

How The Corporate Governance Affects Organizational Strategy: Lessons From Jordan Environment.

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I. Introduction

1.1 Background

Business corporations have been created to address objectives which are much more than creating products and services, it has to serve the larger purpose of satisfying multilevel needs of the society. These corporations have always faced the tug of war of protecting the interests of the shareholders "the legal owners" or the stakeholders which includes suppliers, customers, creditors, government and communities. Therefore, corporations work on corporate governance (CG) which has been gaining importance ever since the economic turmoil caused by collapsed of many business corporations in last two decades such as WorldCom, Enron, and Tyco International. Corporate Governance is basically a detailed disclosure of information and an account of an organization's financial situation, performance, ownership and governance, relationship with shareholders and commitment to business ethics and values. The relevance of corporate governance has increased several times since the concept was introduced. With the introduction of globalization and competition, managing shareholder expectations is no longer amulet for success. The current economic crisis is often blamed at poor regulatory and check mechanisms for the business, which has led to ramifications which are far reaching both geographically and socially (MobeenUr Rehman and Hussain, 2013).

Since then, of course, It has been growing interest in this subject in many developed and emerging economies over the past years, and especially after the various financial crises that have occurred in many of the companies in all over the world, which triggered the financial corruption, mismanagement, lack of oversight, experience and skill, in addition to the lack of transparency, where these crises and collapses led to incur a lot of shareholders losses, prompting many investors to look for companies that apply the concept of corporate governance. Increasing interest in the concept of governance gave a lot of institutions to keen on studying and analyzing this concept such as the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD).

The presence of strong governance standards provides better access to capital and aids economic growth. Corporate governance also has broader social and institutional dimensions. Properly designed rules of governance should focus on implementing the values of fairness, transparency, accountability, and responsibility to both shareholders and stakeholders. In order to be effectively and ethically governed, businesses need not only good internal governance that includes important internal factors to corporation such as the board of directors, capital providers, stakeholders, and management, but likewise must operate in a sound institutional environment that includes important factors external to the corporation, such as laws and regulations, competitive markets, the media, and transparent external auditing measures. Governance failures or weaknesses can reflect aspects of both (Tura, 2012).

Good corporate governance ensures that the business environment is fair and transparent and that companies can be held accountable for their actions. Conversely, weak corporate governance leads to waste, mismanagement, and corruption. It is also important to remember that although corporate governance has emerged as a way to manage modern joint stock corporations it is equally significant in state-owned enterprises, cooperatives, and family businesses. Regardless of the type of venture, only good governance can deliver sustainable good business performance (Chen and Lee, 2012).

The Middle East and North Africa (MENA) region has been one of the emerging markets in which corporate governance is seen as a relatively new concept. Although it is difficult to predict the outcome of the current turmoil, it has highlighted some pressing demographic, political and socioeconomic challenges, which, if properly addressed, should lead to further corporate governance reform. Systematically, the popular uprisings have pointed the finger of blame at weak and poor governance, to the absence of accountability and to the implementation of policies serving special interest groups and not serving the public at large. The persistence of widespread and deep rooted malgovernance has been destructive and can potentially lead to a situation where corruption becomes rife and the state and its agencies are subject to capture.

The evolution of corporate governance started to attract attention in Jordan in 1997 when the Jordanian Government began implementing a privatization program under the guidance of the World Bank and the International Monetary Fund. Jordan as one of these countries realized the increasing importance of corporate governance if Jordanian organizations are to prosper in a competitive global marketplace. Today's economic and political climate in the Middle East region makes it more important than ever for Jordanian family-owned businesses to put into practice effective planning and corporate governance frameworks so to guarantee the success of their businesses. The vast majority of businesses in Jordan are owned and controlled by families; it is estimated that 90% of businesses in Jordan are family-owned. Mainly, family owned SMEs are the backbone of Jordan's economy and so their sustainability is very important to Jordan's economic growth, so this study report is interesting in finding the real effects of corporate governance on any business strategy in Jordanian industry environment.

1.2 Statement of the Problem

One of the main business failures from the 1980s up to now is due to improper ethical values and weak corporate governance. Corporate governance effect on firms' performance is a very vital and important issue since the last financial distresses over the world. There is considerable debate about the causes and origin of the global financial crisis, and many debate about the responsibility towards it. Most of studies and researches suggest that the collapse of many of these corporate businesses have led to the loss of existing rights of investors and the loss of new investors' confidence in these companies.

The ultimate objective of a corporate governance assignment is to achieve the highest degree of harmony within the organization. A high level of governance will ensure that the firm performs efficiently in a well-controlled environment. The concept of corporate governance in general evokes the set of relationships that exist between a company's management, its board of directors, its owners and the other stakeholders. It provides the framework in which to establish the strategic objectives of the company and the means to attain and monitor those objectives. To start with, a corporate governance framework should protect owners' rights. It ends with the availability of transparent and relevant information concerning the corporation on a timely and regular basis. One of the most important roles of corporate governance is to ensure that strategic decisions are made in the interest of those with a stakeholder in successful outcomes. Boards have increasingly become more focused on corporate shareholders, but a shift may be beginning to occur. The interests of stakeholders, such as customers, potential customers and non-customers impacted by the decisions of a company, may begin to get attention as corporate governance plays an increasingly strategic role.

The Jordanian economy is dominated by family-owned businesses. This feature often defines the roles and responsibilities of those charged with making corporate decisions. In many ways, the fact that the majority of companies in Jordan are closely-held is a significant barrier to the proper implementation of corporate governance measures because the managers in such company structures has lack the objectivity and flexibility necessary to properly monitor company activity and achieve company objectives. The legal framework should not be an obstacle for the establishment and development of family-owned companies as they have been an integral part of the Jordanian economy for a long time (Al-Smadi et. al., 2013).

1.3 Objectives of the Study

The main idea of this study is to present and analyze the concept, importance, the advantages, and the objectives of governance and its impact on corporation strategies. Therefore, the objectives of this study are:

1. To provide a theoretical background in corporate governance and business strategy that affects business performance, create sustainable competitiveness and viable business environment for investments, and growth both of the corporate and national economy.
2. To identify and understand the factors that hinder good governance.
3. To appreciate the relevance of corporate governance in Jordan environment.
4. To determine the proper elements necessary to achieve sound corporate governance.

