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Megha Middha, Assistant Professor of Law in Mody University of Science and Technology, Lakshmangarh, Sikar

Megha Middha, is working as an Assistant Professor of Law in Mody University of Science and Technology, Lakshmangarh, Sikar (Rajasthan). She has an experience in the teaching of almost 3 years. She has completed her graduation in BBA LL.B (H) from Amity University, Rajasthan (Gold Medalist) and did her post-graduation (LL.M in Business Laws) from NLSIU, Bengaluru. Currently, she is enrolled in a Ph.D. course in the Department of Law at Mohanlal Sukhadia University, Udaipur (Rajasthan). She wishes to excel in academics and research and contribute as much as she can to society. Through her interactions with the students, she tries to inculcate a sense of deep thinking power in her students and enlighten and guide them to the fact how they can bring a change to the society

Dr. Samrat Datta

Dr. Samrat Datta Seedling School of Law and Governance, Jaipur National University, Jaipur. Dr. Samrat Datta is currently associated with Seedling School of Law and Governance, Jaipur National University, Jaipur. Dr. Datta has completed his graduation i.e., B.A.LL.B. from Law College Dehradun, Hemvati Nandan Bahuguna Garhwal University, Srinagar, Uttarakhand. He is an alumnus of KIIT University, Bhubaneswar where he pursued his post-graduation (LL.M.) in Criminal Law and subsequently completed his Ph.D. in Police Law and Information Technology from the Pacific Academy of Higher Education and Research University, Udaipur in 2020. His area of interest and research is Criminal and Police Law. Dr. Datta has a teaching experience of 7 years in various law schools across North India and has held administrative positions like Academic Coordinator, Centre Superintendent for Examinations, Deputy Controller of Examinations, Member of the Proctorial Board



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Head & Associate Professor

School of Law, JECRC University, Jaipur Ph.D. (Commercial Law) LL.M., UGC -NET Post Graduation Diploma in Taxation law and Practice, Bachelor of Commerce.

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Mrs.S.Kalpana

Assistant professor of Law

Mrs.S.Kalpana, presently Assistant professor of Law, VelTech Rangarajan Dr. Sagunthala R & D Institute of Science and Technology, Avadi. Formerly Assistant professor of Law, Vels University in the year 2019 to 2020, Worked as Guest Faculty, Chennai Dr.Ambedkar Law College, Pudupakkam. Published one book. Published 8 Articles in various reputed Law Journals. Conducted 1 Moot court competition and participated in nearly 80 National and International seminars and webinars conducted on various subjects of Law. Did ML in Criminal Law and Criminal Justice Administration. 10 paper presentations in various National and International seminars. Attended more than 10 FDP programs. Ph.D. in Law pursuing.



Avinash Kumar



Avinash Kumar has completed his Ph.D. in International Investment Law from the Dept. of Law & Governance, Central University of South Bihar. His research work is on "International Investment Agreement and State's right to regulate Foreign Investment." He qualified UGC-NET and has been selected for the prestigious ICSSR Doctoral Fellowship. He is an alumnus of the Faculty of Law, University of Delhi. Formerly he has been elected as Students Union President of Law Centre-1, University of Delhi. Moreover, he completed his LL.M. from the University of Delhi (2014-16), dissertation on "Cross-border Merger & Acquisition"; LL.B. from the University of Delhi (2011-14), and B.A. (Hons.) from Maharaja Agrasen College, University of Delhi. He has also obtained P.G. Diploma in IPR from the Indian Society of International Law, New Delhi. He has qualified UGC - NET examination and has been awarded ICSSR - Doctoral Fellowship. He has published six-plus articles and presented 9 plus papers in national and international seminars/conferences. He participated in several workshops on research methodology and teaching and learning.

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**THE ASSESSMENT OF CORPORATE
GOVERNANCE POLICIES AND PRACTICES POST
2008 FINANCIAL CRISIS**

AUTHORED BY - PRAGATI JHA

A3268623044

LLM (CB&IL) 2023-2024

Amity Law School, Noida Amity University, Uttar Pradesh

DECLARATION

I Pragati Jha declares that the dissertation titled “**THE ASSESSMENT OF CORPORATE GOVERNANCE POLICIES AND PRACTICES POST 2008 FINANCIAL CRISIS**” is the outcome of my own work conducted under the supervision Dr. Santosh Kumar, at Amity Law School, Amity University, Noida (Uttar Pradesh). I declare that the content of this dissertation is an original piece of work prepared by me and due acknowledgement has been made in the text to all other material used and that the same has not been submitted in any university or college or any other programme for any other purpose.

