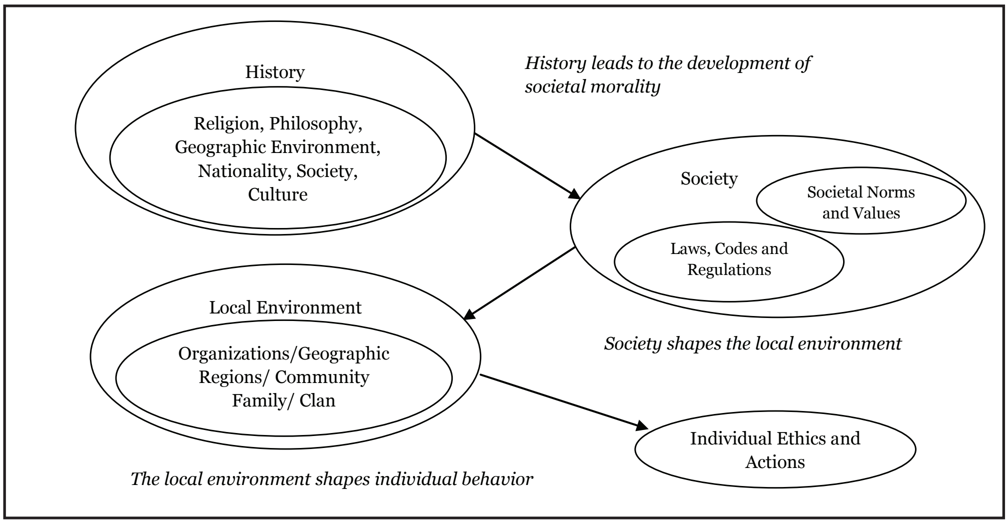


Figure 2: Sources of Individual Ethical Principles and Actions (*Source: Taft & White, 2007*)

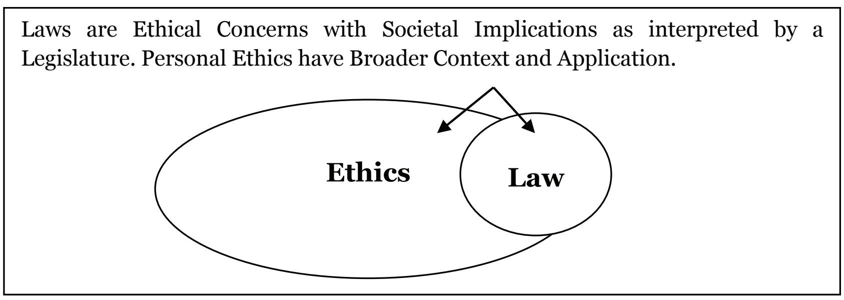


Figure 3: Ethics are Beyond Legal Requirements (*Source: based on various sources*)

As shown in figure 3, Legal Requirements often represent an Ethical Minimum and Personal Ethical Standards generally exceed Legal Standards. By being ethical, an organization can meet demands of business stakeholders, enhance business performance, comply with legal requirements, prevent or minimize harm and promote personal morality.

What are some of the important unethical business practices?

- Abusive or intimidating behavior
- Accurate but incomplete disclosures
- Discrimination against protected class
- Misrepresentations
- Receiving or offering bribes or incentives
- Sexual and other harassment
- Theft or fraud: personal use of company resources
- Unfair termination

Table 2: Why Ethical Problems Occur in Business?

Reason	Nature of Ethical Problem	Typical Approach	Attitude
Personal gain and selfish interest	Selfish interest versus others' interests	Egotistical mentality	"I want it!"
Competitive pressures on profits	Firm's interest versus others' interests	Bottom-line mentality	"We have to beat the others at all costs!"
Cross-cultural contradictions	Company's interests versus diverse cultural traditions and values	Ethnocentric mentality	" Foreigners have a funny notion of what's right and wrong."
Business goals versus personal values	Boss's interests versus subordinates' values	Authoritarian mentality	"Do as I say ,or else!"