II. Theoretical Framework

2.1. Literature Review

2.1.1. Arabic Studies

Several studies have been carried out in terms of corporate governance in developed and developing countries, but most of these studies concentrate on financial performance rather on businesses strategies that leads to financial indicators. Arab environment was not so far of such scandals lagged behind its corporations or even the collapses of many well-known corporations, therefore, too many empirical studies conducted to examine the impact of corporate governance on organizations performance. The researchers concentrated on some of these studies that mainly shifted to strategy of organizations especially in Jordanian environment, they are as follow:

Al- Haddad et al. (2011) sought to provide evidence of corporate governance and performance indicators of the Jordanian industrial companies listed at ASE. They found that there is a direct positive relationship between profitability, measured either by Earnings per share (EPS) or Return on assets (ROA), and corporate governance, also a positive direct relationship between corporate performance, liquidity, dividend per share, and the size of the company with corporate governance.

In his study, Bawaneh (2011) seeks to understand how Jordan banking sector is affected by the Corporate Governance (CG) requirements released by Basel Committee on Banking Supervision (BCBS) and Organization for Economic Cooperation and Development (OECD). Results indicated that banks in Jordan are complying with CG requirements in compliance with the Central Bank of Jordan (CBJ) based on BCBS and OECD guidelines and requirements which enhance the CG procedures. Therefore, CG continues to gain attention and importance from parties concerned in Jordan, but many steps need to be done in the future, in this regard Shanikat and Abbadi (2011) revealed that although some principles of corporate governance are not materialized yet, Jordanian companies are applying corporate governance in large scale and those principles are recorded at Jordanian laws and regulations.

Al-Sa'eed (2012), study the "The Role of Corporate Governance on the Reduction of the Global Financial Crisis Implications: Evidence from Banking Sector of Jordan". The study aimed to determine the relationship between the independent variables: Commitment to Corporate Governance, Functions of the Board of Directors, Board Committees, Control Environment, and Transparency and Disclosure codes, and the dependent variable: Reduction of the global financial crisis implications. The study revealed that a positive significant relationship between independent variables and dependent variables is found, and that Corporate Governance's Principles have reduced the implications of the global crises on the Jordanian Banking Sector. Additionally, the study found that the economy does not get the expected benefits from CBJ regulation.

In addition to that, Abu Rishah and Al-Sa'eed (2012) found in their study that the banking sector of Jordan is complying with corporate governance and disclosure, and this is improving the quality of financial reporting, while Al-Sa'eed (2013) conducted a study that aimed to empirically explore to what extent Jordanian banks are complying with OECD's principles of Corporate Governance from the viewpoint of the Audit Committee Members in Jordanian Banks, his study has found that the banking sector of Jordan is complying with OECD's principles of Corporate Governance and all regulatory bodies are applying the same tools and pillars to control and oversight the banking sector of Jordan.

Tomer and Bino (2012) and Al-Smadi et. al. (2013) have concluded that the ownership structure and board composition have a strong impact on the firms' efficiency and effectiveness and thus its overall performance. The positive effects returned on companies' performance in Jordan is due to the higher freedom of royal family to choose the strategic partners and lower governmental interventions. Surprisingly, board size has no effect on companies' performance.

Saif (2013) explores the corporate governance at private hospitals in Jordan. The study revealed that workers at those hospitals are possessed weak understanding and awareness of corporate governance although governance serve and protect both of workers and shareholders rights. Basically, the study highlights some conflicts might arise in absence of implementing principles of corporate governance in private health sector in Jordan.

In their study, Suwaidan et. al. (2013) examine if better corporate governance practices can increase attractiveness of Jordanian shares for foreign investors in Jordan. Their study revealed that institutional ownership, ownership concentration, total assets and audit size are related to non-Jordanian investor. This result builds on the importance of non-Jordan shareholders in enhancing corporate governance mechanism.

Zaloom's study (2013) entitled: "Disclosure of commitment to implement guidelines on corporate governance and its impact on the value of the company - Empirical Study on service companies listed and traded on the ASE," This study aimed to explore the extent of the obligation to apply guidelines on corporate governance in service companies Jordanian public shareholding, The study found that the highest level of commitment was to the rules guiding the special disclosure and transparency (95%), and less reached the level of commitment to the rules guiding the special meetings of the General Authority (86%). With regard to the rules guiding the corporate governance, the study found that there is no trace of these rules in the value of the company, to the lack of awareness of the importance of the rules of corporate governance in the value of the company by investors and regulators, which may be the main reason of lack of this effect.

Al-Beshtawi et. al. (2014) investigating the role of corporate governance in the commercial banks and Islamic banks in Jordan and its impact on financial and non-financial performance because it has an impact on improvement and development of managerial decision-making processes and stages that enhance internal activities of banks and raise the level of performance. The study found that corporate governance was implemented through identifying its principles and components in addition to formulating committees that would activate the applications of CG.

Alnaser et.al (2014) concluded that Jordanian public corporations have effective corporate governance

because it's complying with laws and regulations stated by government and implement best practices nominated by investors' activities. Also, Effective corporate governance structure improves investor confidence, it ensures corporate accountability, enhances the reliability and quality of public financial information, and enhances the integrity and efficiency of the capital market. Moreover, Alqisie (2014) conducted a study aimed at providing evidence whether or not the corporate governance indicators of the Jordanian industrial firms listed in ASE lead the firm to adopt low/high level of financial leverage and which of them has positively significant effect. He found that corporate governance indicator has a meaning for Jordanian industrial firms in term of ownership concentration and board size where a significant negative relationship between CGI and financial leverage, in other words, it leads to adopt low level of financial leverage (external debt). Moreover, CEO duality and compensation have insignificant positive relationship with financial leverage.

Al-Hazaimeh et. al. (2014) investigated the relationship between corporate governance and ownership structure on voluntary disclosure, with a particular focus on variables affecting in voluntary disclosure of listed companies in the Amman Stock Exchange (ASE). The study revealed that a significant degree of voluntary disclosure in line with greater corporate governance awareness and implementation in Jordan. Particularly, the study found that the board activity, foreign ownership, non-executive directors and block holder ownership to be significant in influencing voluntary disclosure. Eventually, the voluntary disclosure in the annual reports does potentially affect the market capitalization.