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A3268623044

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Signature:

PRAGATI JHA

A3268623044

Date:

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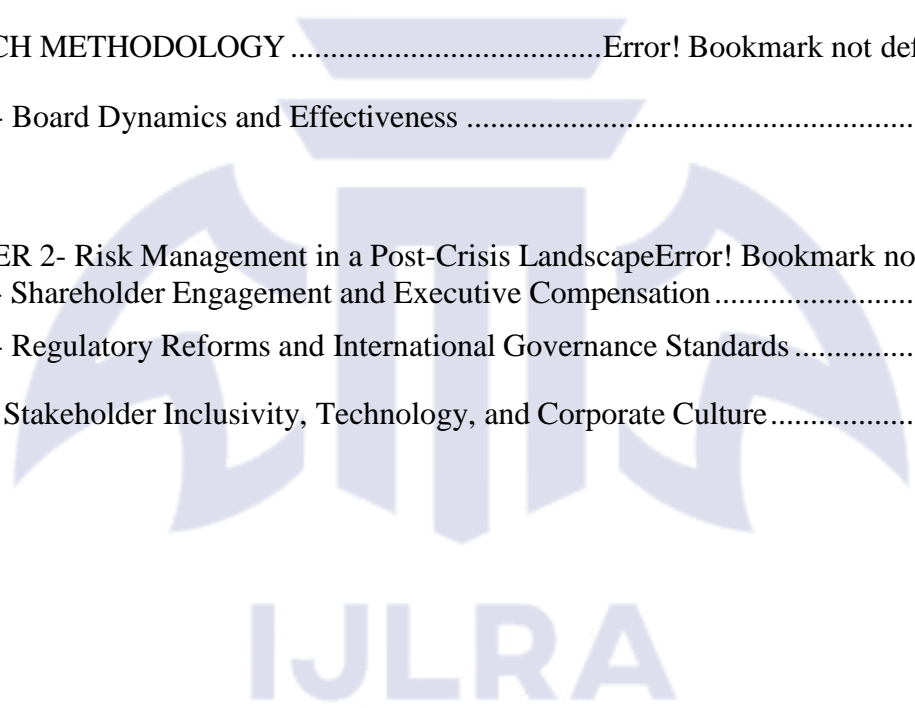
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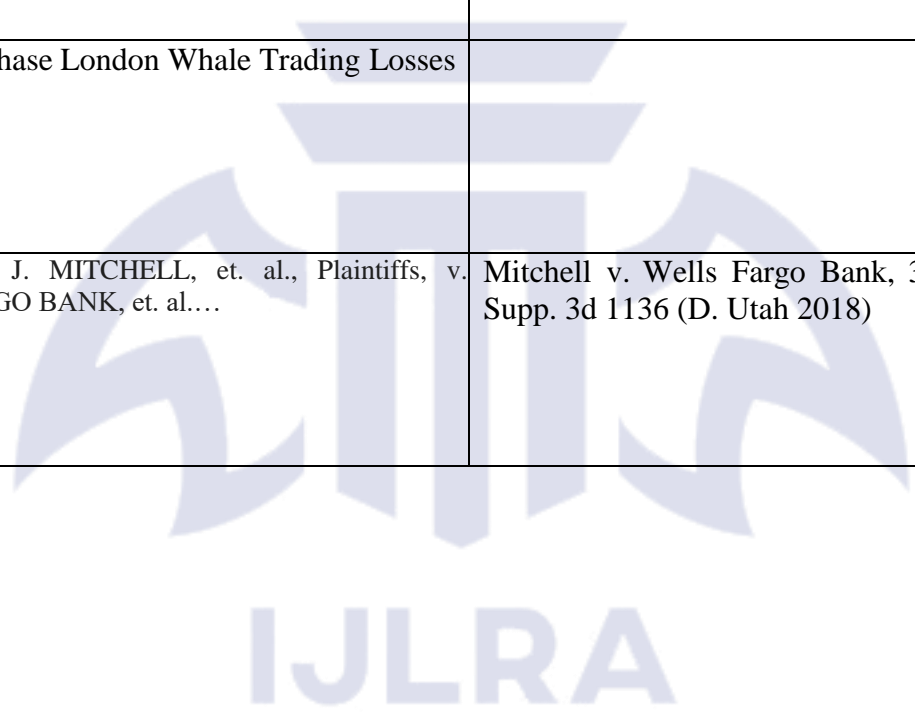
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Introduction

Corporate Governance

The practices, structure of Rules and processes used to manage and direct a company is known as Corporate Governance. The primary force influencing Corporate governance¹ is a company's board of directors. The most important thing is bad governance since it can destroy a company's operations and ultimate profitability.