Source: Lawrence, Weber & Post (2004)

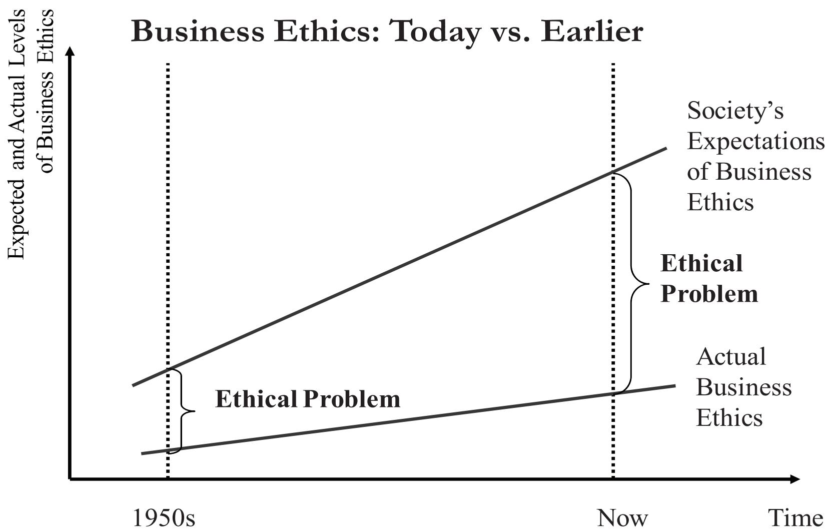


Figure 4: Business Ethics Thinking: What Does It Really Mean Now? (*Source: based on various sources*)

Table 2 is self-explanatory and indicates the reasons for ethical problems, their nature, typical approach, and attitude. Within a business setup, I strongly believe that "competitive pressure on profits" is a major reason among others, as the popular dominant theme of Strategic Management during 1980s was gaining competitive edge over the others. Because of this strategic concept, tools and techniques such as the Michael E. Porter's (1979) Five Forces model, managers are compelled to deliver the targets regardless whether they are achieved ethically or not!

At present, the ethical emphasis is high not just because of the actual level of business ethics are low. For me, I believe that actual level of business ethics are enhanced to a certain extent, though the rate of improvement is stumpy. As shown in figure 4, compared to 6 or 7 decades ago, society's expectation of business ethics has significantly increased at an increasing rate. That is why we feel that the ethical problem is bigger!

3. Most unethical business practices in the recent past: Examples from all over the world[1]

- Apple Inc. was criticized for using tiny child slaves to manufacture its products who are forced to work in dangerous working conditions.
- Barrick Corporation has been voted as Covalence's 12th most unethical company in the world, which was accused of torch up to 300 homes in Papua New Guinea in order to make room for their mining operation.
- Chevron has been caught trying to evade paying millions in taxes and has been accused of 18 years of unethical practices.
- Fonterra had to recall of up to 1,000 tons of dairy products across seven countries because it had found the contamination led.
- Dyncorp is accused of spraying herbicide on crops, which caused major health issues in nearby residents, killing off livestock, and causing the deaths of over 10,000 people.
- Fonterra was fined USD 900,000 in China for price fixing.
- GlaxoSmithKline is paying doctors for promotional talks.
- Halliburton's unethical offenses are so many.
- All have hated the way WalMart does business.
- Monsanto has been named the world's most unethical company by many including Action for Our Planet and other eco-friendly publications.
- Multinational Trafigura is responsible for disposing of the toxic wastes and byproducts that are produced as a result of their work.
- Philip Morris Tobacco has been accused for being extremely unethical since so much of their advertising seems geared toward children.
- Toyota made a huge and unethical failure in 2010 by ignoring safety concerns.
- Death over China melamine milk scandal.

In Sri Lanka, the two recent high-profile financial institution debacles exclaim the importance of good corporate governance, and also highlight the importance of the ethical behaviour of high-ranking officials in private and public sectors. Even the conduct of internationally renowned external auditors was questioned in both these cases, in the sacrosanct areas of 'due professional care' and 'conflict of interest'.

