Counselling In Organisational Behaviour

By Mrs. Archana Sanjay Sharma

ABSTRACT

This paper attempts to find out about the awareness of Employee Counseling and to make employees as well as management understand the importance of Employee Counseling. To achieve this end information was collected through peer review and normal discussions.

Employee Counseling is a service offered by companies to their employees. Organizations that care for their employees are perceived as more meaningful and purposeful.

A firm may gain competitive advantages from Employee Counseling activities. Employee counseling therefore is a very powerful tool in the hands of companies in attracting and retaining quality workforce.

No successful organization will ever be free from stress among its employees. Here the role of Counseling comes in, where people can talk and attempt to solve their personal and work related worries.

It was understood that majority of the employees were unaware about this concept and many were new to it. Majority of the employees agreed that there was a strong need for Employee Counseling in a company.

Hence to conclude, modification in the behavior of employee is necessary to improve employee productivity so that employees may function at an optimum level of well being and competence.

Key words: Counseling, Employee Counseling, Management, Election, Employee Productivity.

INTRODUCTION

We live in a complex, busy, changing world. In this world, there are many different types of experience that are difficult for people to cope with. Most of the time, we get on with life, but sometimes we are stopped in our tracks by an event or situation that we do not, at that moment, have the resources to sort out. Most of the time, we find ways of dealing with such problems in living by talking to family, friends, neighbours, priests or our family doctor. But occasionally their advice is not sufficient, or we are too embarrassed or ashamed to tell them what is bothering us, or we just don't have an appropriate person to turn to. Counseling is a really useful option at these moments. The counsellor does not diagnose or label you, but does his or her best to listen to you and work with you to find the best ways to understand and resolve your problem. Counseling is suitable for most people and most problems, providing you really want to change your life and are willing to experience some emotional turmoil along the way. Counseling is not suitable for

people with mental illness, who have different needs and will benefit from psychotherapy or psychiatry. Employee counseling, not only in corporate but also might prove useful and effective among teachers too.

A general perception about the teacher is that their job is very easy, less time as compared to corporate, lots of holidays etc. But in reality, teachers are stressed with many factors such as correction of papers, supervision duty, expectations of management as well as parents. The most stressful part among teachers' duty is during Elections. They are exposed to high level of physical as well as mental stress. Specially female teachers were challenged by the full time work in schools or colleges, election training and household responsibilities.

Teachers had to attend their school or college complete their work and then attend the training session for elections. At the time of elections, teachers had to balance between personal (home responsibilities) as well as the election duty hours. Some teachers had to spend whole night at polling centre looking after the equipment (Hindustan Times, May 24, 2013). Teachers had to work without any break which actually lead Mental trauma along with lack of basic amenities and rude behavior of the voters and other election officials. Such a situation faced by teachers, calls for a proper counseling by a trained counsellor, especially at the time of elections. Thus, counseling becomes important for teachers too

ONCEPTUALISING EMPLOYEE COUNSELING

Counseling:

I)   a) It is an act of exchanging opinions and ideas; consultation.

     b) It is an advice or guidance, especially as solicited from a knowledgeable person.

     c) Its a plan of action.

     d) It is a private, guarded thoughts or opinions:

II)   To give counsel means to advise.

III)   Its a guidance offered by social workers, doctors, etc., to help a person resolve social or personal problems

IV)   Counsel means something that provides direction or advice as to a decision or course of action.

Corporate Counseling or 'Employee Counseling at Workplace' is a new development in Human Resource. The latest trend catching up in the corporate HR across the world is Employee Counseling. This involves providing help and support to employees to help them cope with challenges in life which affect their output. This type of counseling gives an employee a window to share and to take different perspectives about issues, how to face and deal with issues in a better way. Many at times, juggling life and career comes along with challenges either with work or personal life or even both which affects productivity levels. Counseling entails guiding, consoling, advising and sharing as well as helping to resolve problems whenever they

arise in every facet of life in order to bring out the best of each individual.