2.1.2 Foreign Studies

Abadi (2012) investigated the relationship between corporate governance, organizational learning and strategic planning effectiveness. The study findings showed that corporate governance has significantly associated with strategic planning effectiveness but both corporate governance and organizational learning were jointly enhanced the effectiveness of strategic planning.

Effiok et. al. (2012) study entitled "Corporate Governance, Corporate Strategy and Corporate Performance: Evidence from the Financial Institutions Listed on the Nigerian Stock Exchange", aimed at exploring whether or not corporate governance structures works in tandem with other stakeholders of the company to fashion a robust corporate strategy for effective corporate performance. The study revealed that a strong relationship between corporate governance and firm performance, and talented board has a great impact on achieving corporate strategy through effectively implementing corporate governance.

In their study, Ilyas and Rafiq (2012) trying to explore the impact of corporate governance principles on perceived organizational success in Pakistan. Their study concluded that discipline, social awareness, accountability, fairness and responsibility have significant effect on organizational success but effect of discipline and social awareness is higher than accountability, fairness and responsibility. Moreover, the study showed that independence and transparency do not effect on organizational success significantly. Ndlovu et. al. (2013) conducted a study aimed at analyzing the corporate governance practices by multinational banks in comparison to domestic banks in Zimbabwe. Their study results were so impressive; the study revealed that the general awareness on the importance of sound corporate governance practices was of substandard levels for both bank categories. Domestic banks, in particular, had more shortfalls compared to multinational banks, they did not represent shareholders' interests in their corporate governance practices, and their levels of compliance to Reserve Bank of Zimbabwe's corporate governance requirements was still lacking. Although corporate governance strategies by multinational banks were superior to domestic banks it was established that multinational banks needed to accept local central bank requirements on corporate governance as an engine to enhance their corporate governance strategies. Meanwhile, Antwi and Binfor (2013) conducted a study aimed not only at investigating the role of corporate governance on strategic change in rural banks in eastern region of Ghana, but also at exploring the importance of governance mechanisms and strategic decisions on weaknesses and threats to the banks of effective operation and the ownership, board, and the top management team in strategic change on the bank value. The study revealed that the importance of governance mechanisms and strategic decisions on weaknesses and threats to the effective operation of banks were highly important and the management personnel strongly support formal policy development and implementation of the bank. Moreover, the corporate governance has an effect on strategic change on rural banking. The study recommended that strategic changes in rural banks can be implemented if the top management team and Board of Directors agreed and placed high importance on it that would improve their performance.

Baxter (2014) investigating the relationship between the corporate governance ratings of Australian publicly listed companies and their financial performance. The results of the study provide consistent evidence over the three years that companies with higher quality corporate governance have higher levels of financial performance. The study therefore makes important contributions to the existing literature and will be of value to investors, companies and regulators in assessing the extent to which a corporate governance ratings system explains variations in company financial performance.

Lehlou et. al. (2014) examined the role of different internal corporate governance mechanisms in

predicting the probability of default through building a model that integrates financial ratios and corporate governance-related variables to predict the probability of default and find that board of directors-related variables increase the power of the model to predict the default probability. The study reached some remarkable findings that firms with larger boards and CEOs performing multiple functions within their corporations are associated with lower default probability. However, CEO-chairman duality and the number of internal directors increase the credit risk. Moreover, the model used shows that the importance of board of directors' characteristics for predicting the probability of default in public firms.

2.2 Theoretical Background

2.2.1 The Concept of Corporate Governance

Corporate governance is often described as a vague concept, with loose definitions giving rise to different understandings of what it involves. Various documents, reports and codes of best practice define corporate governance. A definition often used is the one drafted by the Cadbury Committee in the UK in 1992, it defined corporate governance as “a system by which companies are directed and controlled”. In the 2002 Sarbanes-Oxley Act (SOX) Principles of Good Corporate Governance and Best Practice Recommendations, corporate governance is defined as “the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations”, while Wikipedia (2013) defines it as “a processes and relations by which corporations are controlled and directed. It identifies the distribution of rights and responsibilities among different participants such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders, where corporations' objectives are set and pursued in the context of the social, regulatory and market environment and includes the rules and procedures for making decisions in corporate affairs. Governance mechanisms include monitoring the actions, policies and decisions of corporations and their agents. Corporate governance practices are affected by attempts to align the interests of stakeholders”.

On other hand, OECD (2004) defines it as “corporate governance is the rules and practices that govern the relationship between the managers and shareholders of corporations, as well as stakeholders like employees and creditors. It contributes to growth and financial stability by reinforcement of market confidence, financial market integrity and economic efficiency”. In essence, corporate governance therefore relates to the manner in which corporations are regulated and managed. Therefore, corporate governance structure specifies the distribution of rights and responsibilities among different participants in different organizations such as the board, managers, shareholders and other stakeholders; and spells out the rules and procedures for making decisions on corporate affairs (Al-Faki, 2006; Abu-Tapanjeh, 2009 and 2006; Kocmanová et. al., 2011; Alrawashdeh, 2012; Alnasser et. al., 2014).

2.2.2 Governance Framework

The governance framework is composed of two dimensions: the performance and conformance dimensions, which together represent the entire value creation, resource utilization, and accountability framework of an organization.

In general, conformance responsibilities focus on providing assurances to stakeholders through (Hakim, 2002; Delton et. al., 2003):

1. Concerning the effectiveness of the identification, prioritization, management control and mitigation, and reporting strategic, tactical and operational risks.
2. The organization is working effectively and efficiently to achieve its strategic and operational goals.
3. The systems generating financial and non-financial information are working within prescribed standards of accuracy and reliability, and that such information reflects the true performance of the organization.
4. The organization is able to prevent and detect criminal activities such as fraud, money laundering, theft, and misappropriation.
5. The organization complies with all other relevant rules and regulations.

While performance responsibilities focus on strategy, value creation, and resource utilization, and include:

1. Establishing a robust decision making processes. Oversight of strategy implementation and evaluation of the strategy's ongoing relevance and success.
2. Aligning business operations and resource utilization with strategic directions and the organization levels of risk appetite.
3. Identifying the critical points of which an organization needs to make decisions in response to changing conditions.