The 4 p's of corporate governance:

- People
- Purpose
- Process
- Performance



¹ <https://www.investopedia.com/terms/c/corporategovernance.asp>

The Financial Crisis (Background)

The 2008 financial crisis, commonly known as the Global Financial Crisis (GFC)², was a major global economic crisis that occurred in the US real estate market. This was due to the burst of the housing bubble, which led to a widespread collapse in the prices of refinanced loans and financial instruments tied to real estate prices.

Subprime Crisis: Banks and financial institutions issued risky mortgages to borrowers who were unlikely to repay their loans. These loans are package into complex financial instruments called mortgage-backed securities (MBS) and sold to investors.

Securitization: The process of packaging loans into securities and selling them to investors emerges. This covers the risks associated with these investments and spreads them throughout the financial system.

Lax Supervision: Regulators failure to adequately monitor financial institutions leads them to engage in credit risk and financial speculation.

More Income: Many financial institutions rely on mortgages to invest in reverse mortgages and other hard-earned financial products, causing them to fall short when the market crashes.

Credit Rating Agencies: Credit Rating agencies give high rating to reverse mortgages and other complex financial products misleading investors about the safety of the risk in question. When it went bankrupt in 2008, housing prices plummeted and many homeowners defaulted on their mortgage payments. This led to huge losses for banks and other financial institutions that rejected their loans and led to a financial crisis in the financial world. Mann Brothers, Bear Sterns and Merrill lynch. Governments around the world have implemented various measure to improve the financial sector, including packages to protect financial institutions and stimulate economic growth. Unemployment and long-term economic uncertainty. It also makes important changes, such as the Dodd-Frank Wall street reform and the Consumer Protection Act in the United States, to prevent similar problems in the future.

² https://en.wikipedia.org/wiki/2007%E2%80%932008_financial_crisis

The 2008 financial crisis led to a critical review of corporate governance³ and international practices. Here are some important aspects of this assessment:

Increased regulatory scrutiny:

In response to the crisis, governments and regulators are increasingly scrutinizing the industry's regulatory framework. The goal is to identify weaknesses and implement corrective actions to prevent future problems. In the field of business management, finance managers then focused on many important aspects to improve control and accountability in companies. They increase business analysis by:

- Board compositions and Independence: Regulators emphasize the importance of companies having independent directors to ensure objective oversight of management. They encourage companies to have sufficiently independent directors who have no conflicts of interest and can challenge management decisions.
- Performance compensation policies: Regulators monitor performance compensation policies to ensure they are in the long term interests of members and do not encourage excessive risk-taking. Improve disclosure requirements to increase executive pay, including performance measures, bonus models and gold ceilings.
- Risk management and oversight: People are acutely aware of the board's role in managing business risks. Regulators encourage board directors to establish risk management committees, conduct regular risk assessments and monitor the effectiveness of risk mitigation strategies to prevent risk. Lots of luck and it makes things work again.
- Shareholder rights and participation: Regulators promote shareholder rights and participation as a way to improve corporate responsibility. They support initiatives such as say on pay voting, representation and stakeholder activities to support shareholder and hold company management accountable for their actions
- Information disclosure and transparency: Regulators encourage corporate governance to improve information disclosure and transparency so that shareholders and stakeholders can make informed decisions. Companies must disclose all board members, their

³ <https://www.fdic.gov/analysis/cfr/bank-research-conference/annual-9th/matos-p.pdf>

remuneration, their related transaction and other management information in their annual reports.