Definition of Employee Counseling

Employee counselling can be defined as a process which is initiated by the counsellor or the manager to assist the employee or subordinate to gain knowledge, understanding and insights on a performance concern. This could relate to the counsellee's attitude, motivation or interpersonal skills. Essentially the counselling is to provide timely professional and confidential aid for employees whose personal problems might otherwise lead to work impairment, absenteeism, reduce productivity and cause accidents and conflicts in the workplace, or even job termination.

AREAS OF COUNSELING

As a manager in an organization invariably counseling becomes your unofficial duty. This however has major drawbacks for example; the lack of trust on the part of the employee might prevent full disclosure of the problem to the superior. These factors, among others, coupled with the complexities of life are becoming increasingly important for employees to use the services of counselors to take up the counseling activities. Such activities will include areas such as

I.   **Performance counseling**: This type becomes necessary when the employee shows signs of declining performance, being stressed in office-hours, bad decision-making etc. It should cover all the aspects related to the employee performance like targets, employee's responsibilities, problems faced, employee aspirations, inter-personal relationships at the workplace etc.

II. **Personal and Family Wellbeing**: A crucial part of an employee is his or her family and friends. Most often problems people encounter with family and friends negatively affect their job performance. Therefore, the counselor needs to strike a comfort level with the employees and through counseling sessions involving their families can help to resolve their problems and getting them back to work- all fresh and enthusiastic.

III. **Other Issues:** Apart from the above mentioned factors, other issues such as Management of finance, health matters, communication, emotional abuse, threats also affect a person's output at work. Counseling helps to identify the problem and help him / her to deal with the situation in a better way.

SPECIFIC AIMS OF EMPLOYEE COUNSELING

1) Explore and find the key sources of difficulty.

2) Review the individual's current strategies and styles of coping.

3) Implement methods of dealing with the perceived problem, thereby alleviating the issue. Often this step may involve improving interpersonal relations at work and / or improving personal performance.

4) Evaluate the effectiveness of the chosen strategies.

BASIC REQUISITES OF EMPLOYEE COUNSELING

1) Employee counseling needs to be tackled carefully, both on the part of the organization and the counselor. The counseling can turn into a sensitive series of events for the employee and the organization; therefore, the counselor should be either a professional or an experienced, mature employee.

2) The counselor should be flexible in his approach and a patient listener. He should have the warmth required to win the trust of the employee so that he can share his thoughts and problems with him without any inhibitions.

3) Active and effective listening is one of the most important aspects of the employee counseling.

4) Time should not be a constraint in the process.

5) The counselor should be able to identify the problem and offer concrete advice.

6) The counselor should be able to help the employee to boost the morale and spirit of the employee, create a positive outlook and help him take decisions to deal with the problem.

The process of counseling of employees in an organization

Step 1. Describe the changed behaviour. Let the employee know that the organization is concerned with work performance. The supervisor maintains work standards by being consistent in dealing with troubled employees. Explain in very specific terms what the employee needs to do in order to perform up to the organization's expectations. Don't moralize. Restrict the confrontation to job performance.

Step 2. Get employee comments on the changed behaviour and the reason for it. Confine any negative comments to the employee's job performance. Don't diagnose; you are not an expert. Listen and protect confidentiality.

Step 3. Agree on a solution. Emphasize confidentiality. Don't be swayed or misled by emotional please, sympathy tactics, or "hard-luck" stories. Explain that going for help does not exclude the employee from standard disciplinary procedures and that it does not open the door for special privileges.

Step 4. Summarize and get a commitment to change. Seek commitment from the employee to meet work standards and to get help, if necessary, with the problem.

Step 5. Follow up. Once the problem is resolved and a productive relationship is established follow up is needed.

CONCLUSION

Counseling can go a long way in helping the employees to have better control over their lives, take their decisions wisely and better charge of their responsibilities; reducing the level of stress and anxieties.

Counseling of employees can have desirable consequences for the organization. It helps the organization when the employees know that the organization cares for them and are able to build a sense of commitment with it.

It can prove to be of significant help to modify the behavior of the employees, more so to re-enforce the desired behavior which improves employee productivity.