2.2.3. Key Principles of Corporate Governance

There are different fundamental elements of good corporate governance that influence the performance

of any organization. Some key elements that can be regarded as appropriate in achieving effective corporate governance are: trustworthiness, honesty, sincerity, performance orientation, mutual interest, and commitment to the organization. Few generally accepted rules and principal for effective corporate governance are as following:

1. Its organization's obligation to respect the rights of shareholders and facilitate shareholders in getting their rights.
2. Organizations should be aware that they have legal and lawful duties for all stakeholders.
3. Organization has vital obligation to provide effective and understandable information to the shareholders and all participations of annual general meeting.
4. Board of directors has responsibility to check and perform proper scrutiny of management's performance. Another responsibility is to state visibly and clearly the duty and tasks of management and board of the organization in order to get full confidence of the shareholders towards organization.

Despite of these key principals elaborated by the researchers, the most powerful principals of corporate governance, which followed by almost all countries through the universe, were built by OECD 1999 (reviewed and revised on 2004) based on four core pillars as follow:

1. **The Rights of Shareholders:** The rules emphasize that shareholders have secure ownership, the right to full disclosure of information, voting rights, participation in decisions concerning fundamental corporate changes such as the sale or modification of corporate assets including mergers and new share issues. Markets for corporate control should be efficient and transparent and shareholders should consider the costs and benefits of exercising their voting rights.
2. **The Equitable Treatment of Shareholders:** All shareholders of the same class should be treated equally, including minority and foreign shareholders and should have the opportunity to obtain effective redress for violation of their rights. It emphasizes the protection of minority and foreign shareholders rights with full disclosure of material information. It ensures the setting up of systems that keep insiders, including managers and directors, from taking advantage of their roles, insider trading is prohibited and members of the board and managers should be required to disclose any material interest in transactions.
3. **The Role of Stakeholders in Corporate Governance:** In addition to the shareholders, the OECD also recognizes the right of stakeholders. Employees are usually the important stakeholders that determine how companies perform and take decisions. Thus the corporate governance framework must ensure that the right of stakeholders are protected and respected by law. Stakeholders participating in the corporate governance process should have access to relevant information. The framework also encourages active cooperation between corporations and stakeholders in creating wealth, jobs and sustainable financial and sound enterprises.
4. **Timely and Accurate Disclosure and Transparency:** The OECD principles ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership and governance of the company including board of directors and their remuneration. The guidelines also specify that annual audits should be performed by independent auditors in accordance with high quality standards of accounting, financial and non-financial disclosure. Channels for disseminating information should provide fair, timely and cost efficient access to relevant information by users.
5. **The Responsibilities of the Board:** The OECD guidelines lay in detail the functions of the board in protecting the company, its shareholders as well as its stakeholders. The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company, shareholders and stakeholders. These include concerns about corporate strategy, risk, executive compensation and performance, as well as accounting and reporting systems. Board members should act on a fully informed basis, in good faith, with due diligence and in the best interest of the company and its shareholders. The board should also ensure compliance with applicable laws and take into account the interests of the stakeholders. Finally the board should be able to make objective judgment on corporate affairs, independent from management.

The OECD Principles of Corporate Governance 1999 and its revision on 2004 provide solutions to governance problems that stem from the separation of ownership and control, suggest methods of dealing with complex issues relating to shareholders, employees, boards, management, and decision-making, and recognized the need for flexibility to ensure adaptation to different legal systems, as well as diverse economic and cultural circumstances. These principles allow corporate governance participants to evolve and adapt to constant change, and to develop strategies to keep up with the pace of the competitive business world.

2.2.4 Benefits of Corporate Governance

According to Babu (2012), there are several benefits for corporate governance that would enhance the corporations in a hypercompetitive markets:

- 1- Good corporate governance ensures corporate success and economic growth.
- 2- Strong corporate governance maintains investors' confidence, as a result of which Company can raise capital efficiently and effectively.
- 3- It lowers the capital cost.
- 4- There is a positive impact on the share price.
- 5- It provides proper inducement to the owners as well as managers to achieve objectives that are in interests of the shareholders and the organization.
- 6- Good corporate governance also minimizes wastages, corruption, risks and mismanagement.
- 7- It helps in brand formation and development.
- 8- It ensures organization in managed in a manner that fits the best interests of all.

All corporations would likely to strengthen its processes to achieve the sustained success more than ever. This can be done through good corporate governance; that is all parties perform in honesty, trust, integrity, openness, greater responsibility, performance orientation, mutual respect and commitment to organization's goals.

2.2.5 Impediments of Corporate Governance

There are some barriers that decrease the effectiveness of corporate governance. These include barriers arising from (David and Kochhar, 1996):

1. Business relationships of investors with firms in which they invest.
2. Extensive government regulations that constrain the activities of these investors.
3. Limitations on their ability to process the information required to monitor firms.

2.3 Corporate Strategy and Corporate Governance

2.3.1 Concept of Corporate and Corporate Strategy

In its simplest form a corporation is defined as an organization having its own legal entity separate from its owners thereby having its own rights, responsibilities and obligations. They operate for a profit motive, capitalizing on their expertise, resources and networks. Its owners usually are very high in number (general public, group of investors, consortiums) and they pool their investments in the form of shares, which are traded at stock exchange. It is chartered and regulated by the government. By law, accounts are audited by independent external auditors; the company is subjected to the statutory and financial laws of the land and those of relevant regulatory authorities. While corporate strategy is a strategy for guiding a firm's entry and exit from different businesses, for determining how a parent company adds value to and manages its portfolio of businesses, and for creating value through diversification (Perace and Robinson, 2009).

2.3.2 Integration between Corporate Governance and Corporate Strategy

Almost all corporations usually have a Chief Executive Officer (CEO) or Managing Director, and top management responsible for day-to-day operations and strategy making. Since shareholders (owners) are huge in number, lacking technical expertise and have inadequate access to company information / operations hence they are represented by an independent Board of Directors (technical experts in different facets of organizational performance and having substantial track record in this context) who is elected by shareholders in annual general meetings. Chairman heads Board of Directors and together they appoint The CEO. Corporations are marked by going concern assumption i.e. they are expected to sustain beyond the life of owners, directors or officers. Since ownership floats due to stock market trading mechanisms hence corporations exceed beyond life of decision makers and stakeholders. Another underlying requirement from corporations by law is that they are required to maximize value for shareholders and to protect their interests. Hence by nature they are profit seeking entities. While attaining profitability they are expected to fulfill their social obligations to the society, environment and other stakeholders and not to violate their interests (Corporate Social Responsibility) (Shen and Gentry, 2012).