- **Internal controls and audit oversight:** Regulators have emphasized the importance of internal controls and audits to prevent illicit financing and fraud. They establish stricter requirements for audit teams, external auditors, and internal controls to increase the reliability of financial reporting and protect the interest of shareholders.
- **Ethical standards and corporate culture:** people are increasingly attaching importance to a culture of ethics, honesty and responsibility in organizations. Regulators encourage companies to develop codes of conduct, media reporting policies and codes of ethics to promote ethical behavior and prevent abuses.
- **Compliance and enforcement:** Regulators are increasing sanctions and penalties for companies that violate corporate governance rules or engage in fraud. They investigate, punish and prosecute individuals and organizations found to have violated corporate governance.

In any case, following the financial crisis, regulators sought to strengthen the regulatory framework to restore investor confidence, reduce business risk and support the creation of long term benefits from business. They aim to create a corporate governance system that adds value to shareholders and equity-based fair and responsible business by strengthening auditing, transparency and accountability.

Improve transparency and disclosure:

People want companies to increase transparency and disclosure, especially in financial reporting and risk management. The goal is to provide investors and stakeholders with better information to assess risk and make informed decisions.

After the 2008 financial crisis, regulators took steps to clarify and expand corporate governance. These measures are designed to strengthen accountability, rebuild investor confidence and reduce systematic risks. Here are some ways to maintain focus and expansion after the financial crisis:

- **Increased disclosure requirements:** Regulators have implemented disclosure requirements for businesses, particularly those in the financial sector, to improve their financial health,

risk and leadership. This includes improving disclosures in financial statements, annual reports and regulatory filings to ensure investors have access to comprehensive and timely information

- Risk factor disclosure: Companies are required to provide more detailed information about their risks, including those related to market, credit, liquidity, operation and business risk. This allows investors to better understand the risks facing the company and make investment decisions.
- Performance reporting: Greater analysis of performance pay results in greater compensation package delivery, performance evaluation work and bonus structure. Companies need to provide clearer clarification on their compensation policies and the link between compensation and performance to incentivize shareholders as well as managers for the long terms.
- Partnership law: regulators have established disclosure requirements for related parties to avoid conflict and ensure fairness to minority shareholders. Companies must disclose transactions involving insiders, partners or participants, including the nature of the transaction, the details of the transaction and the parties involved.
- Proxy statement improved: The Proxy statement has been revised to provide more detailed information regarding corporate governance, the board of directors, qualified directors and shareholders rights. This gives shareholders more voting rights on issues such as director nominations, executive compensation and strategic plans.
- Corporate Governance publication: Many jurisdictions have required publicizing corporate governance or best practices to support departments and companies in adopting good governance practices and transparency. These publications mostly cover areas such as board of directors, risk management and corporate governance.
- Whistleblower Protection: Regulators use whistleblower protection procedures to encourage individuals to report fraud or abuse without fear of retaliatory retaliation. A hotline, anonymous reporting, and anti-retaliation policies have been established to facilitate reporting wrongdoing and ensure that allegations are promptly and fairly investigated.
- International Accounting Standards: Adoption of international accounting standards such as International Financial Reporting Standards (IFRS) promotes uniformity and

comparability of financial reporting across countries. Increase transparency and trust among investors by providing a framework for financial reporting and disclosures. In conclusion, financial management reform is behind the goal of improving the transparency and public disclosure of business management in order to improve investor protection, promote the development of business integrity and restore business confidence.

These measures help create a transparent and accountable corporate governance system that works better for business owners and stakeholders.

Accountability and Independence committee:

Companies face increasing pressure to strengthen their accountability and independence. This includes improving board governance, ensuring appropriate risk management and minimizing conflict.

After the 2008 financial crisis, trustee audits and independent corporate governance increased, regulators, shareholders and stakeholders have emphasized the need for greater oversight, independent decision-making and better governance structures to prevent future problems and improve business confidence.

Here's how to deal with issues of responsibility and freedom after the financial crisis:

- **More oversight:** Board directors are taking on more responsibilities, especially in areas such as risk management, compliance and executive compensation. Regulators have set more stringent requirements to ensure that board directors actively monitor and evaluate the company's conduct, activities, and compliance with laws and regulations.
- **Independent Directors:** There is greater emphasis on the importance of companies having independent directors to provide objective oversight over decision-making to manage competition. Rules and regulations encourage companies to have an independent board majority or to establish independent boards to oversee key functions such as auditing, compensation and nominations.
- **Lead Independent Director:** Many companies appoint an independent director to be the focal point of independent oversight and communication between the board and management. The independent director plays an important role in ensuring the

effectiveness of the board, especially when the chairman is also the CEO or has significant influence over the board.