4. Key issues in Corporate Governance

Generally, the most important element of any governance system is considered to be the board of directors (BODs), which is responsible for the governance of the respective firms; however, it should be noted that the board is only one element in the governance structure. From the recent past, there has been a concentrated attention on the behavior of BODs following a series of well-publicized corporate failures and scandals. Issues of ethical concerns which have come out are *excessive CEO power* (Maxwell), *frauds* (BCCI), *insider trading* (Guinness), *misleading of shareholders* (Blue Arrow), *executive remuneration and perks* (British Gas) and such practices as the *milking of pension funds*, greenmail, use of *golden parachutes, poison pills*, etc. These issues immensely contributed to hinder the confidence level in the system of monitoring and control of firms.

Sir Adrian Cadbury (1992) stated that the heart of the matter of governance is how to achieve a balance between essential power of companies and their proper accountability. Cadbury (1992) argued for "*clearly accepted division of responsibilities at the head of a company, which will ensure a balance of power and*

[1] *Source: Based on http://www.businesspundit.com/, http://www.bbc.co.uk/ and various other sources*

authority, such that no individual has unfettered powers of decision". A distinction is made between accountability and responsibility. You render an account when you are held accountable, but you can be called to account when you are responsible. A director is therefore accountable at common law and by statute to the company and at the same time responsible to all stakeholders including the shareholders. According to Monks and Minow (1991), accountability consist of two relationships, first, the accountability of boards to shareholders and second, accountability of both to society (wider responsibility).

5. Relationship between BODs and Shareholders

As argued by Mace (1971), BODs are appointed by the shareholders and all members of the board are legally obliged to act in the best interest of shareholders. Among others, BODs have a primary duty to the company, a duty of care, a fiduciary duty and a duty to act within one's power within the company. As experienced through the range of corporate failures during the financial crisis, most of such *boards are passive*, largely perform a *ceremonial in function*, and mainly *limited to rubberstamping* management policies and decisions; and on the other hand there are highly *proactive boards* involved in *strategic decision making* and *strong in monitoring* the executive management, and ensure the company acts in the best interest of the shareholders. Following is a list of key roles and responsibilities of the BODs;

1. Determining the future direction of the firm – developing policy and formulating strategy (strategic plan, financial objectives, adequacy of the system to law, etc.)
2. Monitoring executive management – Management supervision in order to save and preserve the owner's interests
3. Ensuring accountability
4. Evaluate (board processes, performance etc.)
5. Select and appoint key management personnel

Bob Tricker (2009) classifies these roles of the Board into *performance* and *conformance* roles, which is depicted in figure 5.

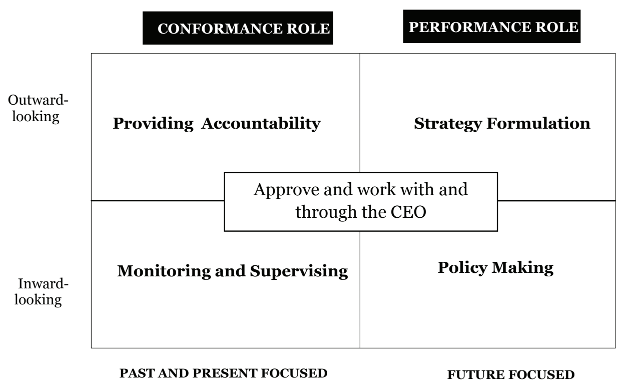


Figure 5: Functions of Board of Directors (*Source: Tricker, 2009*)

Out of the above key roles, determining the future direction of the firm is the fundamental role of BODs as it directly contributes to performance of the company. The BOD's participation in developing policy and formulating strategy brings them straight into the ethical focus, as Pettigrew (1992) argues; all strategies can be interpreted in a way that links them to an apparent ethical framework. As a straightforward example, the decision of an electronic firm to move towards production of weapons indicates a strategic move which has a significant ethical shift. Even though managerial control is considerable, Boards still pinpoint the boundaries of strategic decision making and also set the 'ethical tone' with regard to their accountability and monitoring functions. Ultimately, what is expected of management, both by way of performance and behavior, rests with BOD's responsibility.

