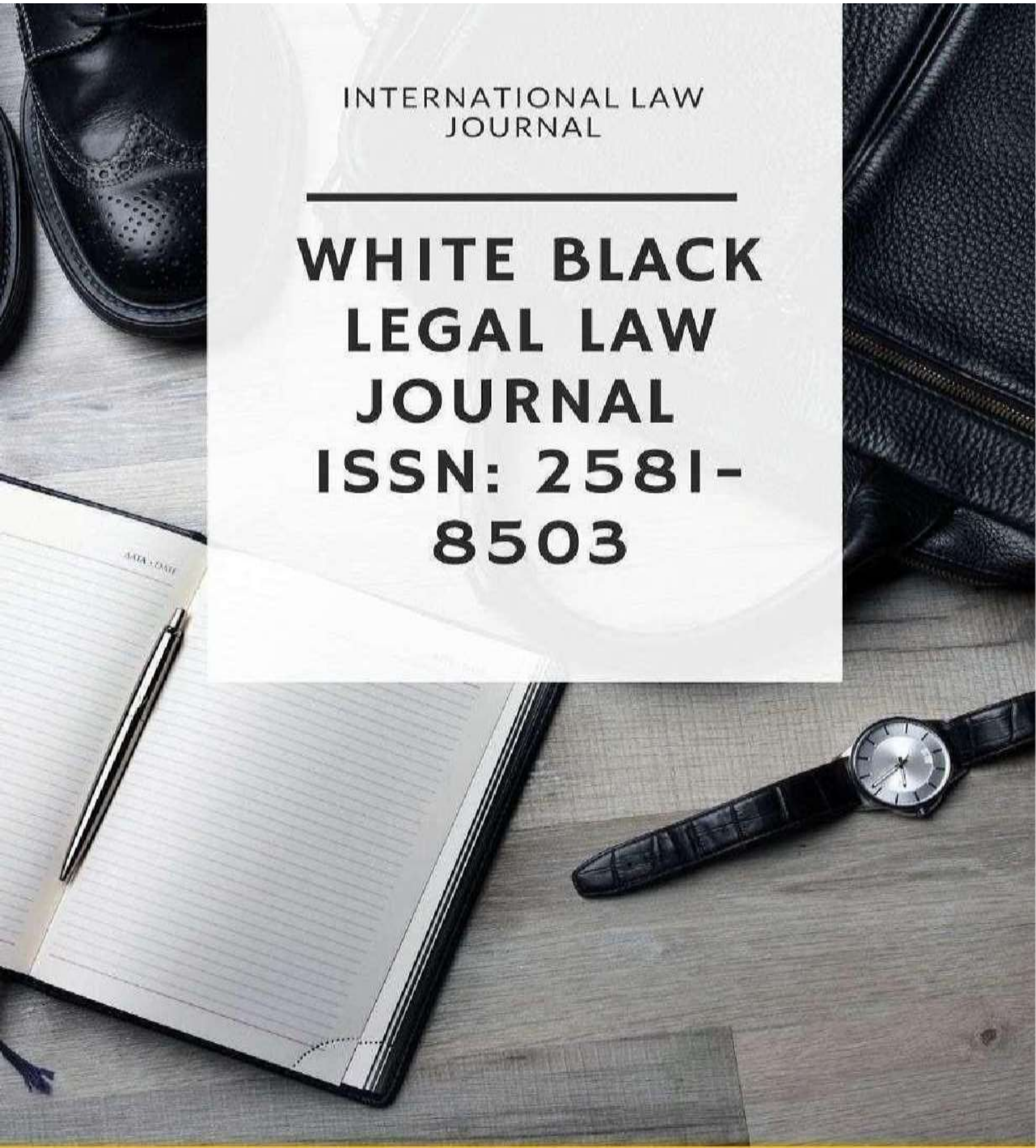

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The Law Journal strives to provide a platform for discussion of International as well as National Developments in the Field of Law.

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ABOUT US

WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

A STUDY ON ASSESSING CORPORATE GOVERNANCE: IMPACT ON IT ON RISK MANAGEMENT IN COMPANIES AT CHENNAI

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ABSTRACT:

Corporate governance, which includes the structures, procedures, and techniques used to direct, control, and run organizations, is an important component of contemporary business practices. While safeguarding the interests of shareholders and stakeholders, it provides a framework for organizations to achieve openness, accountability, and responsible decision-making. The aim of this research is to give a general introduction of corporate governance, its guiding principles, and how it affects organizational effectiveness. It investigates how shareholders, executive management, and the board of directors influence corporate governance procedures.It also covers how risk management and corporate governance are related, emphasizing the value of strong governance frameworks in recognizing, evaluating, and reducing risks. This research is an empirical research and a total of 208 samples have been collected through questionnaires.The report also looks at how legal and regulatory frameworks affect corporate governance.The findings indicates that the Companies with more independent directors, effective audit committees, risk management committees, and strong corporate governance cultures have better risk management frameworks.The conclusion of the study on assessing corporate governance's impact on IT and risk management in companies at Chennai suggests that a robust corporate governance framework significantly influences IT utilization and risk management practices within organizations. Effective governance enhances risk identification, mitigation, and overall IT strategy alignment, ultimately contributing to improved operational resilience and sustainable business growth.

KEYWORDS:
corporate, business, directors, board and risk management.

INTRODUCTION:

In today's complicated and dynamic business world, corporate governance and risk management are essential elements of effective and sustainable business operations. These procedures offer a framework and a series of procedures that let businesses run their operations efficiently, come to wise judgments, and reduce risks. Corporate governance is the set of laws, customs, and procedures that regulate and control an organization. It covers the interactions between several parties involved, including as shareholders, management, staff members, clients, vendors, and the general public. Transparency, accountability, and integrity in the company's decisioprocesses are ensured through effective corporate governance.