- **Segregation of duties between chairman and CEO:** Management experts and pundits advocate segregation of duties between the chairman and CEO to improve board independence and oversight capacity. Separating these roles reduces the perception of power and authority within an individual and allows for checks and balances between management and the board.
- **Board evaluation and performance appraisal:** The board should conduct regular evaluations of its performance, effectiveness, and structure to identify areas for improvement. An evaluation of board independence by an external consultant or governance expert can help evaluate the board's decision-making process, changes, and follow best practices.
- **Conflict of interest policy:** The Company maintains a conflict of interest policy to ensure that directors maintain their independence and avoid conflicts that may affect their objectives or fiduciary duties. Directors must disclose all conflicts of interest and refrain from voting on matters involving personal or financial interests.
- **Member engagement:** The Board works with members and stakeholders to resolve governance issues, obtain feedback and promote transparency. Participants provide events such as business meetings, announcements, annual meetings, giving members the opportunity to share their opinions and hold board meetings and control their decisions.
- **Regulatory oversight:** Regulators have increased oversight over corporate governance, including board accountability and independence. They conduct audits, investigations to ensure that companies comply with regulatory requirements and regulatory standards, and determine penalties or sanctions for non-compliance with regulations or management failure.

Generally, post-financial issues focus on board accountability and independence to improve governance, support cuts, take responsibility, and protect member's interests. By strengthening board oversight and independence, companies can reduce risk, increase efficiency, and increase long-term value for stakeholders.

Wage change:

Excessive wages⁴ attract a lot of attention because they are believed to increase economic risk and short-term thinking. There are calls for more transparent payment models based on performance and long-term value creation.

Reimbursement changes in business management after the financial crisis are a major concern for regulators, shareholders and stakeholders. The crisis has exposed flaws in compensation models that encourage excessive risk-taking and short-termism, leading to calls for reform to align workers' compensation for long-term, corporate performance and risk management.

Here are some important changes in wages after the financial crisis:

- **Performance-based pay:** The shift to performance-based pay ties executive pay more closely to company performance and shareholder value creation. Integrate performance measures such as revenue growth, total shareholder return, and performance targets into compensation plans to motivate senior executives to focus on long-term growth rather than short-term revenue.
- **Claw back Clauses:** Claw back clauses are used to allow companies to claw back benefits or incentives in the event of financial objection, misconduct, or poor performance. These laws provide a mechanism to hold senior executives accountable for their actions and protect them from negative consequences resulting from their decisions.
- **Say-on-pay votes:** regulators have introduced “say-on-pay” votes, which allow shareholders to express their views on executive pay through a non-binding advisory vote. Voting on compensation gives shareholders a say in compensation-related decisions and holds the board accountable for ensuring compensation is fair, transparent and meets customer satisfaction.
- **Transparency and disclosure information:** Companies should improve transparency and disclosure of information regarding executive compensation so

⁴<https://www.oecd.org/daf/ca/corporategovernanceprinciples/corporategovernanceandthefinancialcrisis.htm>

that employers can better understand how to make compensation decisions. This includes detailed information about pay levels, performance measurements, bonus models and equity awards in publications, annual reports and administrative records.

- **Peer Group Comparison:** The Company is re-evaluating the use of peer group comparisons in determining executive compensation to ensure pay is competitive but not relative to industry peers. Management experts and pundits have warned against the inappropriate use of peer comparisons because it can lead to “boosting” compensation without regard to the action, job or company size.
- **Long-term incentives:** Long-term incentives such as restricted stock units (RSUs), performance shares, and stock options that provide long-term benefits have become more common in compensation packages. These incentives align business interests with stakeholder interests by encouraging long-term value creation and value appreciation.
- **Independent remuneration committee:** Directors emphasize the importance of establishing an independent committee of non-executive directors to determine the remuneration of senior executives. This group is charged with reviewing and approving compensation plans, reviewing job performance, and ensuring compensation is fair, reasonable, and in line with the company’s purpose.
- **Participatory participation:** Members participate in the company through discussions on compensation issues, participation in programs, and voting. Institutional investors, in particular, have played an important role in advocating for responsible compensation and voting against weak or poorly designed compensation packages.