If employees are to function at an optimum level of well-being and competence, it is vital that they feel supported and valued. Organizational systems are sometimes quick to make demands and 'hinder' but occasionally slow to 'help.'

Employee counseling can be a vehicle to provide help in an effective, practical way. It is through such help that individuals are motivated to understand and realize their own career potential, thus maximizing the chances of functioning in the best interests of the organization.

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Stress Caused To Teachers Due To Election Duties

By Mrs. Kiran Singh

ABSTRACT

In today's knowledge economy the importance of education has been worldwide recognized. In India the education system is very unique & to make this securing a place of prestige the role of teachers is remarkable. Teachers are considered as a 'kingpin' in the entire education system. To achieve this status teachers have come up to the expectations of the world. Time has changed & so does the pattern of the education, but the role of a teacher have remained intact. The performance of teachers is a fundamental concern for all educational institutions & this performance is hampered due to the increasing level of stress which they experience during their normal routine life. This reaction of stress on performance has given an insight to research on "Stress caused to teachers due to election duties."

Stress is considered as an involuntary response to an unwanted environment. The impact of this stress may be reflected by negative health, alcoholism, drug dependency, high attrition rate and many more. In addition to this they experience low morale which thereby results into low productivity. This can be experience through increased absenteeism, lack of concentration on students and many more.

Some steps need to be taken in order to overcome these problems. It should be both on the part of an educator as well as the government. By such measures teachers can ensure success & growth of the educational institutions & prove true to their profession.

Keywords: Education system, educational institution, stress, teacher's performance.

INTRODUCTION

Since last 25-30 years there has been a significant refashioning of the education and training landscape in India. Previously there was an existence of metric, pre-university and inter-level but today this department is divided into secondary, higher secondary and degree level. Now the question arises before us is, was this change actually embraced in order to prevent stress? Teachers form the crux of the education system, preparing the young adolescents to build the nation and face the challenges of tomorrow. Teachers enter in this profession with high expectations, a vision for future and a mission to educate children.

Teachers are perennially exposed to high level of stress. Teachers have poor pay package with long working hours, poor teaching facilities and lack of social recognition, poor organizational climate and role ambiguity.

In addition, the budget allocated to education is negligible when compared with other service industries in terms of GDP. It was only 4-5% of GDP for the year 2001-2002.

With the increasing demand for education the level of stress has tremendously increased. There are other factors also contributing to stress like increase in the number of students per class, student discipline, apathy, learners/educators attitude towards the education, parents attitude towards teachers, parents expectations from teachers and many more. This study focuses on the college teacher's perception of impact of stress on their work performance.

CONCEPTUALISING TEACHERS STRESS

Stress in general term refers to an inability of a human being to cope up with its surrounding environment (Dobson & Smith, 2000). The presence of stress at work is becoming a major problem in workplaces around the world. When the level of stress increases it has its impact on the health and the work performance. The productivity of employees decreases as they experience low morale. Teachers stress in particular means a situation where the teachers are exposed to certain unwanted factors which may be internal or external and it disturbs the routine life. A normal level of stress or rightly said Eustress is required at all levels because it doesn't hamper the productivity but enhances our skill thereby increasing our work efficiency. At times, it acts as a motivating factor too. But if there is a prolonged stress, it results into distress and the impact of it may be reflected by showing job dissatisfaction, low morale, work exhaustion, reduced work performances and many more.

As discussed earlier the internal factors i.e. within the institution may be poor working conditions, less pay, large number of students, unhealthy environment, poor relation between employee and management. The external factors may be demanding parents, tight governmental policies, downsizing.

STUDY UPDATE

Despite of RTE Act which states that the teachers should not be assigned any non-educational duties, a GR was issued which stated that assigning the election duty to teachers is a necessity.

Teachers already burdened with their exams, lectures, practical's and evaluation were very upset by this decision. Same teachers had to attend the school in morning and still go for election training in evening. Some colleges faced the problems of shortage of teaching staff. Some had to spend whole night at the polling centre looking after the equipment (Hindustan Times, May'24 2013). The stress was not restricted only prior to election but it was observed on the day of election too. Teachers had to suffer due to the rude behavior of voters and their colleagues too. Not only this but there was no proper arrangement of basic necessities i.e. food, water, tea was also not provided on time. Teachers had to work without any break. Teachers had to perform the duties of peon as well.