Therefore, BODs must seriously consider the importance of developing an "ethical framework" for the purpose of *formulating policy and strategy, monitoring the execution* and *maintaining accountability*. The essence is that, for a board to be effective, it should play a significant role in running the firm, not like in the case of managers but as a responsible member on behalf of shareholders, BODs demarcate and direct the management within the said ethical philosophy. The BODs, as the highest level decision making body of the corporation sets direction, vision and strategy. Makes decisions in major investment, financial, organizational, market questions and appoints the key persons of management. Practically, the BOD's relationship to the management process must include decisions related to strategic planning, long range goals, capital allocation, performance appraisal of key positions, distribution of profit, etc.

On the contrary, as we all could witness, practically the management dominance (entrenchment), especially by the CEO, and as a result of that the BODs were unable to contribute at the firm level, restricting the argument as just only to a concept. This is referred to as the Managerial Hegemony theory, where the Board is only nominal, and does not have a real power within the firm. Hence, the role of the BODs is limited by the domination of management, and particularly by the CEO who dominates the BODs and controls the flow of information to directors. Hence, the Board is presented mainly as a legal fiction, highly dominated by management, making it ineffective in reducing the agency problems between management and shareholders. On this background there seems to be ethical issues such as;

- inability of BODs to harmonize agency problems,
- failure to safeguard invested capital,
- excessive managerial remuneration,
- abuse of managerial perks, and
- pursuing range of diversification strategies for the individual benefits of top managers (not in view of the firm)

With a view to address these ethical issues, some features and practices were introduced, pertaining to both the structure of Boards and the role of shareholders, such as *split the roles of chairman and CEO,* have adequate *independent non-executive directors (INEDs)* on the board, introduce *committee system* (remuneration, nomination and audit committees) with a view to strengthen the board with power not residing in the hands of single individual; with *non-executive monitoring* the performance and behaviour of executives and *asking discerning questions*; and with the use of committee system encouraging *greater democracy and accountability* and *freeing up main board* time for other important or strategic issues which determine the performance.

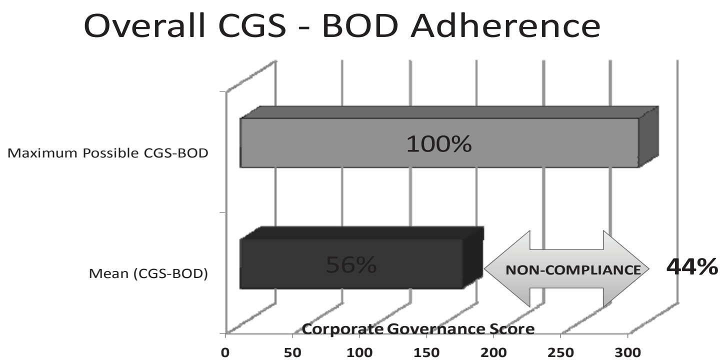
In order to address the above ethical issues, mainly the US and UK in the very outset and subsequently other countries considered to change their corporate governance practices, though there is no clear consensus. Especially the INED system was criticized pinpointing *liability basis, selection by the CEO, lack of required knowledge, involvement and their independence*. As evidenced in cases like Enron, WorldCom and Hokkaido Takushoku Bank, etc., there was *a loss of faith in auditing and accounting practices* across the business world and this was the reason why greater shareholder intervention was emphasized in the running of firms. As Davies (1993) explains, that is how the growth of institutional investors such as pension funds facilitate their greater intervention.

6. Relationship of BODs and Shareholders with Society

Generally the relationship of Boards and shareholders to society is discussed under the popular topic of Corporate Social Responsibility (CSR). Companies are social entities participating in a network of communities, other entities and society as a whole. These are both affected by the company and can affect it. According to Shelley Marshall and Ian Ramsay (2012), the traditional view of a company's stakeholders is limited to those concerned with the inputs (investors, employees, suppliers) and outputs (customers) involved in maximizing value to the company and returning profits to shareholders. A wider view, which is taken in Freeman's (1984) 'stakeholder model', stakeholders are defined as: "Any group or individual who can affect or is affected by the achievement of the organization's objectives". Orts and Strudler (2009), highlight that this normative definition has attracted criticism for being so expansive as to make it unworkable. Criticism has focused on the absence of agreed definitions within the Stakeholder Theory on how stakeholders are identified, balancing of their views and taking into account their interests in the decision-making of a company. There are several other problems with regard to stakeholder theory such as;