Early examples of corporate governance: Corporate governance in the early era of industrialization was mostly focused on defending the interests of shareholders. To supervise corporate management, fundamental governance mechanisms such as boards of directors arose. However, there was little emphasis on stakeholder participation, accountability, and openness.Regulatory Changes and Business Scandals Significant regulatory changes aiming at enhancing corporate governance procedures were made in the 20th century. The 1930s Great Depression and subsequent financial crises prompted the creation of regulatory agencies and the enactment of securities laws. Corporate scandals like Enron and WorldCom in the early 2000s further highlighted the need for improved accountability and stronger governance procedures.Shareholder activism and stakeholder engagement: In the late 20th century, investors who wished to affect corporate decision-making gave rise to shareholder activism. Companies were encouraged by this tendency to develop more inclusive governance procedures, involving not just shareholders but also employees, consumers, communities, and the environment.Focus on Board Effectiveness and Independence: As boards of directors have taken on more responsibility, it is important to recognize their expertise, independence, and accountability. Companies started to improve the makeup of their boards by hiring independent members from a variety of backgrounds and skill sets. The board's duties were broadened to encompass compliance, risk management, and strategic oversight.Integration of ESG aspects: In recent years, environmental, social, and governance (ESG) aspects have received a lot of attention. Businesses are being put under more and more pressure to incorporate sustainability and ethical business practices into their governance structures. ESG factors are now crucial for risk management, making decisions, and building long-term value.technological risks associated with digital transformation Technology's rapid growth has exposed businesses to new dangers and difficulties. Risk management has made cybersecurity, data privacy, and digital disruption a top priority. Companies are investing in frameworks for digital governance to properly address these new concerns.Stakeholder-Centric Governance: The idea of stakeholder capitalism has gained popularity and emphasizes the significance of taking all stakeholders' interests into account when making decisions. Businesses are realizing that developing trust and producing shared value for a wider group of stakeholders is essential for long-term success and resilience.Integrated Risk Management: Conventional approaches to risk management were largely concerned with financial issues. Companies are now adopting integrated risk management, which takes a comprehensive approach to risks in a variety of contexts, including operational, reputational, strategic, and regulatory risks. With the use of this strategy, businesses may better identify, evaluate, and manage associated risks.

Securities Regulations: Governments establish securities regulations to ensure fair and transparent financial markets and protect investor interests. These regulations typically require companies to disclose relevant information to shareholders and potential investors, including financial statements, executive compensation, and related-party transactions. Securities regulations also govern the establishment and functioning of regulatory bodies, such as securities commissions or market regulators, responsible for overseeing corporate governance practices.Corporate Governance Codes and Guidelines: Governments often issue corporate governance codes or guidelines that provide recommendations and best practices for companies to enhance their governance frameworks. These codes typically cover areas such as board composition, independence, remuneration, risk management, and shareholder rights. While these codes are typically voluntary, companies may be encouraged or required to adopt and disclose their compliance with these standards.Listing Requirements: Stock exchanges and regulatory bodies impose listing requirements that companies must meet to be listed on the exchange. These requirements often include corporate governance provisions, such as the composition of the board of directors, audit committee requirements, and reporting obligations. By enforcing these requirements, governments promote higher governance standards among listed companies.Whistleblower Protection: Governments may establish legislation or regulations to protect whistleblowers who report corporate wrongdoing or unethical practices. Whistleblower protection laws encourage individuals to come forward with information about fraud, corruption, or other misconduct within companies, ensuring that such issues are addressed and investigated appropriately.

Ownership Structure: The ownership structure of a company can have a significant impact on its governance practices. Companies with a dispersed ownership structure, such as publicly traded companies, often face unique challenges in aligning the interests of shareholders with those of management. On the other hand, family-owned businesses may have different governance dynamics, with a focus on preserving family values and long-term ownership.Regulatory Environment: The regulatory environment plays a critical role in shaping corporate governance practices. Laws, regulations, and guidelines set by government authorities and regulatory bodies define the legal requirements for companies. Regulatory frameworks can cover areas such as board composition, executive compensation, disclosure and reporting standards, and shareholder rights. Stringent regulations can drive companies to adopt more robust governance practices.Industry and Market Pressures: Different industries and market conditions can influence corporate governance practices. Highly regulated industries, such as finance and healthcare, often have specific governance requirements to ensure compliance with industry standards and protect the interests of stakeholders. Competitive markets and global economic trends can also impact governance practices as companies seek to maintain a competitive edge and attract investment.

Shareholder Activism and Institutional Investors: Shareholder activism, driven by institutional investors or activist shareholders, can significantly influence corporate governance practices. Institutional investors increasingly focus on environmental, social, and governance (ESG) factors when making investment decisions. They may push for greater transparency, board independent, and sustainability practices, shaping companies' governance priorities.

Emphasis on Sustainability and ESG: There is a growing recognition of the importance of environmental, social, and governance (ESG) factors in corporate governance. Companies are integrating ESG considerations into their governance frameworks, including board oversight of ESG risks and opportunities, disclosure of ESG metrics, and alignment with global sustainability goals. Investors and stakeholders are increasingly evaluating companies based on their ESG performance and sustainability practices. Board Diversity and Independence: Companies are focusing on enhancing board diversity in terms of gender, ethnicity, skills, and experience. Diversity is seen as a means to improve decision-making, bring varied perspectives, and enhance governance effectiveness. Independence of board members from management and substantial shareholders is also a key focus, ensuring objective oversight and safeguarding against conflicts of interest. Strengthened Risk Oversight: Risk management has gained prominence as companies face increasingly complex and interconnected risks. Boards are actively involved in overseeing and integrating risk management practices, including identifying emerging risks, assessing their potential impact, and establishing appropriate risk mitigation strategies. Integrated risk management approaches that consider a broad range of risks are becoming more prevalent.

Board Structure: In the U.S., corporate governance typically follows a one-tier board structure, where the board of directors consists of both executive and non-executive directors. The board is responsible for overseeing management, setting strategic direction, and protecting shareholder interests.

Shareholder Rights: The U.S. has a shareholder-centric approach, emphasizing shareholder rights and activism. Shareholders have the ability to vote on key matters, elect directors, and propose resolutions. Proxy voting is commonly used, allowing shareholders to delegate voting authority. Regulatory Framework: The U.S. has a rules-based regulatory framework, with laws such as the Sarbanes-Oxley Act (SOX) and the Dodd-Frank Act. These regulations aim to enhance corporate governance, strengthen financial reporting, and protect investors. The Securities and Exchange Commission (SEC) plays a key role in overseeing compliance. Independence and Accountability: There is a strong emphasis on independent directors in the U.S., with requirements for a majority of independent directors on the board and separate roles of CEO and Chairman. Independent audit committees oversee financial reporting and external audits. Directors and officers are subject to fiduciary duties and can face legal liability for breaches.