In general, financial reform after financial management reform aims to solve management uncertainties, increase transparency and accountability, and compensate with long-term shareholders and company performance. By using performance and performance-based compensation, companies can reduce risk, improve control and build trust with investors and give people a chance.

Risk management:

The crises revealed the weakness in risk management of companies, especially in the financial sector. There is renewed focus on improving risk assessment, stress assessment and internal controls to reduce the risk of contamination.

After the financial crisis, risk management in the management of the economy changed significantly in order to eliminate the deficit that caused the crisis. Some of the key elements of risk management change include:

- **Enterprise Risk Management (ERM):** Companies are increasingly adopting ERM to identify, measure and manage risks across the organization. ERM integrates risk management into the strategic planning process, aligns risk with business objectives, and establishes a risk management system to monitor risk.
- **Risk Culture and Awareness:** The Company is committed to fostering a high-risk culture that values risk awareness, responsibility and ethics throughout the organization. This includes encouraging open communication, encouraging employees to report risks and concerns, and embedding risk management in organizational values and behaviors.
- **Stress Testing and Scenarios Analysis:** Financial institutions use a range of stress tests and scenario analysis to assess their resilience to business failures, benign and severe conditions. Stress testing helps identify weaknesses in the company's balance sheet, capital adequacy and position, allowing management to take the necessary steps to reduce risk and improve the company's financial health.
- **Compliance Management and Reporting:** The company has strengthened its compliance management to comply with changing regulations and guidelines. This includes implementing strong internal controls, conducting regular audits and ensuring management reporting is transparent to regulators, investors and shareholders, respectively.
- **Cybersecurity Risk Management:** As the threat to cyberattacks and data leaks increases, companies are strengthening cybersecurity risk management to protect sensitive data, block critical processes, and mitigate cybersecurity risks. This includes investing in advanced

cybersecurity technologies, conducting regular assessments, and implementing effective contingency plans to protect against cyber threats.

- **Product and Product Risk Management:** Companies are expanding their focus beyond internal risk to include risks from their suppliers and include business in their risk management processes. This includes due diligence on third-party suppliers, reviewing their financial security and cybersecurity postures, and implementing risk mitigation commitments to minimize product disruption or product-related risk.
- **Integrate Environmental, Social and Governance (ESG) Risks:** Companies recognize the need to integrate Environmental, Social and Governance (ESG) Factors into risk management to address emerging issues. Benefits and stakeholder expectations are important. This includes identifying ESG risks and opportunities, assessing their impact on business and financial performance, and integrating ESG considerations into strategic processes.

In conclusion, the fact that risk management has become increasingly effective, widespread and effective in business management after the financial crisis demonstrates the knowledge of the interconnectedness and complexity of today's business risk. By implementing effective risk management, companies can build sustainability, preserve value, and drive long-term growth in an uncertain and volatile business environment.

Shareholder Activism:

Shareholders are becoming more confident in holding companies accountable for their governance. Businesses, in particular, have played an important role in business management by pressing for reform and participating in the board's review and management of issues such as compensation and diverse board members.

Ownership activities have become increasingly influential in business management. During the financial crisis, business owners tried to take over the company's business, improve prices, and pressure for a change in management. The membership process has developed as follows:

- **Increased involvement with companies:** Owners including investment companies, hedge funds, and pension funds, collaborate with companies on governance issues, strategic decisions and

operational matters. Stakeholders often communicate directly with the company's management, board of directors, and other stakeholders to advocate for changes they believe will enable improved shareholder value and corporate governance.

- **Proxy Fights and Shareholder Proposals:** Shareholder proposals use proxy fights and shareholder proposals to promote change. Influence corporate decision making and management practices. Proxy contests involve the appointment of a replacement director candidate who will challenge existing shareholders, while shareholder proposals allow shareholders to vote on private management on strategic issues such as compensation, board and environmental policy.
- **Focus on Executive Compensation:** Employee respondents focus on executive compensation practices they believe are excessive, inconsistent with employer preference, or lack transparency. They advocate reforms such as tying executive pay to performance measures, implementing claw back laws, and increasing disclosure of performance pay to ensure that relationships with long-term business owners generate profits.
- **Environmental, Social and Governance (ESG) Focus:** Shareholder activism focuses on ESG issues such as climate change, diversity and inclusion, human rights and corporate social responsibility. Investors are pushing companies to address ESG issues and opportunities, improve sustainability practices, and increase transparency and accountability in ESG reporting.
- **Board Diversity and Independence:** Stakeholders advocate for board diversity and independence to ensure the board represents more perspectives, knowledge, and experience, they encourage the appointment of independent directors, including women and minorities, to improve board performance, management oversight and decision-making.
- **Shareholder Rights and Protections:** Activist investors seek to improve shareholders rights and protections by advocating reforms and the like. Such as registration, majority voting and removal of safeguards. These measures allow shareholders to hold directors and management accountable for their actions and decisions.
- **Long-term Value Creation:** Shareholder activists are pushing for initiatives they believe will improve long-term shareholder value creation and sustainability. They advocate change,

