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A STUDY ON EMPLOYEES' AWARENESS AND PRACTICES ON CORPORATE GOVERNANCE WITHSPECIAL REFERENCE TO HDFC BANK IN COIMBATORE DISTRICT

Dr.R.Suresh
Assistant Professor, Department of Commerce with Banking and Insurance, Kongunadu Arts and Science College, Coimbatore

ABSTRACT
Corporate Governance is getting a focused attention particularly after market and public confidence become fragile after a series of high profile corporate failures in which the absence of effective governance was a major factor. Good Governance is becoming a source of competitive advantage among economies for attracting international capital. Responsibility, Transparency, Fairness and Accountability are the four vital pillars for strong Corporate Governance. Corporate Governance helps in establishing a system where a director is showered with duties and responsibilities of the affairs of the Company. The bank fulfilled the mandatory requirements in all sub-indices of the Clause 49. Bank has complied with all the applicable mandatory requirements of the Code of Corporate Governance as prescribed under the SEBI Listing Agreement. Banks should be followed Corporate Governance practices in more efficient manner and SEBI should be taken action for any Non-compliance by any companies.

KEYWORDS: ***Banks, Public, SEBI, Governance, Listing.***

INTRODUCTION
Globalization and Liberalization of economies has brought corporate organization to the centre stage of social development. As a result in the process of corporate decision making, managers contribute consciously or unconsciously to the shaping of human society. It is not a choice between profit and ethics, but profit is an ethical manner. This mantra has lead to the evolution of corporate governance. Corporate governance is getting attention for satisfying the divergent interests of the stakeholders of the business enterprise, especially after the corporate scandals and loss of shareholders' value at Enron and several other large companies in a recent past, which focused more attention on the issue of shareholder rights, calling for greater transparency and accountability and enhancing corporate reporting and disclosure.

Corporate governance is concerning with direction and control of corporate bodies. These activities are for more basic as compared to profitability and performance of companies. Thus the need for a major improvement in transparency both "accounting" and "public disclosures" becomes imperative. Now a days, disclosure about corporate governance is a fundamental them of the modern corporate regulatory system, which encompasses providing information by a company to the public in a variety of ways. In India, the question of corporate governance has come up mainly in the wake of economic liberalization and deregulation of industry and business as well as the demand for a new corporate ethics and stricter compliance with the legislation.

CORPORATE GOVERNANCE IN BANK
Corporate governance is evolutionary and ever-changing. Banks must innovate and adapt their corporate governance practices in order to remain competitive. It may be noted here that there is a basic difference between the private sector banks and public sector banks as far as the Reserve Bank's role in governance matters relevant to banking is concerned. The current regulatory framework relating to prudential norms set up by the Reserve Bank of India gives the same treatment to private banks and public sector banks. However, where governance aspects are concerned, the Reserve Bank prescribes the policy framework only for private sector banks. For private sector banks, it forwards suggestions based on the same framework to the Government for consideration.

OBJECTIVES OF THE STUDY
- To study the awareness of Corporate Governance among the employees in HDFC bank.
- To examine the practices of Corporate Governance among the employees in HDFC bank.

REVIEW OF LITERATURE
Kearney,W.D and Kruger,H.A. (2017) described a framework based on a value-focused approach which is used to identify unique dimensions for evaluation in a large organization. The study comprises of three main steps. First, the value focused approach was followed to identify the different dimensions of corporate governance. Secondly, a survey was conducted to

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evaluate the identified dimensions and Third, A practical phishing exercise was conducted to show how organizational learning can take place from security incident which may improve

Tan and Anchor (2018) investigated the relationship among efficiency, risk and competition in 100 banks for the period of eleven years. The efficiency was measured through DEA technique using both CCR and VRS model. The intermediation approach was used for the selection of inputs and outputs. The inputs included interest expenses, non-interest expenses, ratio of interest expenses to total deposits, ratio of non-interest expenses to fixed assets. The outputs included non-interest income, loans, securities, total deposits.

Gafoor and Thyagarajan (2019) analyzed the impact of corporate governance on the performance of 36 Scheduled commercial Indian banks i.e. private banks for a period of fourteen years i.e. from 2001 to 2014. The independent variables included board characteristics of banks i.e. board size, board independence and CEO duality. The study has shown significant positive impact of board size and board independence on bank performance. On the other hand, no significant relationship was found between CEO duality and bank performance.

PRINCIPLES OF CORPORATE GOVERNANCE

The Principles of Corporate Governance has been recognized for decades as an authoritative voice on matters affecting American business corporations and meaningful and effective corporate governance practices. Since Business Roundtable last updated Principles of Corporate Governance in 2012, U.S. public companies have continued to adapt and refine their governance practices within the framework of evolving laws and stock exchange rules. Business Roundtable CEOs continue to believe that the United States has the best corporate governance, financial reporting and securities markets systems in the world. These systems work because they give public companies not only a framework of laws and regulations that establish minimum requirements but also the flexibility to implement customized practices that suit the companies' needs and to modify those practices in light of changing conditions and standards.

