



## Mains Practice Question

**Q.** What do you understand by “moral integrity” and “professional efficiency” in the context of corporate governance in India? Illustrate with suitable examples. (150 Words, UPSC Mains 2023)

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### Approach:

- Start your answer with a brief introduction to Corporate Governance.
- Discuss the concepts of moral integrity and professional efficiency in the context of corporate governance in India.
- Conclude with a positive note highlighting the impact of moral integrity and professional efficiency.

### Introduction:

**Corporate governance** refers to the system of **rules, practices, and processes** by which a company is directed and controlled to prevent **corporate greed** and to ensure that businesses are operated in a **responsible** and **transparent** manner.

### Body:

- In the context of corporate governance in India, "**moral integrity**" and "**professional efficiency**" are two key principles that guide ethical conduct and responsible management within organizations.
- **Moral Integrity:** In corporate governance, moral integrity refers to the **adherence to strong ethical values and principles in business practices**. It involves acting with honesty, transparency, fairness, and responsibility, not just to comply with laws and regulations but to do what is morally right.
  - **Example:** If a company reports its financial results honestly, even if it means acknowledging a decline in profits or financial challenges, it demonstrates moral integrity.
- **Professional Efficiency:** Professional efficiency, in the context of corporate governance, involves the **effective and responsible management of a company's resources and operations**.
  - It entails optimizing processes, managing risks, and making decisions that maximize value for shareholders while considering the interests of all stakeholders.
  - **Example:** Embracing the latest technologies and digital tools can significantly enhance professional efficiency

### Conclusion:

Companies that demonstrate moral integrity and professional efficiency are more likely to maintain their reputation, attract investment, and contribute positively to the overall economic and social development of India.

