

CORPORATE GOVERNANCE PRACTICES AND STAKEHOLDERS' PERCEPTION: A STUDY OF INDIAN COMPANIES

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This research work has been carried out with an objective of understanding corporate governance (CG) practices, their formation in terms of rules and regulations and the implementation level of adoption of these practices. Since the inception of CG concept, it has moved from being considered as an agency concept to stakeholder's concept. In today's arena, each organisation is bound to consider interest of all stakeholders in terms of following good CG practices.

After obtaining conceptual clarity, the research work has been given the shape by analysing secondary data where data has been obtained for seven years (2005-11) for top BSE-30 companies. In this section of study, CG disclosure index has been calculated from the point of view of having deeper understanding of CG norms and to see the adoption level of these practices among Indian companies.

The other area of concern was to know the implementation level not only in books but in practice. To achieve this objective a stakeholder's survey has been conducted with the help of two different set of questionnaires with total number of 385 respondents. During the collection of primary data due care was given to selection of sample which was on random basis. The collected data has been tabulated and tested with the help of different statistical tools.

As a result it has been observed that there is scope of having specific designed provisions as per Indian business environment with respect better adoption of CG practices. The details have been given in conclusion and discussions chapter. It is learnt from the results of the study that stakeholders and investors have become aware of their rights and importance of governance for different organisations. These stakeholders include shareholders, employees, creditors, suppliers, customers, government and the community. The study has been conducted for Indian companies by covering different sectors. Further, research can be done for specific sectors only and even some special set of governance rules can be derived for the specific sector, specially banking and insurance sector where public money is

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involved and they are the major stakeholders.

The research can be related to gender diversity in adoption of CG practices. The study can be in respect of implementation of CG practices in developing countries or South Asian countries also. It was found during the course of study that a separate monitoring team can be there to protect the stakeholder's interest. It was observed that companies were following mandatory norms only in the initial years of the study and adoption of non-mandatory and other norms to protect society's interest as a whole gained importance recently. Further studies can be conducted in this area.

Another area of research can be use of technology and E-sources for governance practices which can be considered as an advantage for implementation of CG practices. It is seen that adoption of CG practices increases organisation effectiveness and is required for business sustainability so some set of rules or handbook for governance can be considered as an opportunity for further research. Another area can be governance norms for private companies and other set of business organisations.