SCOPE OF CORPORATE GOVERNANCE

Corporate Governance deals with the manner the providers of finance guarantee themselves of getting a fair return on their investment. Corporate Governance clearly distinguishes between the owners and the managers. The managers are the deciding authority. In modern corporations, the functions/ tasks of owners and managers should be clearly defined, rather, harmonizing. Corporate Governance deals with determining ways to take effective strategic decisions. It gives ultimate authority and complete responsibility to the Board of Directors. In today's market- oriented economy, the need for corporate governance arises. Also, efficiency as well as globalization is significant factors urging corporate governance.

AWARENESS OF EMPLOYEES TOWARDS PRACTICING CORPORATE GOVERNANCE IN BANKS

Creating awareness is essential to developing a healthy corporate culture. The aged employees have a responsibility to practice good governance, which includes working to develop a healthy corporate culture. In current study, the relationship between age and awareness of employees towards practicing corporate governance in banks was studied. Out of 320 bank employees, 99 (30.9%) taking part in this study belonged to 20-30 years age group,116 (36.3%) bank employees belonged to 31-40 years aged category,71 (22.2%) bank employees belonged to 41-50 years aged category. Finally,34 (10.6%) bank employees were in the age group of above 50 years. Sample bank employees with different levels of awareness towards practicing corporate governance in banks by age wise classification is detailed below. The relationship between frequency of training attended by the bank employees and their awareness towards practicing corporate governance in banking sector was studied and the above table divulges that the awareness towards practicing corporate governance among the bank employees attending training programs at every month ranged between 15 and 60 with a mean and standard deviation of 42.51 and 11.924 respectively.

The bank employees attending training programs at quarterly once have shown their awareness towards practicing corporate governance ranged between 14 and 60 with a mean and standard deviation of 37.14 and 12.655 respectively. It is followed by the employees attending training program at half yearly once, whose awareness towards practicing corporate governance ranged between 16 and 56 with a mean and standard deviation of 34.42 and 12.965 respectively. The level of frequency of training attended by the bank employees and their awareness towards practicing corporate governance in banking sector was analysed with the help of two-way table and the result of the current analysis is exposed.

PRACTICING GOOD CORPORATE GOVERNANCE IN BANKS

Banks play a dynamic role in a country's economic development. Banking sectors are the main and most essential back bone of any economy. Corporate governance of bank is very different from other corporate entities, since functioning of banks and corporate entities is dissimilar. Thus, the consequences are restricted to stakeholders if there is failure of corporate governance in corporate whereas it can have serious consequences on financial system at large in case of failure of corporate governance in banks since the impact can swiftly spread through other banks. Good Corporate governance is important in banks and must be more than just complying with legal and regulatory requisite. It

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promotes good business management and regulation, allowing banks to uphold good business ethics and thereby providing value additions to stakeholders. Hence, the satisfaction level of employees towards practicing corporate governance in banking sector was analysed by structural equation modeling. It is a statistical method for testing and estimating causal relations using a combination of statistical data and qualitative causal assumptions.

In structural equation modeling, confirmatory factor analysis was used and twelve variables were selected. the regression weights of the study on the satisfaction of bank employees towards practicing corporate governance in banks. It is also renowned that the analysis indicated all the variables namely "opportunity of participating in the decision making process, scope of discussion of our personal problems with our seniors, opportunity for independent thought and action, management's initiative in adopting new technology, effect of outstanding performance on receiving special rewards and recognition, rotation of the responsibilities of employees' by management, effect of outstanding job performance on receiving a promotion, bank handles its customers service problems efficiently, bank takes good care of your training for enhancement of your knowledge, management takes care of your entertainment and recreation, bank takes regular feedback from the clients in order to improve its service and the bank's record-maintaining procedure is error free" are having positive association with the satisfaction of bank employees towards practicing corporate governance in banks and significant at 1% level.

Effective corporate governance practices are essential to achieving and maintaining public trust and confidence in the banking system, which are critical to the proper functioning of the banking sector and economy as a whole. Poor corporate governance can contribute to bank failures, which can turn in to significant public costs and consequences due to their potential impact on any applicable deposit insurance system and the possibility of broader macro economic implications, such as risk and impact on payment systems. The present study seeks to analyze the employees awareness and perception on corporate governance with special reference to HDFC banks in Coimbatore.

CONCLUSION

The effective implementation of good governance practices would ensure investors confidence in the corporate companies which will lead to greater investment in them ensuring their sustained growth. Thus good corporate governance would greatly benefit the companies enabling them to thrive and prosper. Along this dimension, corporate governance is effective measures of performance based on return on assets have the strongest association with CEO turnover, while listed firms have a weaker association. It is important to keep in mind that these concepts do not imply that corporate governance in selected public banks is perfect. Indeed, the results presented may contain seeds of concern for the future of emerging market corporate governance. As emerging markets like India continue to grow and become more integrated with the global economy, more research will be needed to examine if their corporate governance systems also mature.

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