OBJECTIVES:

- To identify the awareness level of corporate governance and its risk management.
- To analyse if the development of corporate governance is been assessed.
- To identify the key challenges and opportunities associated with aligning corporate governance principles with IT risk management.

REVIEW OF LITERATURE:

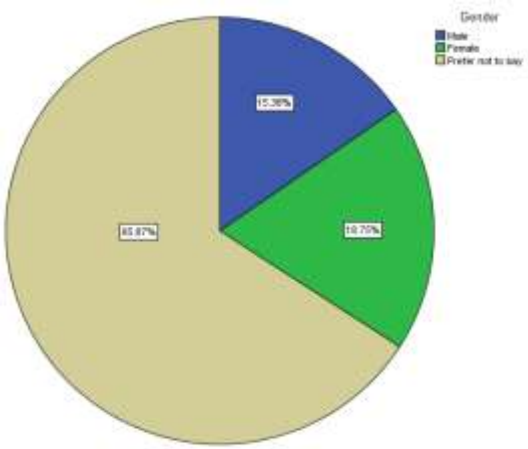
Anne E. Kleffner et al., (2003) proposed an article where The use of enterprise risk management (ERM) by Canadian businesses is examined, along with its traits, challenges, and corporate governance principles. According to the findings, 31% of the companies embraced ERM, for reasons including the impact of the risk management, board encouragement, and adherence to Toronto Stock Exchange (TSE) regulations. Organizing principles and unwillingness to change are deterrents.**Stephen A. W. Drew and Terry Kendrick (2005)** proposed an essay that explores the difficulties of risk management in contemporary businesses, concentrating on various categories, external and internal pressures, and personality biases. The five pillars of culture, leadership, alignment, structure, and systems are highlighted as essential components of an enterprise-wide strategy. Along with its implications for organizational change management, tools and approaches for integrating risk management with corporate policy and governance are also covered in the article.**Ian Brown et al., (2009)** proposed a study that examines the connection between risk management and corporate governance in high-tech businesses with a particular emphasis on publicly traded Australian biotechnology corporations. According to the research, in order to evaluate the overall risk profile of the organization, audit committees should have a thorough grasp of the risk management system. The traditional governance model might have to be altered to include risk management, and capital market authorities might one day demand reporting on risk management.**Alnoor Bhimani (2009)** proposed a research where it was discussed that public policy discussions about corporate controls and management procedures are influenced by risk management and corporate governance. Depending on how they are interpreted technically, analytically, and mathematically, risk and governance principles may or may not be managerially implementable. Businesses want visibility and openness when implementing controls, which increases the interdependence between management accounting, risk management, and corporate governance.**Linda S. Spedding (2009)** proposed a article where it was observed that Technology due diligence evaluates the value of technological assets and the dangers of purchasing them. Senior management is particularly concerned about legal risk exposures. In the age of internet-based firms, intellectual assets like patents, copyrights, trademarks, and trade secrets are essential. A business must analyze contractual duties and liabilities in order to survive in the world of online commerce. Understanding contractual obligations and rights enables you to safeguard important legal connections.**Vincent Aebi et al., (2012)** proposed a study that investigates the link between improved bank performance during the crisis and risk management-related corporate governance tools, such as a CRO in a bank's executive board. Results reveal that banks with CROs directly reporting to the board of directors had much greater stock returns and ROE, while typical corporate governance characteristics were largely inconsequential or negatively correlated with performance.**Ngoc Bich Tao and Marion Hutchinson (2013)** proposed a study investigating the function of pay and risk committees in managing and observing the risk behaviour of Australian financial businesses prior to the global financial crisis. It concludes that cooperation between the risk management and compensation committees lowers information asymmetry, favorably affecting risk and corporate performance. For high-risk enterprises, directors on both committees attenuate the inverse relationship between risk and firm performance.**Nurul Badriyah et al., (2015)** proposed a study that looks into how corporate governance and firm variables affect whether a risk management committee exists and how it affects the performance of the company. Purposive sampling was conducted using information from non-financial companies listed on the Indonesian Stock Exchange for the 2013 fiscal year. The findings indicated that corporate governance and firm characteristics, which serve as an intervening variable, had a considerable impact on the committees presence.**Andrew Ellul (2015)** proposed an article that looks at how these structures interact and how they affect performance and risk-taking. Banks governance and risk management departments were found to have failed during the financial crisis of 2007–2008. It contends that traditional governance frameworks may not be sufficient to regulate risk in banks and that an effective risk management department is required to track and manage exposures across the entire organization.**Michael McCrae and Lee Balthazor (2016)** proposed a research where it was observed that Turnbull Guidance for Directors on Corporate Governance, issued by the Institute of Chartered Accountants of England and Wales (ICAEW), mandates UK listed companies to develop a corporate-wide risk management approach to internal control. This change aims to improve integration, consistency, and standardization in investment appraisal, project, and health and safety management practices. The guidance outlines specific responsibilities for directors and managers, and suggests four authoritative support sources from ICAEW. The innovative approach may provide a competitive advantage for complying corporations.**Charles W. Calomiris and Mark Carlson (2016)** proposed a study that focuses on managerial ownership and corporate governance principles as it explores bank governance and risk decisions from the 1890s. According to the findings, formal governance and high managerial ownership are negatively correlated, with more managerial ownership attempting to reduce default risk. High management ownership is associated with relying on cash rather than equity to reduce risk, not with formal governance.**Christopher Boachie and Emmanuel Mensah (2022)** proposed a study where the relationship between earnings management and financial success in Anglophone sub-Saharan African nations is investigated. It is found that the relationship is mitigated by metrics for the effectiveness of corporate governance and aggregate transparency. Results reveal that earnings management's performance effects endure even when dynamic endogeneity and heterogeneity are taken into account. According to agency theory, internal governance structures that are followed should restrain earnings management tactics and improve performance. The study backs up this claim. In the presence of good corporate governance, the beneficial impact of earnings management on performance is stronger.**Ranjan Dasgupta and Soumya G. Deb (2022)** proposed an essay that investigates the cross-national, cross-cultural relationship between the risk-return conundrum and corporate governance. It finds a non-linear relationship between company performance and risk-return using a dataset of 45,322 firm-years from 27 different nations. According to the study, these effects are moderated and even reversed by effective company governance.**Galina I. Sheveleva (2022)** proposed a study that examines the dynamics of corporate governance in Russian electric power businesses with a particular emphasis on property redistribution and adherence to the Russian Corporate Governance Code. It draws attention to the implications for investors of the growing concentration of property in governmental hands. The report makes additional recommendations for better corporate governance principles that will help investors pursue the ESG agenda.**Shingo Goto and Noriyoshi Yanase (2023)** proposed a study that examines how corporate governance affects the motivations of pension plan sponsors, concentrating on risk-shifting vs risk management. Through stable equity ownership and foreign equity ownership, corporate governance quality is measured. While badly managed companies cause greater pension underfunding without boosting shareholder values, well-governed companies use risk-shifting to finance R&D and increase shareholder values.**Tianyu Wang and Bo Yang (2023)** proposed a study that investigates the connection between corporate social responsibility (CSR) and idiosyncratic risk and assesses the effect of stakeholder governance on this relationship. deciding to use all Shanghai and Shenzhen A-share listed businesses from 2017 to 2021 as the study's participants. It is discovered that CSR can successfully lower idiosyncratic risk; the governance of shareholders, creditors, employees, and consumers strengthens the inhibiting effect of CSR on idiosyncratic risk; and the governance of suppliers lowers the inhibiting effect of CSR on idiosyncratic risk.**Heshu Huang et al., (2023)** proposed an article where the study uses crawler technology to look into the connection between corporate digital transformation and idiosyncratic risk. Internal and external company governance systems were found to strengthen the "U-shaped" association between idiosyncratic risk and digital transformation. The conclusions offer new perspectives on corporate governance in the modern era.**Chandni Khandelwal et al., (2023)** proposed a study that looks at how 205 Indian non-financial enterprises' company values are affected by corporate risk disclosures (CRD) and board-centered corporate governance (CG) structures. Results indicate a favorable relationship between CRD and business value, but CEO dualism weakens this relationship. The presence of female directors also increases corporate value, demonstrating the advantages of gender diversity. In order to ensure that CRDs continue to have a beneficial influence on company value, the findings have policy implications for Indian non-financial enterprises and recommend removing CEO duality.**Li Zhang et al., (2023)** proposed a study that investigates the risk of stock price crashes at Chinese state-owned firms and their detrimental effects on corporate party organizations. It concludes that the restraint effect only exists in businesses with significant senior management promotion incentives. When the chairman has more authority and alternative governance systems are in place, the impact is reduced. Local governments and following new anti-corruption policies have seen an increase in the governance effect.**Rohit Kumar Singh and Supran Kumar Sharma (2023)** proposed a study that tries to eliminate subjectivity in weights and produce a corporate governance index for Indian banks. It determines the index value objectively by using the benefit of doubt analytical technique. According to the analysis, small-size banks and non-duality boards are more flexible to governance requirements. The report emphasises how crucial it is for emerging nations to effectively implement governance principles that safeguard shareholder interests and boost economic performance.