A significant attribute of corporation lies in the segregation between:

1. **Ownership (Shareholders):** they invest in shares and are not involved in day-to-day operations. They are interested in results and profitability of the company. They are also known as Principals.
2. **CEO and Top Management:** they are responsible for running day to day operations. They take strategic decisions for value maximization and also acting as agents of the principal.
3. **Board Members:** they act on behalf of the owners so as to monitor corporate activities and thus act as agents on behalf of the shareholders. They are not involved in day-to-day operations. They have a reviewing, endorsing and checking mechanism to ensure that no wrong doing takes place, there is ethical compliance and that whatever management is doing, it is correct in accordance with the acceptable, rules, norms and values of the land. Through their technical expertise they help management in working out better strategic alternatives for optimum utilization of resources and for value maximization.

Hence in order to enhance value, corporations have various corporate strategies so that growth in

revenues as well in the scale and scope of operations is achieved. Such growth seeking ventures are possible through adequate deployment of resources. The CEO and the top management develop a vision and mission for the corporation. Business plans are developed so as to have clearly defined objectives for each divisional and functional unit of the corporation. While setting out these goals, the top management evolves means of attaining those goals. The task of implementing and achieving those goals are delegated to middle and lower level management while the top management ensures follow-up and compliance to these. The top management also lays out policies, procedures, rules and norms of acceptable and unacceptable performance. Ethics turns out to be a vital issue in this context (Arjoon, 2005).

Globalization of markets has made the corporations to enhance their competitive advantage by paying more attention than ever to their strategies where unprecedented numbers of corporations have increased the international focus of their businesses corporations are usually involved in multiple businesses and multiple markets, thereby operating through different units or subsidiary organizations. Thus, this aspect of multi-market operations differentiates a corporate strategy from that of business strategy, product strategy or any functional strategy so it can be agreed that corporate strategy has a holistic view of the entire corporation and takes the combined strategy of all individual constituent organizations, functional units and departments into account for collective sustainable competitive advantage. By managing its portfolio of products, services, business and functional activities at different organizational layers, a corporation mainly looks at the entity as a whole. In other words Corporate (or Company-wide) Strategy would entail resource allocation so as to have business expansion. Corporate strategy setting phase is extremely complex process and entails constant information flow between all units, middle and top management. Whenever corporate strategy is evolved, reviewed or scrutinized, it has to meet requirements of disclosure, transparency and accountability, giving optimum consideration to the interest of all stakeholders. Since these are essential elements of a strong corporate governance mechanism, hence it can be argued that corporate governance is a cornerstone in strategic issues. In a well governed corporate setup, requirements of disclosure, transparency and accountability give sufficient leverage to the organization's future course of action. In this way, the evolved strategy is credible, reliable and value-added and it earns confidence of all major stakeholders (Cheffins, 2012; Hassaan, 2013; Al-Qatawne, 2011; Daradkah, 2013). However there should be mutual complementarity between the roles of: CEO - Top Management (who are mainly responsible for corporate strategy making) and The Board of Directors (who are required to oversee the performance of the organization on behalf of the owners). In their capacity as Board members, they are responsible for implementing corporate governance in the organization. This complementarily role ensures that corporate governance mechanism and corporate strategy mechanism are mutually inclusive of each other. This mutual dependency has a reciprocal value added effect on both governance and strategy as well as on the corporation as a whole.

III. Field Study

3.1 Case Study | (1): Nuqul Group (*)

3.1.1 Background

Established in 1952, Nuqul Group is now a conglomerate of over 30 companies and one of the Middle East's leading industrial groups. The company was founded as Nuqul Brothers Company by the current chairman of the board of directors, Elia Nuqul. It is privately-held, family-owned, and employs around 6,000 people. The company started out as a modest trading operation focused on the importation and distribution of foodstuff. Over the years, management embarked on an expansion strategy that centered on trading integrated industries, expansion, and diversification throughout the Middle East and became a globally recognized conglomerate of some thirty-one companies. Its lines of business now cover a wide range of products, including: hygienic tissue paper, non-woven fabrics, processed meats, aluminum profiles, ready-mix concrete, synthetic sponge/foam, plastic pipes, stationery, and printed packaging materials.

3.1.2. Institutionalizing Nuqul's Systems and Processes

The vice chairman of Nuqul Group, Mr. Ghassan, took a leading role in 1985 after his father, who founded the company. At that time, the company had grown its line of business from wholesale supply to include manufacturing goods. By 1985, four plants were in operation, and Mr. Ghassan immediately recognized that in order for the company to grow and sustain itself, he would need to institutionalize processes, allocate tasks, and develop accountability mechanisms. He was faced with a challenge found in many family-run businesses. The operation begins as a "one man show" with all decisions passing through a single person. But as a company grows, this system becomes nearly impossible to run effectively. Business theorists call this a "span of control" issue. At Nuqul Group, the head office had to absorb and process all purchase orders as well as accounting and auditing documents from the four plants. Little accountability existed outside the head office.

(*) This case study has been adopted from Nuqul Group website www.nuqulgroup.com and the United Nations reports.

This became the major stimulant behind assigning and institutionalizing corporate practices. For one of his first projects, Nuqul painstakingly inspected, updated, and documented all the procedures and systems. This allowed him to proceed with a decentralization program to streamline activities. His father fully supported him, encouraging him to put his theoretical education to practical use.

Nuqul says he felt fortunate to have a father who was open to listening to the ideas of other people, regardless of their age or position. This culture of openness has proven to be a major asset to the company. Over the next five years, Nuqul headed the decentralization process. He separated and delegated tasks, created job descriptions, established measures of accountability for managers and employees, drew up business plans, established key performance indicators, created balanced performance scorecards, and evaluated the company against others in the industry both regionally and internationally. Much of the process was fundamental, with the work performed in-house. As they observed the usefulness of the initial steps, the company later contracted consultants to help them reach the level of professionalism to which the company aspired. The result of these reforms is accountability among managers, employees, and the family, which ensures the company's sustainability. A 10-year business plan was implemented, with forecasted budgets for every year. The company was able to create benchmarks and measure itself against global best practices. They have continued to grow in terms of size and level of profits.