SOURCES OF STRESS

Though there are many sources of stress in our internal and external environment, Marshall & Cooper suggested six categories of stressors which are as follows:

1. **Stress in the job itself** :–

   This includes the design of the teacher's job, work conditions, physical work environment, working hours etc. Security is another task demand that can cause stress. Someone in a relatively secured job is not likely to worry unduly about losing that position. On the other hand if job security is threatened, stress can increase dramatically.

2. **Role-based stress** :–

   This includes role conflict; role ambiguity etc. Role conflict occurs when a particular teacher receives competing and conflicting expectations from others. Role ambiguity results from having unclear expectations.

3. **Inter-personal Demands** :–

   Conflicts can occur when two or more people work together even though their personalities, attitudes and behaviors differ. It can be with reference to colleagues, subordinates, supervisors, principals and management.

4. **Career Expectations :–**

   When teachers are overloaded with work, there is no or little time left with them to focus on their career development, promotion etc. They match themselves with others and find below their own expectations undergoing in stress.

5. **Stress with home and work interface:–**

   Teachers have to balance both work life and domestic life . Creating loyalty equilibrium at both the places becomes a very difficult task for teachers. They have to manage for the demands at office and at home.

IMPACT OF STRESS

1. **Stress affects the physical and mental health –**

   It is a popular belief that stress is must for life and is a part and parcel of life but it has certain limit. After that it starts affecting the physical and mental health. High degree of stress may cause cardio vascular, cancer and ulcer problems.

2. **Stress and low esteem –**

   Despite of high qualifications, satisfactory academic performance, good communication skill if the teacher finds himself not popularized he may start questioning himself in reference to the poor performers and may attribute himself for failures. This lowers his self image.

3. **Stress and decision making capacity–**

   Stress affects the mental well- being of a teacher. Even simple decision becomes tricky and confusing for him. They tend to take incorrect decision in stressful situation.

4. **Stress and performance –**

   Performance is affected by external and internal factors. External factors may be environment, noise etc. whereas internal factors are the emotional states of worry, anger, frustration, anxiety etc.

SUGGESTED COPING STRATEGIES FOR STRESS

It may be categorized into **a) individual strategies**, and **b) organizational strategies**.

Individual strategies may be regular exercise, relaxation, yoga, time management, socialization etc whereas organizational strategies include improved communication with teachers, participative decision–making should be encouraged, growth opportunities and better working conditions should be provided.

CONCLUSION

Today no one lives without stress. Increasing work expectations, family obligations, financial strains and chronic shortages of time can be overwhelming. Contrary to this moderate stress is welcome as it can increase effort, stimulate creativity and encourage diligence in one's work. Stressful situations seem to lurk at every turn. Excessively high stress can overload and breakdown a person's physical and mental systems. Stress has implications on performance and satisfaction. While low to moderate stress can lead to better performance, excessively high stress can lower performance. The effect of stress on satisfaction is negative always. Performance can suffer as people experience illness brought on by very intense stress and/or react to high stress through absenteeism, turnover, errors, and dissatisfaction and reduced performance.

While a world without stress is unimaginable, we can minimize and effectively deal with the stress we encounter. Effective ways are therefore required for everyone, to challenge and beat the stresses that are wearing them down and out, ruining their lives and relationships with pressures and demands virtually unheard of in generations past.

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Changing Facet of Corporate Governance.

By Laxman Partabrai Kanal

ABSTRACT

Corporate Governance in India has seen a paradigm shift and has been posing new set of challenges to the top echelons of management in various organizations including organizations from the financial sector. The increasing stringencies and tighter regulatory mechanism have been the compelling reasons for the companies to have stronger focus and orientation on smooth implementation of the corporate governance code in India. The paradigm shift in the manner in which business is conducted across the world in the digital era, warrants a synchronization of the regulatory mechanisms to tackle frauds, and to safeguard the interests of various stakeholders.