METHODOLOGY:

The research method used here is descriptive in nature. The research sampling has been conducted using convenience sampling and the total number of samples used for analysis is 208. The research collected information from relevant samples through a questionnaire. The Independent variables utilised in this study are age, gender, educational qualifications, occupation, marital status, living area and income of the respondent. The dependent variables in this study are about corporate governance and its risk management. The tools used for analysis are pie charts and bar graphs through SPSS.

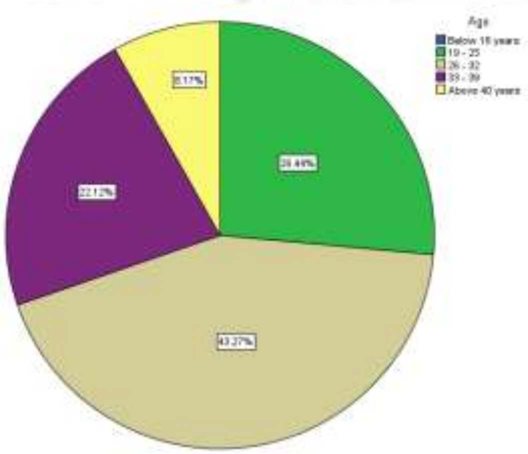
ANALYSIS:

Figure 1



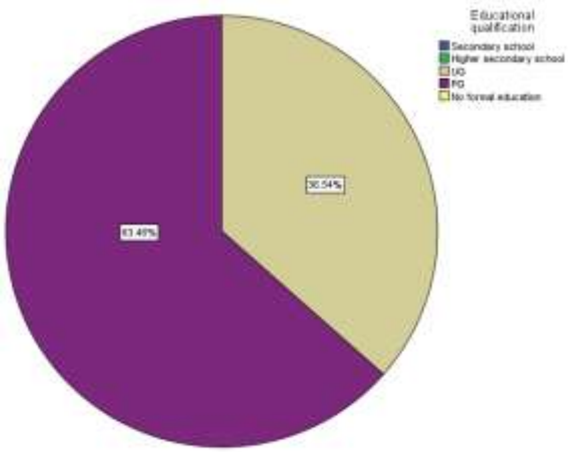
Legend: The above given figure shows the gender of the respondents.

Figure 2



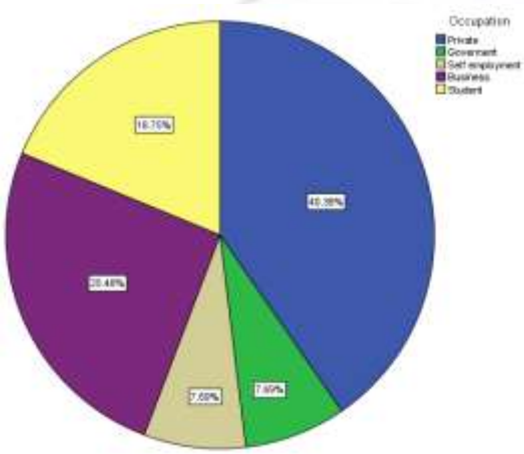
Legend: The above given figure shows the variance on the age of the respondents.