3.1.3 Building an Effective Board

Nuqul Group has established a strong board composed of both family and non-family members. It includes board members who work for the company, board members from outside the company, and board members with specializations in fields other than wholesale and manufacturing. The current board includes three family members, two Nuqul Group CEOs, a corporate affairs director, and two independent directors. Two other independent directors sit on board committees, but not on the board itself. As Vice Chairman, Ghassan Nuqul chose to add two independent directors from outside the industry — an engineer and a banker with extensive experience in their fields — because he believed they would bring a fresh perspective to the board and would challenge the way the other directors think and operate. The six other board members all have extensive experience within Nuqul Group and can accurately reflect the interests of the company. While it may be counterintuitive to some, Nuqul believes that the mixed board structure ultimately serves the best interests of the family.

Two committees function under the board's oversight: an audit committee, and a management development and compensation committee. Both committees are chaired by Ghassan Nuqul. The audit committee also includes the corporate affairs director, the banker (as an independent director), and the CFO of a large regional company. Marwan Nuqul (the brother of Ghassan), the corporate affairs director, a human resources director from a multinational company, one of the independent directors, and Ghassan Nuqul sit on the management development and compensation committee. Independent directors are remunerated according to the board charter. Each year a renewal letter is extended to current directors, which opens a window for a change in board membership or a confirmation of the existing composition. The board adheres to the by-laws, charters, and role descriptions that were established as the company developed its governance model. Yet, as Ghassan Nuqul emphasizes, even though procedures and protocols have been developed and institutionalized, it is important to remain open to changing them.

3.1.4 Setting up the Family Constitution

Ghassan Nuqul first encountered the idea of a family constitution at a conference on family businesses. The conference provided an opportunity to learn from other family-owned companies that shared similar experiences and challenges. CEOs and directors were able to learn about best practices that informed the direction of their respective companies.

Creating the family constitution required considerable effort and took a year and a half to complete. Nuqul admits it was a challenging process, but in the end, the carefully developed framework laid the groundwork for a fortified corporate structure that helped to minimize potential family conflict. From his experience, a key element for success is timing; it helps to develop a family constitution when the family patriarch is in complete control of the company and when there are no apparent conflicts on the horizon. Although Nuqul Group was not in a moment of crisis, it realized that issues addressed in the family constitution would have surfaced at some point in the future. When issues did appear, they were able to navigate the issues smoothly because they had a concrete and clear action plan. The articles of the family constitution also fed directly into the articles of association in the holding companies operated by Nuqul Group, which allowed for uniform operation of all Nuqul Group subsidiaries. While it is not necessary to contract an expert or consultant to formulate a family constitution, Nuqul Group found it useful to work with Price Waterhouse Coopers, which offers services to family businesses to help draw up family constitutions. The Nuqul constitution governs all

aspects of family involvement in the business, including who is allowed to sit on the board, who is allowed to act as chairman of the board and the requisite qualifications for board positions, who is allowed to take over or own shares in the business, bloodline versus in-law privileges, how to conduct evaluations of family members, and the employment, compensation, and education policies.

Employment policies are clearly defined, such as rules about how family members can enter the company and to whom family members can report (e.g. a son/daughter cannot directly report to a mother/father). Family members are required to obtain at least two years of outside experience before joining the company. This is a common guideline for family businesses: By requiring family members to pursue work experience outside the company, both company and employee benefit from the experience. The structure of family ownership was also addressed in the protocol. As a part of the succession and sustainability plan, and as a way to maintain wealth within the family, the constitution set forth a plan for family members to begin owning shares in Nuqul Group subsidiaries.

3.1.5 Voluntary Transparency

Since Nuqul Group is a private, non-listed, family-owned company, it is not required by the government to publish financial statements. Yet, the company assembles an internal annual report voluntarily disclosing information including employee numbers, staff turnover, corporate social responsibility indicators (such as environmental footprint), community service participation, and philanthropy operations in the family foundation. Nuqul Group recognizes the importance of presenting a track record to existing and potential partners in order to secure strategic partnerships. Most recently, for example, the company became a licensed distributor for Audi, Porsche, Volkswagen, Skoda, MAN, and Lamborghini automobiles. A requirement for the licenses was the clear documentation of their operations. The annual report functions as a transparent communication tool for partners with whom the company does business.

3.1.6 Attracting and recruiting first-rate employees, professionalizing management, and separating the role of CEO and chairman

The company's transparent practices have attracted high-caliber employees, which the vice chairman emphasizes is a main factor contributing to the company's success. Employees are fairly compensated according to corporate policy, and are clearly informed of the paths for advancement within the company. The corporation is structured so that, even though the company is family-owned and managed, any capable person can move up the ranks, even to the level of CEO. Many family-run businesses never consider having a non-family CEO. However, Nuqul Group realized that the CEO does not exercise corporate power unilaterally, but rather executes the wishes of a well-functioning board, which, in turn, represents shareholders. As a number of family businesses have discovered, it can be better if the CEO is not a family member, particularly in the second and third generations and beyond. An effective CEO may be found within the family, but seeking a CEO from outside the family can widen the available talent pool, as well as minimize or prevent friction between various parts of the family. Moreover, even if a family member is chosen as CEO, the ability to select an outsider can serve as motivation for the family member, since skill, drive, and competence will determine the CEO selection, rather than birthright. Both the founder and the second generation of Nuqul Group commented that in a family-run business, it is difficult to retain high caliber employees because of the perceived ceiling for opportunity that exists for outsiders. Additionally, family members can, in the absence of specific policies outlining performance expectations, take their positions for granted and fail to exert maximum effort.

There are other benefits as well. According to the vice chairman, ambitious people scrutinize an employer as much as they themselves are scrutinized in an interview. From his experience, they want to know what opportunities exist to advance and the nature of the corporate culture, particularly in a family-owned company. In the case of Nuqul Group, the company directly attributed the ability to attract and retain excellent employees to their corporate governance practices, and to the specific policies that promote employee advancement. According to the experience of Nuqul Group, the implementation of corporate governance practices both improved internal efficiency and enhanced its relationship with stakeholders. Although not a listed company, Nuqul Group has made investments and entered into partnerships that would not have been possible if the company had not displayed a solid foundation of corporate governance. The company's extensive documentation of financial figures and annual reports has been a key to attracting and establishing partnerships. The company views its improved corporate governance practices - such as the institutionalization of previously informal practices, a strong board, and functional checks and balances - as key ingredients in its expanded growth. Nuqul Group has found that banks and private equity firms are more eager to work with the company than with companies that have not codified their practices, particularly if those companies operate in emerging markets where government oversight and regulation can sometimes be hampered by a lack of resources. Nuqul Group has expanded from four subsidiary companies in 1985 to 30 today. According to the vice chairman, this level of growth would not have been possible without the improved corporate governance practices.