- decision making process may become lengthy and complex if all interests of stakeholders are taken into account
- how the managers are assessed if they are accountable to various stakeholder groups
- if any stakeholder is ranked superior to the shareholders, it may affect share price of the entity and may reduce investments

Freeman (2010) argues that stakeholder theory is consistent with an integrated, strategic view of CSR that focuses on value maximization, as opposed to a residual view of CSR where activities are an 'added extra' rather than deeply embedded within a company's day-to-day business operations.



	Mean (CGS-BOD)	Maximum Possible CGS-BOD
Score	165	296

Figure 6: Corporate Governance Score (*Source: based on my research*)

According to Stiles (1997), until recently, companies concerning external parties with legitimate interests in the organization are made without those external groups being part of decision making process itself and those external parties suffer from a disadvantage in terms of information. Because of this third-party monitoring of performance is also restricted. On the contrary, as per Ayuso and Argandona (2007), the stakeholder approach of corporate governance views the firm as a socio-economic organization built to create wealth for its multiple parties and ultimately calls for representing the different stakeholders on the board. From an ethical point of view, having stakeholder representatives on the board, ensures that their rights and legitimate expectations will be respected. A board that replicate the firm's internal and external stakeholders foster their commitment in contributing to value creation. Internal and external stakeholder representatives also bring information to the board and will be able to provide important resources to assist the firm in creating and sustaining competitive advantage. However, along with the developments, some reforms have been proposed to enhance the stakeholder engagement and social responsibility of the firm. Among those, mandatory disclosure of information and enhanced stakeholder representation are notable, and in several cases companies have realized the benefit of such attempts.

Table 3: Criteria-wise Point Allocation

CGS-BOD Components	Point Allocation	BFI	BFT	Diversified	Hotel & Travelling	Land & Property	Manufacturing	Plantation	Overall Compliance
1: Future Direction	20	81%	67%	66%	69%	56%	62%	66%	67%
2: Policy Formulating	20	72%	63%	66%	63%	55%	62%	69%	64%
3: Strategic Thinking	20	74%	65%	70%	64%	59%	66%	69%	67%
4: Board Structure	25	61%	57%	65%	57%	49%	55%	57%	57%
5: Board Membership	16	55%	53%	62%	53%	44%	52%	54%	53%
6: Board Meetings	25	60%	58%	64%	57%	50%	56%	60%	58%
7: Board Committees	45	58%	54%	60%	54%	48%	52%	55%	54%
8: Board-CEO & Mgt	20	52%	50%	54%	49%	43%	49%	51%	50%
9: Board – Staff	20	52%	44%	46%	50%	39%	45%	44%	46%
10: Monitoring	25	48%	52%	50%	44%	44%	45%	44%	47%
11: Legal compliance	12	83%	61%	70%	62%	53%	60%	61%	64%
12: The Entity	12	62%	61%	68%	58%	51%	57%	59%	59%
13: Stakeholders	16	41%	51%	60%	48%	39%	49%	51%	48%
14: External Relations	20	55%	53%	59%	51%	45%	50%	52%	52%
OVERALL	296	61%	56%	61%	56%	48%	54%	57%	56%

Source: based on my research

Table 4: Criteria-wise Corporate Governance Score

Specific Areas	Point Allocation	Score Obtained	Compliance Level
3: Engage in Strategic Thinking and Planning	20	13.38	0.67
1: Determining Future Direction	20	13.33	0.67
2: Policy Formulating Practices	20	12.88	0.64
11: Legal & Ethical Compliance	12	7.72	64%
12: The Entity	12	7.11	59%
6: Board Meetings	25	14.49	58%
4: Board Structure & Practices	25	14.28	57%
7: Board Committees	45	24.39	54%
5: Board Membership & Orientation	16	8.52	53%
14: External Relations Practices	20	10.44	52%
8: Board-CEO & Senior Management Relationship	20	9.93	50%
13: Stakeholders	16	7.76	48%
10: Monitoring & Evaluation Practices	25	11.68	47%
9: Board – Staff Roles	20	9.17	46%
OVERALL	**296**	165.00	**56%**

