



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.