Figure 3



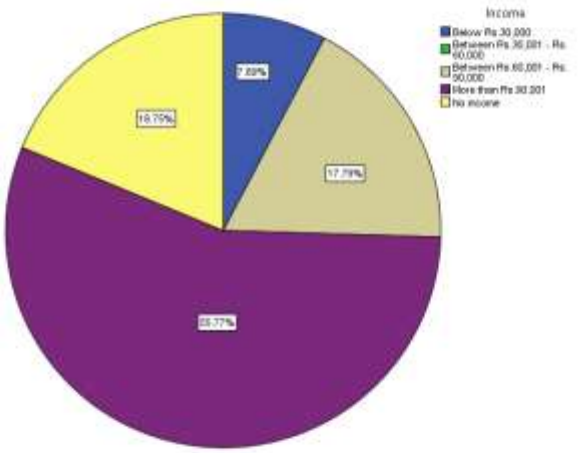
Legend: The above pie chart depicts the number of the respondents based on their educational qualification.

Figure 4



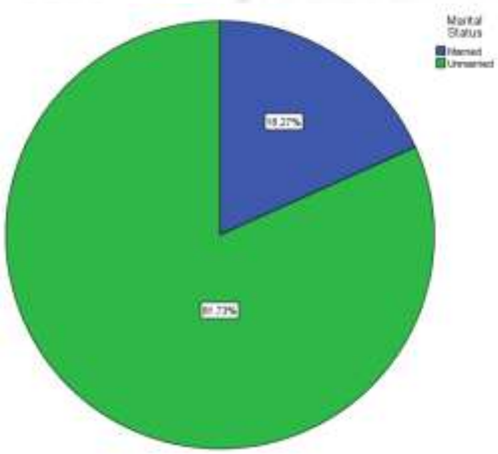
Legend: The above figure depicts the number of the respondents in various occupations.

Figure 5



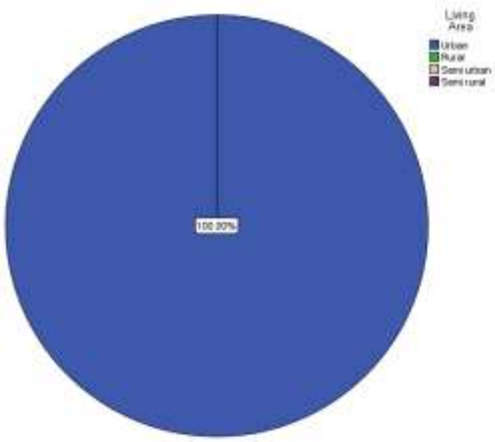
Legend: The above pie chart depicts the number of the respondents based on their incomes.

Figure 6



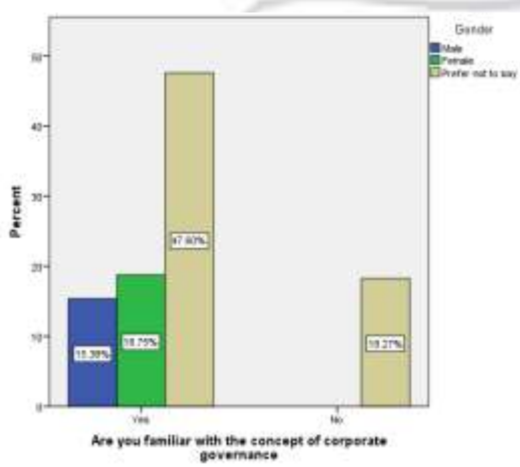
Legend: The above chart shows the number of the respondents based on their marital status.

Figure 7



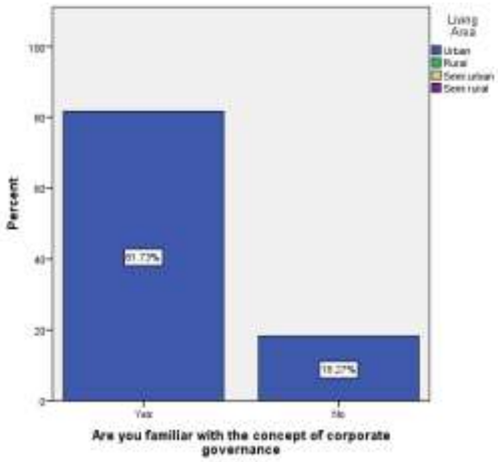
Legend: The above pie chart depicts the number of respondents based on their living area.

Figure 8



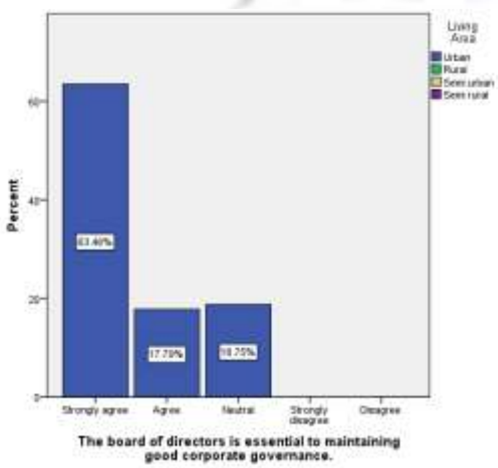
Legend: The bar graph up top illustrates how much the general public knows about corporate governance in relation to gender.

Figure 9



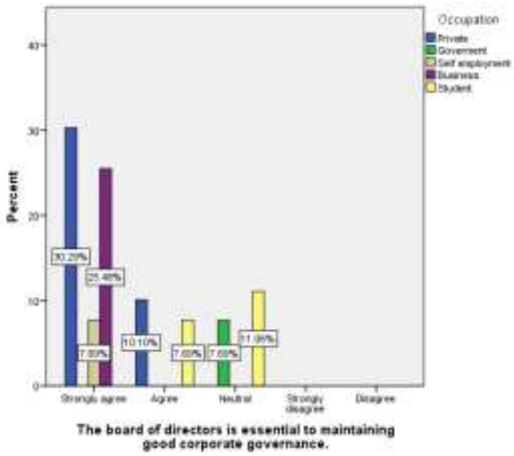
Legend: The bar graph up above illustrates how much the general public knows about corporate governance in relation to their locality.

Figure 10



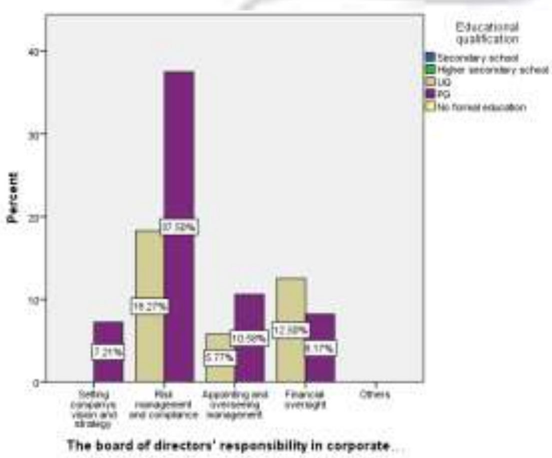
Legend: In the bar graph above, the publics perception of directors importance for a successful corporation is depicted in relation to their living environment.