Source: based on my research

7. Current Views of Sri Lankan Corporate Governance: Major Findings

In a recent research study conducted by me on the current situation of Sri Lankan corporate governance, I came across following major findings (see figure 6):

- Actual Corporate Governance (CG) practices are considerably deviated from the expected standard (average compliance level is 56%)
- A broad variation in CG practices across the firms (Maximum: 69% & Minimum: 39%)

- A considerable variation in CG practices across the industries (48% - 61% - see table 3)
- Governance level is high in BFI & Diversified (high average score)

As Given in table 4 above;

- Sri Lankan boards are good at;
    - Engage in Strategic thinking and planning
    - Determining future direction
    - Policy formulating practices
- Sri Lankan boards are weak at;
    - Board-staff roles (not clearly defined and separated)
    - Monitoring & evaluation (split the role of Chairman & CEO)
    - Relationship with the key stakeholders
- The degree of interest in the recent discussion on CG is remarkably high (over 70%)
- Through their CG system they hope to enhance the performance and speed up of decision-making
- There is a growing tendency of introducing new features like Independent Directors, BOD training & IR activities

Having discussed the major research findings pertaining to Sri Lankan corporate governance now let me move into the final part of my keynote speech.

8. Reshaping Process: 'To be true to self - beyond rules and regulations'

How can ethics be re-visited and re-introduced as part of the moral compass for boards critical to the stability of the global setup? Primarily, this re-shaping definitely cannot be done only through rules alone. Boards must play a leadership role in promoting an ethical business culture, with the chairman and CEO setting the 'tone at the top.' This must be truly demonstrated in practice and behavior to ensure that the right decisions are made and ethical standards are rigorously observed without any exception. Considerable time must also be devoted to board induction, training and director development. This effort should not only cover relevant laws, regulations, standards and codes that govern the business.

With the understanding of the importance of good corporate governance, the sole approach during the last two decades was mainly the mandatory approach. Accordingly, there were lot of regulations, legislation, standards and codes introduced by various jurisdictions as appropriate. Even though, at the inception the compliance level is low, after a while there was a considerable improvement. However, the reach so far is not adequate as per the expectation; I believe that the rest of the achievements in the governance field must be done through self-regulation. Mere existence of formal procedures will not of themselves produce ethical behavior. One reason is that the next level developments cannot be done forcibly, and another reason is that such standards and cords will not work the well-run firms who already have sound systems. As proposed in figure 7 (self explanatory), from this point forward we must think about an ethics-balanced governance approach considering individuals to mix the ethical thinking with their blood rather than old approaches.

9. Conclusions

The above analysis and discussion on corporate governance at large, it seems the BODs are the key element for the conduct and performance of firms with a view to ensure the aspiration or interest of the shareholders. As key role and responsibility of the board of directors formulation of corporate policy and strategy and ensuring effective supervision of management execution have greater concerns about ethical issues with regard to; broad business policy, selection of specific strategies, the way they implemented nature and extent of goals and targets for managers and employees and how their performance are assessed.

When considering the actions of companies at present, by looking at the most unethical business practices, there is a severe consequence, it is high time to revisit the concepts of transparency, accountability, responsibility and fairness. Whatever the good expectations might have been, these unethical corporate practices contributed in bitter experiences, indicating number of structural issues. Over crossing the board of directors, the management dominance affects the agency issues generating series of ethical issues.

