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Key issues of organisational governance – an empirical analysis.

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Abstract

The research article studies the possibility of involvement of larger group of stakeholders including employees, vendors and customers in ensuring better corporate governance and providing a proper platform for the same. It analyses the merits of inclusion of these stakeholders in organisational governance in addition to management group and auditors. A survey was conducted among a sample of 70 stake holders of a manufacturing company including employees, vendors and customers. The outcome of the survey concludes that the enlarged group of stakeholder’s involvements in governance process has significant positive association in ensuring better governance and enterprise risk management. It was also observed in our study that awareness of corporate governance among stakeholders is positively related with unethical practices of the organisation. Where ever the awareness is high on corporate governance, the possibility of identifying and reporting the unethical practices is high. Meanwhile, it was also found that there is a significant negative linear relationship between unethical practices in the organization and platform to report, representing that if any stake holder reports unethical practices of their organisation they don’t get proper platform to report. Hence additional stake holder plays a greater role in the corporate governance of the organisation and their hidden potential should be unleashed. The company also needs to take necessary steps to provide proper secure platform for these new stake holders to report any unethical issue related to corporate governance.

Keywords:

Corporate Governance (CG), Audit Committee (AC), Enterprise Risk Management (ERM), Internal Audit (IA), Risk Based Internal Audit (RBIA), Board of Directors (BOD), Chief Audit Executive (CAE)

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