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Corporate Governance for Competitive Credibility

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ABSTRACT Corporate governance enhances business competitiveness by integrating corporate social responsibility into every aspect of corporate management. Since corporate reputation serves as a useful and powerful asset / resource for companies to develop its competencies, and outperform competitors, companies that accommodate the needs of a wider range of stakeholders are more likely to yield good reputation and credibility than those which do not. This paper attempts to investigate the validity of the statement that corporate governance is a competitive necessity for companies in a local context. The objective of this study is to test the perceived connection between competitive credibility and corporate governance from two different perspectives: companies and consumers', using consumer survey and company questionnaire. Another objective is to identify the aspects of corporate governance that consumers and companies perceive as significant. The analysis were done not only of the outcomes of the consumer survey and company questionnaire, but a comparative analysis was also carried out to determine the link between consumer and company perception concerning corporate governance. The study concludes that corporate governance is not yet a necessity for successful competition in Indian IT sector but if local and regional companies wish to enter the global market, they will need to employ good corporate governance strategies. Finally, recommendations were made based on the outcome of this study.