A clear understanding of the various changing dimensions and perspectives optimally backed by the collective will power of the corporate world as well as the government will ensure the accomplishment of shareholders' objectives by the various organizations

AIMS AND OBJECTIVES:-

It is said that good corporate governance helps an organization achieve several objectives and some of the more important ones include:

- To Develop appropriate strategies that result in the achievement of stakeholder objectives.
- To Attract, motivate and retain talent.
- To Creating a secure and prosperous operating environment and improving operational performance.
- To Manage and mitigate risk by protecting and enhancing the company's reputation.
- To regulate the Corporate governance in India and to improve the role of independent directors and audit committees in addressing these concerns
- Board practices, board oversight of risk management and the importance given to integrity and ethical values.
- Practices that are fundamental to improved corporate governance.

In comparison with developed countries that impose stringent penal and criminal consequences for poor corporate governance, penalty levels in India are considered to be inadequate to enforce good governance. 71 percent of the respondents considered penalty levels to discipline poor and unethical governance to be low. 22 percent of the respondents were either undecided or did not know if the penalty levels are low.

RESEARCH METHODOLOGY:-

The method of research is adopted for this particular project and study is doctrinal in nature.

A doctrinal method had been used as it is more viable for this topic in question, an empirical approach of research will be futile.

FINDINGS AND CONCULSION:-

Corporate Governance practices in India are still evolving .It is a process of engaging shareholders and the management effectively to enhance the organization's value. It involves participation of various stakeholders and management, communication, exchanging and validating ideas, and lots of debates and discussion. Hence, corporate governance is essentially a function of the mindset and culture prevalent in the organization's operating environment corporate governance cannot be looked at in isolation: it is heavily influenced by the overall governance eco-system. Recent scandals in corporate India have raised questions not only about the practices adopted by companies to solicit business but also about the standards of accountability in public administration including within the government machinery and institutions. These larger governance issues will need to be addressed alongside governance issues within corporate

MANUSCRIPT:-

Introduction:-

Corporate governance, in plain terms, refers to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations.

However, an enforced corporate governance provides a structure that, at least in theory, works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, organizations have been formed at the regional, national, and global levels.

In recent times, corporate governance has received increased attention because of high-profile scandals involving abuse of corporate power and, in some cases, alleged criminal activity by corporate officers. An integral part of an effective corporate governance regime includes provisions for civil or criminal prosecution of individuals who conduct unethical or illegal acts in the name of the enterprise.

The term 'corporate governance' may be defined as 'the activity of controlling accompany' (OUP, 2000). 'Corporate governance deals with the ways in which the suppliers of finance to corporations assure themselves of getting a stream of return on their investments' (Schaefer et al, 1997). Corporate Governance is one of the most often talked about topics in business, among the senior echelons of management as well as other stakeholders. Corporate Governance is defined as the compendium of the general set of customs, regulations, habits, and laws that determine to what end a firm should begun. The most challenging part about corporate governance is the lack of clear demarcation between the complex intersections of law, morality, and economic efficiency. Corporate Governance has gradually gained focus prominence and importance in the curricula of the leading business schools and has also become one of the hottest contemporary issues on which seminars, conferences and workshops are being organized across the globe to sensitize the various stakeholders about its impact,

implications and ramifications on the various stakeholders of the society. It is usually not a distinct academic discipline, but has been integrated into management course of different institutions and universities in India and abroad. The issues pertaining to Corporate Governance is considered to be significant in the light of the manifold issues and dimensions including issues of executive compensation, financial scandals, and shareholders' activism etc. Corporate governance is the integration of the various processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, management, and the board of directors. Other stakeholders include employees, customers, creditors, suppliers, regulators, and the community at large. Corporate governance is a multi-faceted subject. An important theme of corporate governance is to ensure the accountability of certain individuals in an organization through mechanisms that try to reduce or eliminate the principal-agent problem. There are yet other aspects to the corporate governance subject, such as the stake holder view and the corporate governance models around the world.