Figure 11



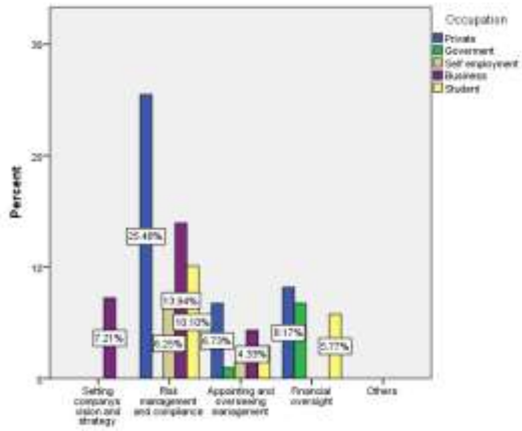
Legend: The above bar graph displays public perceptions on directors importance for a successful corporate organization according to occupation.

Figure 12



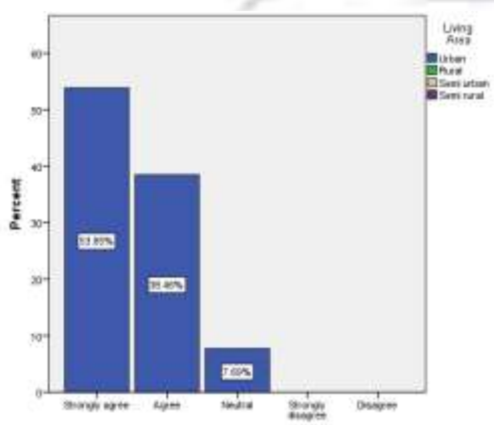
Legend: The above figure shows the public opinion on board of directors responsibility with respect to educational qualifications.

Figure 13



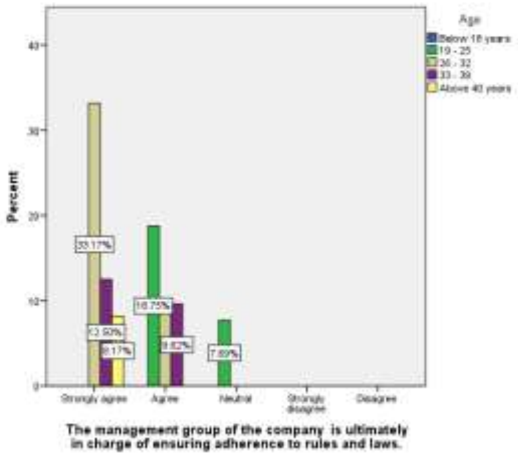
Legend: The above figure shows the public opinion on board of directors responsibility with respect to Occupations.

Figure 14



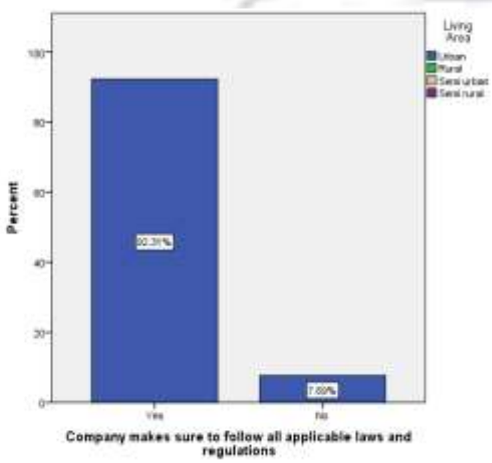
Legend: The above bar graph depict the publics agree ability to the management role in adhering the companies rules and laws with respect to living areas.

Figure 15



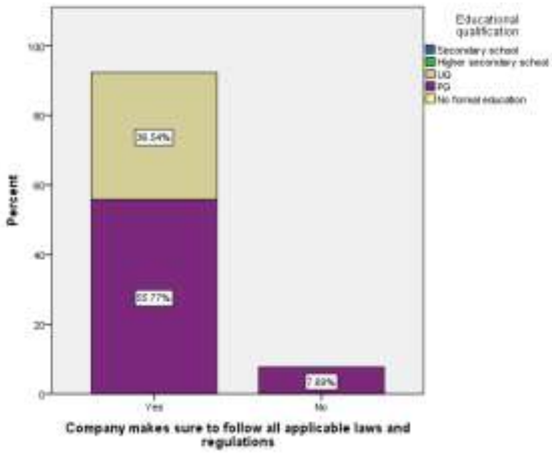
Legend: The above bar graph depict the publics agree ability to the management role in adhering the companies rules and laws with respect to age.

Figure 16



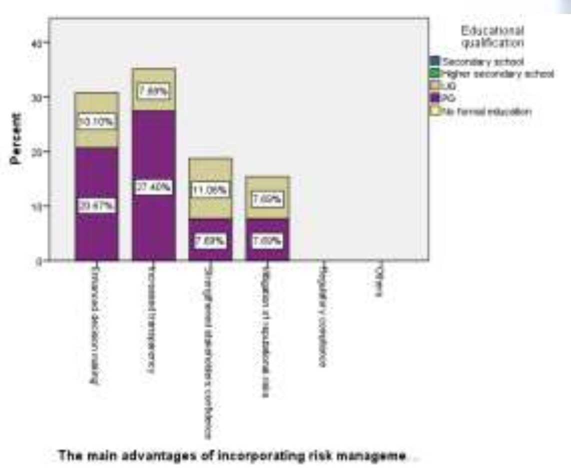
Legend: The above graph shows the publics opinion on companies strict action on following laws and regulations with respect to living area.

Figure 17



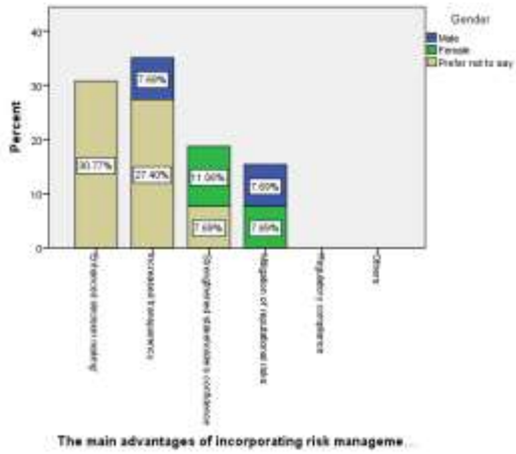
Legend: In the graph above, the public's perception of businesses' rigorous adherence to legal requirements regarding educational credentials is depicted.

