

IMPACT ON CHANGING BUSINESS SCENARIO AND CORPORATE GOVERNANCE

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ABSTRACT

By the end of 2015, India is set to emerge as the fastest-growing economy in the world, even ahead of China, as per a report by The World Bank. The GDP of the country is expected to grow at a rate of 7.5 per cent during the current year, prompting many prominent global companies to create a niche in this emerging market. Further, the Government is making several policy announcements and changes to facilitate ease of doing business in India. This study is made to find the various changes in the business and also to analyse the various activities of corporate governance how it was implemented and executed by the entrepreneurs in Tirunelveli District.

Keywords: Changes, Policy, Corporate governance

1. INTRODUCTION

Corporate governance is about ethical conduct of business. Ethics means thoughts and values between right and wrong. Success of a company depends on decision that is taken by its managers. A company is a social entity and it has social responsibility. Company board is accountable for its work toward shareholders, suppliers of resources, consumers, employees and society. According to declaration issued by International Seminar on Social Responsibility of Business, a business enterprise has to be socially very responsible so that a social balance may be struck between opposing interest of their groups. Corporate governance refers to process, customs and policies of a Corporation. According to Milton Friedman, "Corporate Governance refers to the conduct of business in accordance with owner or share holders desires conforming to basic rules of society embodied in law and local custom" According to Wolfenshan, former President of the World Bank, "Corporate Governance is about promoting Corporate fairness transparency and accountability". Corporate governance practices are a set of structural arrangements that are emerging in free market economies to align the management of company with interest of shareholders and community at large.

2. REVIEW OF LITERATURE

AartiDeveshwar (2006) The Small scale Industries sector has emerged as a vibrant and dynamic sector of Indian economy which contributes nearly 40% of the total industrial production and over 34% of the national exports. At present this sector is providing employment to over 250 lakhs people. It also acts as a nursery for promoting entrepreneurial talent and as a catalyze of industrial growth through a wide network of more than three million units in the country, accounting for about 95% of the total industrial units in the country. The world trading system is constantly offering new challenges as well as creating new threats; as tariff and quotas are removed, new technical norms, sanitary and measures and anti-dumping actions are rendering more challenges for business in

emerging economics. The WTO is bound to impact every economic activity- the small- scale sector is no exception. WTO Agreements have thrown up a variety of threats and challenges.

Aremu, MukailaAyanda (2011) Sustainable development is recognized as an essential requirement for achieving economic goals without degrading the environment, major problems arise in implementing the concept of sustainability. At the most basic level, researchers dealing with sustainable development have suggested that the achievement of sustainability requires ecologically sustainable political and economic systems, organizations, and individuals (Starik and Rands 1995; Costanza and Daly 1992; Gallup International Institute 1992). Specifically, governments, consumers, and enterprises contribute and play crucial roles in reaching sustainable development. As a result, if goals of sustainability are to be achieved, small and medium-sized enterprises must be reformed to minimize their negative ecological and social impacts (Gladwin, 1992) Ashok Sharma and kumar (2011), the main aim of this article is to examine the effect of Working Capital on profitability of Indian firms. The finding of researcher shows significantly depart from the various international markets. The result show that Working Capital Management and profitability in positively correlated in Indian companies Research also shows that the inventory of number of day and number of days account. Payment is negatively whereas number of days accounts receivable and cash conversion period a positive relationship with corporate profitability.

3. OBJECTIVES

- To analyze whether DIPP policies is easily approachable .
- To find out the changes in the current business scenario in Tirunelveli district.
- To analyse the satisfaction level of corporate governance.

CHI SQUARE BETWEEN SUCCESS LEVEL OF THE FIRM AND CONCENTRATING ECONOMIC AND SOCIAL ASPECT

NULL HYPOTHESIS

There is no significant relationship between success level of the firm and Concentrating Economic and Social Aspect:

In order to find the relationship between and Success level of the firm and Concentrating Economic and Social Aspect. Chi square test is used and the result of the test is shown in the following table.

TABLE NO 1
THE SUCCESS LEVEL OF THE FIRM AND CONCENTRATING ECONOMIC AND SOCIAL ASPECT (CHI – SQUARE TEST)

FACTOR	CALCULATED X^2 VALUE	TABLE VALUE	D.F	LEVEL OF SIGNIFICANCE	REMARKS
Corporate Governance	27.36	26.3	16	5 percent	Significant

INFERENCE

It is established from the above table that the calculated chi-square value is more than the table value therefore the result is significant at 5 percent level of significance. Hence the hypothesis the “Success level of the firm and Concentrating Economic and Social Aspect” holds well. From the analysis it is concluded that there is significant relationship between Success level of the firm and Concentrating Economic and Social Aspect. Hence null hypothesis is rejected.

TABLE 2
FIRM’S SUCCESS LEVEL BEFORE AND AFTER IMPLEMENTING CORPORATE GOVERNANCE PAIRED T-TEST

HYPOTHESIS	MEAN	S.D	CALCULATED VALUE	P. VALUE
Firm’s success level	14.59	60.32	-2.45	2.228

Source: Computed Data

From the above table, it was observed that the calculated value is greater than table value at 5% level of significance. Hence there is significance difference between before and after implementing corporate governance. Hence the null hypothesis is rejected.

4. FINDINGS

- It was found out that there is a significant relationship between Success level of the firm and concentrating economic and social aspect.
- It was found out that there is significance difference between before and after implementing corporate governance.
- From this study reveals that employee fraud can be reduced by adopting corporate governance.

5. SUGGESTIONS

New business skills can be acquired by the firms in order to improve their success rate in the market. Inorder to acquire new business skills firm may tie up with other companies or corporations, and recruiting relevant people in the firm. Some of the areas need development like infrastructure development, promoting public and private partnership so on. By implementing private- public sector relationship private sector may participate where public sector is unable to provide the expertise or resources.

6. CONCLUSION

Corporate governance is considered to be the only universal highway for corporate success in the present business scenario. The world trade, Success of the firm, new emerging economic order depends upon the good corporate governance. The Success level of the firm purely depends upon the good corporate governance. Nowadays Corporate governance is well adopted by many firms in order to achieve the credibility, success, and better management.

7. REFERENCES

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