Over haul, but some fine tuning may be required to make them applicable to unlisted and small and medium enterprises. The speakers also laid stress on the fact the growth and prosperity of a nation depends on the character of its people which in turn depends on the education and value systems inculcated in a person since his childhood. Manoharan, who was appointed by the central government as a director of the scam-hit Satyam Computers and later its chairman to bring back the company from the brink, was speaking at the 'Corporate Governance - The Way Forward', seminar organized at Chennai in association with National Foundation for Corporate Governance. 'The ramification of a corporate fraud is not restricted only to the jurisdiction where the fraud was committed,' he said. Speaking about the Satyam Computer balance sheet, he said: 'On the right side (asset side) nothing was left and on the left side (liabilities) nothing was right. But such frauds are few.' Santhosh Shetty, director, Governance, Risk and Compliance Services practice at KPMG, called for some changes in the corporate governance norms and for a credible disciplinary system. He also asked key advisors like auditors to be more accountable.

REVIEW OF LITERATURE:-

Future Prospects

The issues of governance, accountability and transparency in the affairs of the company, as well as about the rights of shareholders and role of Board of Directors have never been so prominent as it is today. The corporate governance has come to assume a centre stage in the Board room discussions. India has become one of the fastest emerging nations to have aligned itself with the international trends in Corporate Governance. As a result, Indian companies have increasingly been able to access to newer and larger markets around the world;

as well as able to acquire more businesses. The response of the Government and regulators have also been admirably quick to meet the challenges of corporate delinquency. But, as the global environment changing continuously, there is a greater need of adopting and sustaining good corporate governance practices for value creation and building corporations of the future.It is true that the 'corporate governance' has no unique structure or design and is largely considered ambiguous. There is still lack of awareness about its various issues, like, quality and frequency of financial and managerial disclosure, compliance with the code of best practice, roles and responsibilities of Board of Directories, shareholders rights, etc. There have been many instances of failure and scams in the corporate sector, like collusion between companies and their accounting firms, presence of weak or ineffective internal audits, lack of required skills by managers, lack of proper disclosures, non-compliance with standards, etc. As a result, both management and auditors have come under greater scrutiny. But, with the integration of Indian economy with global markets, industrialists and corporates in the country are being increasingly asked to adopt better and transparent corporate practices. The degree to which corporations observe basic principles of good corporate governance is an increasingly important factor for taking key investment decisions. If companies are to reap the full benefits of the global capital market, capture efficiency gains, benefit by economies of scale and attract long term capital, adoption of corporate governance standards must be credible, consistent, coherent and inspiring.Quality of corporate governance primarily depends on following factors, namely:- integrity of the management; ability of the Board; adequacy of the processes; commitment level of individual Board members; quality of corporate reporting; participation of stakeholders in the management; etc. Since this is an important element affecting the long-term financial health of companies, good governance framework also calls for effective legal and institutional environment, business ethics and awareness of the environmental and societal interests. Hence, in the years to come, corporate governance will become more relevant and a more acceptable practice worldwide. This is easily evident from the various activities undertaken by many companies in framing and enforcing codes of conduct and honest business practices; following more stringent norms for financial and non-financial disclosures, as mandated by law; accepting higher and appropriate accounting standards; enforcing tax reforms coupled with deregulation and competition; etc.However, inapt application of corporate governance requirements can adversely affect the relationship amongst participants of the governance system. As owners of equity, institutional investors are increasingly demanding a decisive role in corporate governance. Individual shareholders, who usually do not exercise governance rights, are highly concerned about getting fair treatment from controlling shareholders and management. Creditors, especially banks, play a key role in governance systems, and serve as external monitors over corporate performance.

Employees and other stakeholders also play an important role in contributing to the long term success and performance of the corporation. Thus, it is necessary to apply governance practices in a right manner for better growth of a company.

Government's Initiatives.

The Ministry of Corporate Affairs has proposed the New Companies Bill 2008 which aims to improve corporate governance by vesting greater powers in shareholders. These have been balanced by greater emphasis on self-regulation, minimization of regulatory approvals and increased and more transparent disclosures. 53 percent of the respondents believe that the new Companies Act might have a limited or insignificant impact in addressing contemporary corporate governance issues in India. 28 percent of the respondents believe that its impact is likely to be positive. The remaining 19 percent were undecided.