Figure 18



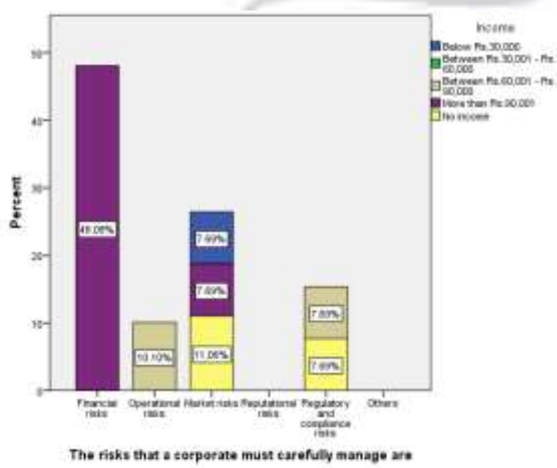
Legend: In relation to educational qualifications, the aforementioned graph shows how the general public views the key benefits of integrating risk management and corporate governance into business operations.

Figure 19



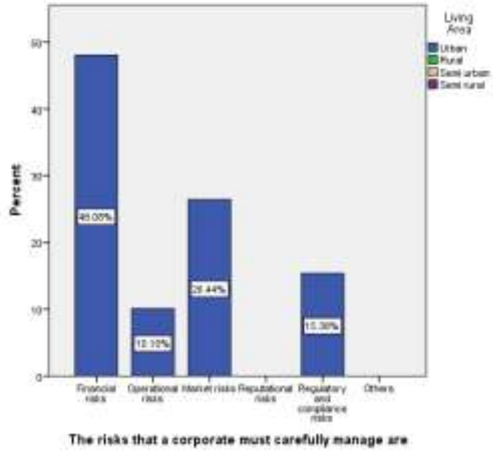
Legend: The above graph depicts the publics opinion on the main advantage of incorporating risk management and corporate governance into companies operations with relation to gender.

Figure 20



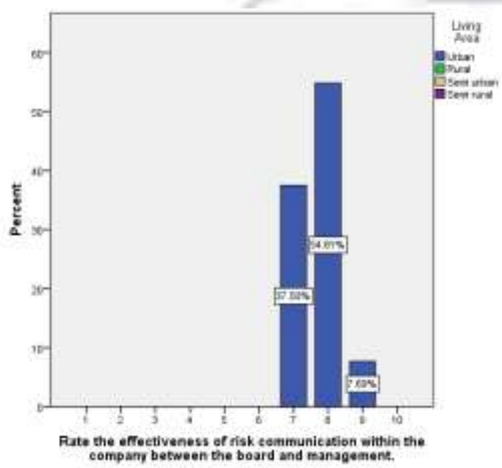
Legend: The public's perception of the risk that a corporation must carefully manage in relation to income is depicted in the above bar graph.

Figure 21



Legend: The aforementioned graph shows how the general public views the primary benefit of integrating risk management and corporate governance into business operations in relation to living area.

Figure 22



Legend: The graph up top displays the public's assessment of how well the board and management communicated risks related to the living area.

RESULTS:

It is revealed that the percentage of male respondents are 15.38% and the percentage of female respondents are 18.76% and 65.87% of the respondents chose not to say their gender.**(Fig:1)**It is revealed that 26.44% of the respondents were between ages of 19 - 25 , 43.27% of the respondents were within the group of 26 - 32 , 22.12% displayed the percentage of age group of 33 - 39 and 8.17% of the respondents were above the age of 40.**(Fig:2)**It is revealed that 36.54% undergraduates and 63.46% are post graduates.**(Fig:3)**It is revealed that 40.38% are private employees , 7.69% are Government employees , 7.69% are self employed , 25.48% are business individuals and 18.75% are students out of total respondents.**(Fig:4)**It is revealed that 7.69% of the respondents earned below Rs.30,000, 17.79% of the respondents earned between Rs.30,001 to Rs.60,000, 55.75% of the respondents were earning more than Rs.90,001 and lastly 18.76% of the respondents were dependent on parents or guardians for their livelihood.**(Fig:5)**It is revealed that 18.27% of the respondents were married and 81.73% of the respondents were Unmarried.**(Fig:6)**It is shown that all of the respondents I.e 100% are from urban area.**(Fig:7)**It is revealed that the gender opinion on familiarity with the concept of corporate governance and majority of other gender stated yes 47.6%. **(Fig 8)**It is revealed that the majority of the respondents i.e 81.83% urban are from living area and are familiar with the concept of corporate governance.**(Fig:9)**It is revealed that the majority of the respondents I.e 63.56% are from urban area strongly agrees that the board of director is essential to maintain a good corporate governance.**(Fig: 10**It is revealed that majority of the respondents i.e 30.29% are working in private sector and strongly agrees that the board of director is essential to maintain a good corporate governance.**(Fig: 11)**It is revealed that the majority of the respondents i.e 37.50% are post graduates and chose risk management and compliance as the board of directors responsibility to take care of in corporate governing.**(Fig: 12)**It is revealed that the majority of the respondents i.e 24.58% is working in the private sector and chose risk management and compliance as the board of directors responsibility to take care of in corporate governing.**(Fig: 13)**It is revealed that the majority of the respondents I.e 53.95% are from urban area and strongly agrees that the management group of the company is ultimately in charge of ensuring adherence to rules and law.**(Fig: 14)**It is revealed that the majority of the respondents I.e 33.17% are from an age group between 26.32 and strongly agrees that the management group of the company is ultimately in charge of ensuring adherence to rules and law.**(Fig: 15)**It is revealed that majority of the respondents I.e 92.31% are from urban area and chose the option yes regarding the statement that company make sure to follow all applicable laws and regulations.**(Fig: 16)**It is revealed that the majority of the respondents I.e 55.75% are post graduates and chose the option yes regarding the statement that companies make sure to follow all applicable laws and regulations.**(Fig: 17)**It is revealed that the majority of the respondents I.e 27.40% are post graduates and chosed increased transparency as the main advantage of incorporating risk management.**(Fig18)**It is revealed that the majority of the respondents I.e 30.77% chose not to reveal their gender and chosed enhanced decision making as the main advantage of incorporating risk management**.(Fig19)**It is revealed that majority of the respondents I.e 48.08% earns more than Rs.90,001 and chose financial risks as a risk that corporate must carefully manage.**(Fig:20)**It is revealed that the majority of the respondents I.e 48.08% are from urban areas and chose financial risks as a risk that corporations must carefully manage.**(Fig:21)**It is revealed that majority of the respondents I.e 54.81% are from urban area and rated 9 on rating scale regarding the effectiveness of risk communication within the company between board and management.**(Fig:22)**