3.2 Case Study | (2): Accelerator Technology Holdings (*)

3.2.1 Background

In 2005, Accelerator Technology Holdings (ATH) was created as a venture capital (VC) firm to invest in the region's developing capabilities in the media, technology and telecommunications industries. As a VC firm, its primary goal is to increase shareholder value by investing in and helping to guide other companies that need capital to grow. First, ATH needed to attract its own investors by addressing the perceived risks in its strategy. ATH discovered that implementing good corporate governance from the start reassured investors and set the stage for long-term stability. Accelerator Technology Holdings was born out of both need and opportunity: very few bona fide venture capital firms exist in the MENA region. The founding members sought socio-economic development in the region, financed from within the region itself. From the outset, the firm selected investments that would bring technological development and enhance strategic relationships in the region. The company has a unique relationship with its shareholders. The board consists of the founders and elected shareholders. As expected in a VC firm with few employees, the company's board of directors and its investment committee play a critical role in helping management drive the company strategy and achieve defined goals and objectives. The key to ATH's success has been recruiting individuals with extensive regional and international knowledge and experience to govern these institutions.

3.2.2 Corporate Governance: Building Shareholders' Trust and Transparency

There is a dearth of venture capital firms in the Middle East and North Africa region; but, even where VC more common, it is still a risky business. The key to success as a VC firm, therefore, is strength in selecting companies for inclusion into the portfolio, the structure of the capital invested into the companies, and providing technical assistance to the companies in order to maximize its success. Therefore, the founders recognized that they faced significant challenges to succeed in the venture capital industry. The first step was to attract capital; even countries with robust growth, such as China and India, had not been able to achieve the same level of venture capital availability as in the United States and Europe. The economies in the Middle East region present even more difficult terrain. It was clear that it would take great effort to convince investors that investing in the MENA region would be worthwhile. ATH therefore set out to create a value proposition that could be sold to any investor, local or global, especially an investor who recognized the potential of the region and its nascent technology and media industries. ATH offered shareholders a higher level of engagement and enhanced oversight over portfolio investments, so as to build confidence in its investment decisions. Accelerator formed two subsidiaries, one to hold the investments and the other to act as investment manager. Although the structure is different from atypical U.S. VC fund (typically established as a partnership, with the VC firm acting as the general partner), the specific governance model matched ATH's needs. ATH ensured that it would be an investment company where shareholders participated in governance through an elected board that oversees an investment committee with clearly defined oversight and investment decision guidelines.

This governance foundation served to attract the keen interest of a group of about 35 investors from the United States, Europe, and MENA countries, including entrepreneurs and institutional investors, who invested alongside co-founder and ATH management. Perhaps most tellingly, many of the investors are individual entrepreneurs, each having experienced the challenges and the successes of entrepreneurial endeavor and understanding the governance structure's value. As a relatively young company in a sector with high global standards Accelerator Technology Holdings was able to draw from the experience of venture capital firms outside the region and incorporate international governance practices at its inception. Doing so allowed shareholders to focus on the investment strategies presented to them, instead of worrying about whether the board, committees, auditing, or compensation methods were functioning properly.

A particularly important part of ATH's governance structure was creating mechanisms to communicate the corporate strategy to shareholders who might not be familiar with the nuances of the venture capital industry. This is critical considering the company's entry into an emerging field where information is not easily accessible, investee targets may face uncertainty in the market in the short-term, and returns may be uncertain in the short-run. Therefore, communicating ATH's longer-term vision and the progress toward that vision took on added importance in keeping the investors satisfied. In addition to annual shareholder meetings and annual reports, the company shares information and engages with its shareholders through quarterly shareholder reports. ATH prides itself on transparency and fostering good relationships with its shareholders, and when they request additional information, the company accommodates these requests to the utmost of its ability. Since the company is registered as an offshore entity, ATH complies with the laws and rules of governance required by the offshore jurisdiction. Additionally, according to its articles of association, the company's shareholders appoint its board of directors, approve its audited financial statements, and appoint its auditors. These governance provisions enable shareholders to feel they are protected.

(*) This case study has been adopted from Accelerator Technology Holding website <http://www.acceleratorstech.com>.

IV. Discussion

Corporate governance issues are of great concern in the world today because of its influences on the effectiveness and relevance of an organization's strategy. Organizations are more than ever, under increased pressure to be proactive in reforming various aspects of corporate governance to protect stakeholders' interests. A weak corporate governance results in weak organizational strategy, which seriously compromises the strategic positioning and success of an organization (Onuoha et. al., 2013). Sooner or later, every large corporation runs into trouble; poor strategic decisions are made that harm performance. The long-term strategic success of the corporation rests on cutting the frequency of such failures both large and small and on correcting them quickly and at low cost when they occur. Mistakes can depreciate brand equity, demoralize the company, and cause good people to leave. Strategic failures waste precious resources, and make it more difficult to find financing and support in capital markets in the future. Corporate mistakes are typically seen as failures of strategy. Observers, analysts, and executives study the strategic direction followed by the company and question why it failed to produce results.

Managers and boards can sharply reduce the likelihood of major strategic mistakes, and correct mistakes more quickly, if they recognize that the failure to quickly correct major mistakes in corporate strategy reflects a failure in corporate governance. Such strategic failures occur, and fail to be corrected, when the system of controls and incentives that guides internal corporate decision-making breaks down. The system of corporate governance is supposed to provide a set of checks, balances, and incentives to spot and correct bad decisions. A functional governance system catches and cures the problems long before they become a disaster.

Once the governance-strategy link (corporate governance and corporate strategy) is recognized, new possibilities open up for senior managers and boards to incorporate governance issues directly into corporate planning. By asking the right questions about where the corporation will be in a few years, and what pressures it will face, boards and managers can refine the system of controls that guide decision-making so that mistakes are less likely. By strengthening governance, corporations can strengthen their strategies and their ability to compete. Failures in strategy occur either because of mistakes by top executives that are not quickly corrected, or because of generalized problems within the company that make the entire company ineffective in responding to market signals. These failures, in turn, are supposed to be corrected by the corporate governance system (Drew, et. al., 2006).