In October 2011, the Ministry of Corporate Affairs said it was in favor of introducing a corporate governance index that would offer rankings to companies adopting governance standards. The index would offer rankings for corporate houses adopting governance standards.

The Ministry was keen to introduce a corporate governance policy to take forward the government's efforts towards better governance in companies. It had been worked out and the competition law would be revisited and amendments would be introduced soon.

Supreme Court's Verdict.

In May 2011, the Supreme Court has given a very fair judgment, with far-reaching implications both for the government and India Inc., in the Reliance Industries Limited (RIL) vs RNRL gas pricing case. It has established unequivocally that the production sharing contract between the government and RIL overrides any private memorandum of understanding arrived at between two individuals. In short, it refused to give sanctity to the Memorandum of Understanding (MOU) signed between the two Ambani brothers. This principle had to be established in the interest of corporate governance or it would have created havoc in the corporate world with promoters of public limited, quoted companies coming together and signing MoUs without a care for the shareholders and other stake holders in the company. Till today the shareholders have not okayed the MOU entered into between Mukesh and Anil Ambani when they divided between themselves the empire created by their father, Dhirubhai Ambani.The second important aspect of the judgment is that the natural resources of a country belong to the government and the government has the right to price it and prioritize the beneficiaries. While it is a well known fact, even internationally, that natural resources belong to the government, the government as a monopoly has the sacred responsibility to put the interest of the nation before everything else when deciding on its use and sale price. This is where the judgment has implications that go beyond the Ambani brothers. The petroleum minister has expressed his happiness that the apex court has upheld his contention that the gas in this case belongs to the government and RIL is only a contractor who can market the product. But it will be the government that

will decide at what price it should market it, and to whom it should market it. This is a double-edged sword.

RESEARCH OBJECTIVES:-

Concept and Objectives

Corporate Governance may be defined as a set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders. It is the system by which companies are directed and controlled. It is about promoting corporate fairness, transparency and accountability. In other words, 'good corporate governance' is simply 'good business'. It ensures:

- Adequate disclosures and effective decision making to achieve corporate objectives;

- Transparency in business transactions;

- Statutory and legal compliances;

- Protection of shareholder interests;

- Commitment to values and ethical conduct of business.

In other words, corporate governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It deals with conducting the affairs of a company such that there is fairness to all stakeholders and that its actions benefit the greatest number of stakeholders. In this regard, the management needs to prevent asymmetry of benefits between various sections of shareholders, especially between the owner-managers and the rest of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a company. Ethical dilemmas arise from conflicting interests of the parties involved. In this regard, managers make decisions based on a set of principles influenced by the values, context and culture of the organization. Ethical leadership is good for business as the organization is seen to conduct its business in line with the expectations of all stakeholders.The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social. The fundamental objective of corporate governance is to enhance shareholders' value and protect the interests of other stakeholders by improving the corporate performance and accountability. Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company. Further, its objective is to generate an environment of trust and confidence amongst those having competing and conflicting interests.It is integral to the very existence of a company and strengthens investor's confidence by ensuring company's commitment to higher growth and profits. Broadly, it seeks to achieve the following objectives:

- A properly structured board capable of taking independent and objective decisions is in place at the helm of affairs;

- The board is balance as regards the representation of adequate number of non-executive and independent directors who will take care of their interests and well-being of all the stakeholders;
- The board adopts transparent procedures and practices and arrives at decisions on the strength of adequate information;
- The board has an effective machinery to sub serve the concerns of stakeholders;
- The board keeps the shareholders informed of relevant developments impacting the company;
- The board effectively and regularly monitors the functioning of the management team;
- The board remains in effective control of the affairs of the company at all times.The overall endeavor of the board should be to take the organization forward so as to maximize long term value and shareholders' wealth.

METHODOLOGY:-

The method of research is adopted for this particular project and study is doctrinal in nature.

A doctrinal method had been used as it is more viable for this topic in question, an empirical approach of research will be futile.