DISCUSSION:

The familiarity with the concept of corporate governance among respondents who prefer not to disclose their gender could be attributed to various factors, such as educational background, professional exposure, or personal interest in business and governance principles. Gender preference doesn't necessarily correlate with familiarity with corporate governance, as people from diverse backgrounds can have varying levels of understanding about this subject. **(Fig:8)**Respondents from urban areas often have greater exposure to corporate environments, business education, and professional networks. Urban areas tend to host more businesses, educational institutions offering business-related courses, and opportunities for professional development. This exposure can lead to a higher level of familiarity with concepts like corporate governance, which are vital in business settings. Additionally, urban areas are hubs for information and networking, facilitating awareness and understanding of various business practices. **(Fig:9)**Urban areas strongly support the board of directors for good corporate governance due to their proximity to business hubs, exposure to corporate practices, and understanding of corporate structures. Access to educational resources, professional experiences, and industry knowledge reinforces the belief in the board's fundamental role in upholding good corporate governance. **(Fig:10)**Private sector respondents strongly agree that the board of directors is crucial for good corporate governance due to their experience and understanding of corporate dynamics. They understand the impact of an effective board on an organization's success, stability, and adherence to ethical and legal standards. A strong board helps make informed decisions, minimizes conflicts, and maintains transparency and accountability. **(Fig:11)**PG students, due to their advanced education and specialized training in business, are likely to prioritize risk management as a key responsibility of the board of directors. Postgraduate programs emphasize the board's role in identifying, assessing, and managing risks, which contribute to strategic goals and sustainable growth. Contemporary business education emphasizes corporate governance and risk management practices, aligning with industry standards and regulatory requirements. **(Fig:12)**Private sector employees prioritize risk management as a board of directors' responsibility due to their professional experience and exposure to business operations. They understand the board's role in setting risk management strategies and policies to protect the organization from potential threats. Modern business practices and evolving regulatory environments emphasize the importance of robust risk management practices, making risk management a critical responsibility for the board. **(Fig:13)**Urban areas are more likely to believe that the management group is responsible for ensuring adherence to rules and laws within a company due to their proximity to corporate environments and exposure to business practices. They witness the direct influence of management decisions on adherence to rules, laws, and industry standards. Urban areas also have a well-developed legal and regulatory infrastructure, making individuals more aware of the legal framework governing business operations. **(Fig:14)**Urban areas are a popular location for businesses, as they are surrounded by diverse industries and legal establishments. This exposure to legal compliance processes increases confidence in these businesses. Urban areas also face higher scrutiny and oversight, requiring a more vigilant approach to legal compliance. As a result, respondents from urban areas are likely to affirm the company's commitment to adherence to laws and regulations. **(Fig:16)**PG students, due to their advanced education in business-related fields, are likely to affirm that their company ensures adherence to all applicable laws and regulations. Their rigorous coursework covers legal frameworks, corporate governance, and ethical considerations in business operations. Their academic exposure reinforces the belief that businesses should prioritize following laws and regulations to operate ethically and sustainably. **(Fig:17)**PG students, due to their specialized education in business, often see increased transparency as the main advantage of incorporating risk management. Postgraduate programs emphasize transparency and accountability in corporate governance, particularly in risk management. Effective risk management practices provide stakeholders with clear information about an organization's risk exposure and mitigation strategies, fostering trust and confidence in operations. **(Fig:19)**Individuals earning over Rs. 90,000 prioritize financial risk management due to their higher incomes and exposure to financial matters. They are more aware of the potential impact of financial risks on their wealth and financial stability. With access to financial advisors, investment opportunities, and sophisticated financial instruments, they appreciate the importance of careful planning and risk mitigation in the financial realm. **(Fig:20)**Financial risks are a significant concern for corporations in urban areas due to factors like economic centrality, exposure to financial markets, information accessibility, complex business operations, regulatory environments, competitive environment, and globalization impact. Urban residents are more attuned to these risks, as they directly impact economic stability and livelihoods. Financial stability and risk management are crucial for gaining a competitive advantage in the market, and a comprehensive risk management approach ensures a corporation's resilience and success. **(Fig:21)**Urban companies have a high rating of 8 for effective risk communication between board and management. Factors such as proximity, experienced leadership, specialized talent, robust governance structures, investment in communication tools, cultural emphasis on transparency, regulatory compliance, and peer benchmarking contribute to this effectiveness. Regular assessments and feedback mechanisms can further strengthen risk management practices in any organization. **(Fig:22)**

LIMITATION OF THE STUDY:

A Convenient sampling method has been used in this study.The limitation of this study is that it is one time research conducted over a short period of time. Another limitation is that the research data collected was from a small size population of 208 samples. The data collected may not be completely accurate. However the responses were collected from people who have good awareness about this matter.

CONCLUSION:

A key component of contemporary business is corporate governance, which focuses on the frameworks, procedures, and methods used to direct, control, and manage organizations. In order to protect the interests of shareholders and other stakeholders, corporate governance aims to ensure openness, responsibility, and responsible decision-making within organizations. From the research it was found that Companies with more independent directors, effective audit committees, risk management committees, and strong corporate governance cultures have better risk management frameworks. These companies also have lower risk profiles due to better governance practices, which ensure proper risk identification, assessment, and mitigation.Establishing strong governance frameworks is necessary for effective corporate governance. These frameworks must include the board of directors' tasks and responsibilities, appropriate board structures and committees, and procedures for internal control and risk management. A culture of ethical conduct must also be promoted, shareholder participation must be encouraged, and CEO compensation must be tied to long-term sustainable success.

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