This paper sets out to further develop our understanding of corporate governance and its affect on corporate strategy through its performance and economic performance. In doing so, it addresses some of the underlying factors that promote efficient corporate governance, and examines some of the strengths, weaknesses and economic implications associated with various corporate governance systems. One of the most striking differences between countries' corporate governance systems is the difference in the ownership and control of firms that exist across countries. Systems of corporate governance can be distinguished according to the degree of ownership and control and the identity of controlling shareholders. In 'outsider' systems (notably the US and UK) of corporate governance the basic conflict of interest is between strong managers and widely dispersed shareholders. In 'insider' systems (notably Continental Europe and Japan), on the other hand, the basic conflict is between controlling shareholders (or block-holders) and weak minority shareholders (Brunninge et. al., 2007; Bordean et. al, 2011).

Thus, Corporate Governance can be viewed as a complicated set of relationships between a company, its stakeholders and its operating environment. According to OECD (2004), corporate governance is a linkage between different entities of any organization. These entities; company's management, its board of directors, shareholders and other stakeholders, require strong relationship among each other in order to achieve corporate objectives. Effective way of corporate governance provides structure through which the goals of the organization are set and the ways of accomplishing these objectives and monitoring performance are determined. Excellent corporate governance should offer appropriate inducement for the board and management to follow objectives that are in benefit for the company and its stakeholders. There are several additional factors such as business ethics and corporate awareness of environment and societal interests of communities that can affect on company's operations and also have an impact on its reputation and its long-term success.

There is no single model of good corporate governance (as stipulated in Nuqul Group and ATH), and both insider and outsider systems have their strengths, weaknesses, and different economic implications. Furthermore, the effectiveness of different corporate governance systems is influenced by differences in countries' legal and regulatory frameworks, and historical and cultural factors, in addition to the structure of product and factor markets. Corporate governance mechanisms and their effectiveness also vary depending on industry sectors and type of productive activity. Identifying what constitutes good corporate governance practice, and under what circumstances, is a difficult task. The challenge, therefore, is not only to identify the strengths and weaknesses in each individual system or group of systems, but also to identify what are the underlying conditions upon which these strengths and weaknesses depend.

The benefits of concentrated ownership are that it brings more effective monitoring of management and

helps to overcome agency problems. However, the costs associated with concentrated ownership are low liquidity and reduced possibilities for risk diversification. Dispersed ownership brings higher liquidity, which can be vital for the development of innovative activity. On the other hand, it does not encourage commitment and long-term relationships that might be required for certain types of investments. For example, when corporations are owned and controlled by each other, this can reduce transaction costs and incentives to engage in opportunistic behavior. Stakeholders, therefore, have a greater incentive to invest in relationship specific investment. On the other hand, this can also reduce the level of product market competition hence corporate governance has an underlying impact on economic growth and development (Saheed, 2013). Therefore, one of the main challenges facing policy makers is how to develop a good corporate governance framework which can secure the benefits associated with controlling shareholders acting as direct monitors, while at the same time, ensuring that they do not expropriate excessive rents at the expense of other stakeholders. The empirical evidence to date seems to suggest that this is indeed a problem and that protection of minority shareholders is critical to the development of equity markets. Therefore, policy makers in insider systems need to pay particular attention to developing corporate governance frameworks that will not hinder the development of active equity markets.

V. Conclusion and Implications

Since 2001, corporate governance has received renewed interest internationally due to high-profile collapses. Enron and WorldCom in the US are examples of prominent corporate collapses. Directors are expected to act in a socially responsible manner. Corporate social responsible conduct relates to important social, safety, health and environmental factors to which company management must have adequate regard. Barton (2011) makes a few interesting points. First, he states that the ways in which directors govern, manage and lead corporations should change. The focus of directors should be on long-term value. Secondly, directors must realize that serving the interests of all major stakeholders will not have a negative effect on the maximization of corporate value. And, lastly, boards should govern a company like owners. This raises the question: does the drafting of codes of good governance really make companies healthier and more sustainable? and will they reduce the likelihood of corporate collapses?

The need for corporate governance arises because of the separation of management and ownership in the modern corporation. In practice, the interest of those who have effective control over a firm can differ from the interests of those who supply the firm with external finance. Transparency and disclosure is in many ways the key to good governance. Provided companies are open about their purposes and the way in which they go about achieving them, they will earn the trust of those on whom they depend for their success. Resources will flow to companies which inspire trust, through their approach to governance and through the integrity of those who manage them. Responsible governance is the basis on which trust is established and enterprise encouraged. As the wider economic and social significance became more apparent, international guidelines were published to advance its cause more broadly. These guidelines reflected the part which good governance can play in promoting organizational growth and business integrity. Effective corporate governance requires a clear understanding of the respective roles of the board and of senior management and their relationships with others in the corporate structure. The relationships of the board and management with stockholders should be characterized by candor; their relationships with employees should be characterized by fairness; the relationships with the communities in which they operate should be characterized by good citizenship; and their relationships with government should be characterized by a commitment to compliance. Corporate governance is concerned with the processes, systems, practices and procedures as well as the formal and informal rules that govern institutions, the manner in which these rules and regulations are applied and followed, the relationships that these rules and regulations determine or create, and the nature of those relationships. It also addresses the leadership role in the institutional framework. Corporate Governance, therefore, refers to the manner in which the power of a corporation is exercised in the stewardship of the corporation's total portfolio of assets and resources with the objective of maintaining and increasing shareholder value and satisfaction of other stakeholders in the context of its corporate mission.

Corporate governance implies that companies not only maximize shareholders wealth, but balance the interests of shareholders with those of other stakeholders, employees, customers, suppliers, and investors so as to achieve long-term sustainable value (Linkage Between Corporate Strategy and Corporate Strategy is highly associated which implies the success of these strategies implemented by a corporation). From a public policy perspective, corporate governances about managing an enterprise while ensuring accountability in the exercise of power and patronage by firms. The quality of governance is of absolute importance to shareholders as it provides them with a level of assurance that the business of the company is being conducted in a manner that adds shareholder value and safeguards its assets. This means that there is less uncertainty associated with the investment - a situation that encourages bankers and lenders to be favorably disposed to the company. Furthermore, the higher the risk, the higher the expected rate of return. If a company adopts and implements

good corporate governance practices, shareholders are retained and new investors attracted.

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