DATA ANALYSIS & INTERP-RETATION:-

In comparison with developed countries that impose stringent penal and criminal consequences for poor corporate governance, penalty levels in India are considered to be inadequate to enforce good governance. 71 percent of the respondents considered penalty levels to discipline poor and unethical governance to be low. 22 percent of the respondents were either undecided or did not know if the penalty levels are low.

FINDINGS :-

India has made significant achievement in the area of corporate governance and is yet to go a long way in ensuring good corporate governance in line with the leading economies of the globe. Indian companies are focusing on good corporate governance so as to accomplish the short term and long term corporate plans simultaneously ensuring the overall interests of the various stakeholders. The good governance helps an organization in attracting the best talents in various domain areas, as well as in motivating and retaining the talent thereby facilitating the overall process of talent management which acts as a backbone or the engine of any organization. Good corporate governance facilitates the management of visualizing, analyzing and managing the various types of risk so as to ensure a secure and prosperous operating environment to improve the operational performance and productivity.

Corporate Governance practices in India are still evolving .It is a process of engaging shareholders and the management effectively to enhance the organization's value. It involves participation of various stakeholders and management, communication, exchanging and validating ideas, and lots of debates and discussion.

Hence, corporate governance is essentially a function of the mindset and culture prevalent in the organization's operating environment corporate governance cannot be looked at in isolation: it is heavily influenced by the overall governance eco-system. Recent scandals in corporate India have raised questions not only about the practices adopted by companies to solicit business but also about the standards of accountability in public administration including within the government machinery and institutions. These larger governance issues will need to be addressed alongside governance issues within corporate.

RECOMMENDATION AND SUGGESTIONS:-

Corporations are the prominent players in the global markets. They are mainly responsible for generating majority of economic activities in the world, ranging from goods and services to capital and resources. The essence of corporate governance is in promoting and maintaining integrity, transparency and accountability in the management of the company as well as in manifestation of the values, principles and policies of a corporation. Many efforts are being made, both at the Centre and the State level, to promote adoption of good corporate governance practices, which are the integral element for doing and managing business. However, the concepts and principles of good governance are still not clearly known to the Indian business set up.Hence, there is a greater need to increase awareness among entrepreneurs about the various aspects of corporate governance. There are some of the areas that need special attention, namely:-

- Quality of audit, which is at the root of effective corporate governance;
- Role of Board of Directors as well as accountability of the CEOs and CFOs;
- Quality and effectiveness of the legal, administrative and regulatory framework; etc.

That is, it is necessary to provide the corporate desired level of comfort in compliance with the code, principles and requirements of corporate governance; as well as provide relevant information to all stakeholders regarding the performance, policies and procedures of the company in a transparent manner. There should be proper financial and non-financial disclosures by the companies, such as, about remuneration package, financial reporting, auditing, internal controls, etc.

Guidelines/Principles At International Level In the changing global scenario, it has become necessary to bring in effective governance practices in the corporate sector. Various important and valuable lessons have been learned from the series of corporate collapses that occurred in different parts of the world. Accordingly, several codes, guidelines and principles have been made and implemented covering varied aspects of corporate governance. They were introduced in order to restore investors' confidence as well as to enhance corporate transparency and accountability. They seek to establish the accountability standards of Directors and CEOs; as well as define the roles and responsibilities of the Board of Directors and stakeholders in the company. Over the years, the issue of corporate governance has received a high level of attention. There are

several reports and recommendations of the International Committees/ Associations, etc. on the development of appropriate framework for promoting good corporate governance standards, codes and practices to be followed globally. These are:-

- Cadbury Committee Report-The Financial Aspects of Corporate Governance (1992).

- Greenbury Committee Report on Directors' Remuneration (1995)

- Hampel Committee Report on Corporate Governance (1998)

- The Combined Code, Principles of Good Governance and Code of Best Practice, London Stock Exchange (1998)

- CalPERS' Global Principles of Accountable Corporate Governance (1999)

- Blue Ribbon Report (1999)

- King Committee On Corporate Governance (2002)