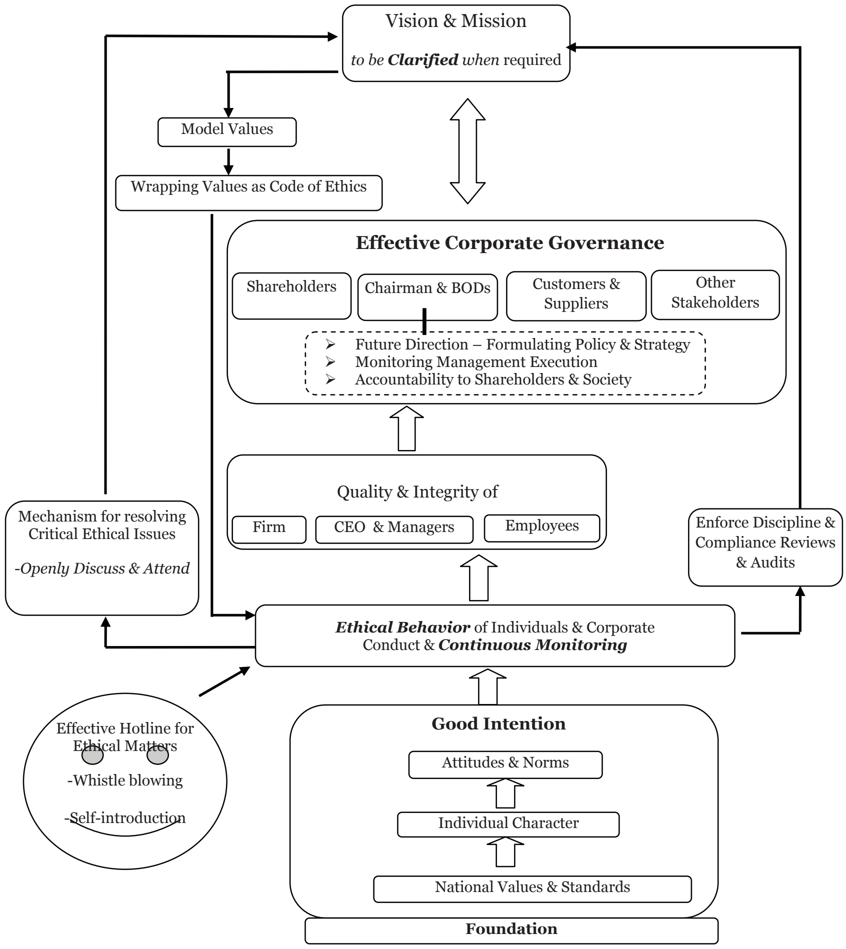


Figure 7: Ethics-balanced Corporate Governance – My Proposal

Wider responsibility or the relationship of BODs and shareholders with other stakeholders has a growing attention, indicating the recognition of the significance of stakeholders. The challenge is to deal with the problematic concerns against the stakeholder approach ranging from; no clear decision rule, lengthy process for decision making performance measurements of managers when dealing multiple stakeholders, and prioritization order. Due to disregarding the responsibility of some corners, it seems to be harder to implement some of the proposals to reform Boards and governance systems.

Therefore, the Board of Directors, as the apex body of a firm, at least from now onwards must seriously think of a meaningful way to formulate a sound 'ethical framework' and to ensure the adherence of the conduct or the operations in a genuine manner, rather than just developing them for documentation. Still, achievement of BODs in ensuring managerial accountability to shareholders rest at an unacceptable level, as far as the real world is concerned. Hence, there is a tendency towards shareholder monitoring, though it has practical limitations. Similarly, understanding the practical importance of the valuable contribution of other stakeholders, there must be new cultural ethics orientation in the 21st century ethical framework.

Derived from the above, there is no need to start implementing ethical practices from the zero as we have come a long way, and the main issue is that we have significantly lagged behind the general expectations. We have to break the mental barriers in an ethical way. If the real problem is with ethics, let us address ethics rather than changing something else. We should try to answer the correct question rather than trying to find perfect answers for the wrong question, concerning the sustainability of the entire planet.

Certainly, none of the above will bring the results unless those responsible for their effective functioning; such as politicians, policy makers, regulators, business leaders, and market participants demonstrate that good corporate governance practices are determined by the ethical exercise of significant authority and responsibilities on which society's future depend. For this, awareness creation, education, training and media reporting of unethical practices have a big role to play together with individual preference towards ethics.

Confidence, Integrity and Trust take years and years to win, but few hours to lose! An ethical practice in governance is a key!

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