capital allocation decisions, and operational improvements that lead to long-term growth, innovation and competitive advantage rather than short-term profits.

Legislative and Administrative law: Members work to support legislative and administrative changes to improve member rights, open rights, and governance structure. Regulators respond to member activities by implementing policies that encourage member participation, transparency, and accountability in business management.

Overall, workforce ownership has become a powerful force for business management change after the financial crisis; It led to improvements in business management, liability and usufruct rights. Although shareholder performance can sometimes be problematic, it plays an important role in encouraging responsible behavior and ensuring that the company is the best shareholder and stakeholder.

Corporate social responsibility:

The issue has also led to widespread awareness of the importance of corporate social responsibility and sustainable development practices. Stakeholders want companies to consider environmental, social and governance (ESG) aspects in their decision-making processes.

After the financial crisis, corporate social responsibility (CSR) became important in business management because companies realized the importance of solving problems. Social, environmental and ethical considerations in his work.

Here's the evolution of the accountability role:

- Stakeholder engagement: Companies have expanded their focus from shareholders to more stakeholder impacts, including employees, customers, products, communities and the environment. Social responsibility assessment involves working with stakeholders to understand their needs, concerns, and expectations and incorporating their feedback into the decision-making process.
- Environmental sustainability: Increasing social responsibility for environmental sustainability, including reducing carbon emissions, protecting natural resources and promoting renewable energy. The company uses environmentally friendly practices such

as waste reduction, recycling programs and sustainable supply chain management to reduce its ecological footprint and help minimize air exchange.

- **Measuring social impact:** Social services include social interventions designed to address social problems such as poverty, inequality, education and treatment. The company invests in community development projects, volunteer work and community health programs to improve the health of the poor and help support social and economic development.
- **Fair business policy:** The fair business policy emphasizes the importance of fair business practices, justice and business management to promote transparency, trust and accountability. The company adheres to ethics of conduct, anti-corruption and corporate responsibility practices to ensure ethics and prevent fraud in its business and throughout this chain.
- **Diversity and inclusion:** Corporate social responsibility initiatives promote diversity, equity and inclusion in the workplace by promoting a culture of equal respect, fairness and inclusion for all employees. The company uses a variety of programs, including recruiting and team building, to create a diverse workforce that reflects the broader community and encourages employee innovation, creativity and collaboration.
- **Human Rights and labor standards:** Corporate social responsibility includes efforts to monitor and improve human rights and labor standards throughout the supply chain. The company conducts human rights due diligence to ensure that suppliers comply with labor laws and ensure fair work, including good wages, safe work, respect workers' rights, protect working conditions and promote justice.
- **Transparency and disclosure:** companies ensure transparency and public disclosure of their social services by disclosing information on environmental performance, environment, social and governance (ESG) to stakeholders. CSR reporting, sustainability reporting and ESG assessment provide stakeholders with information about the company's CSR practices, impact assessment provide stakeholders with information about the company's CSR practices, impact assessment and progress towards target security.
- **Integration into business strategy:** Community engagement is increasingly integrated into company's business strategy, core values and strategic plans. Companies know that social

responsibility is not just a voluntary effort, it is the most important thing to improve business, enhance reputation, reduce risk and create long-term value for shareholders and stakeholders.

Overall, social responsibility has become an important part of business management after the financial crisis and has re-influenced the general understanding of corporate responsibility and the environment. By implementing responsible business practices and practices companies can contribute to the sustainability health and long term well-being of communities and ecosystems.

Global integration: In light of the global nature of the financial crisis, countries are working intensively to maintain economic governance across the region to ensure that risk management is balanced and effective.

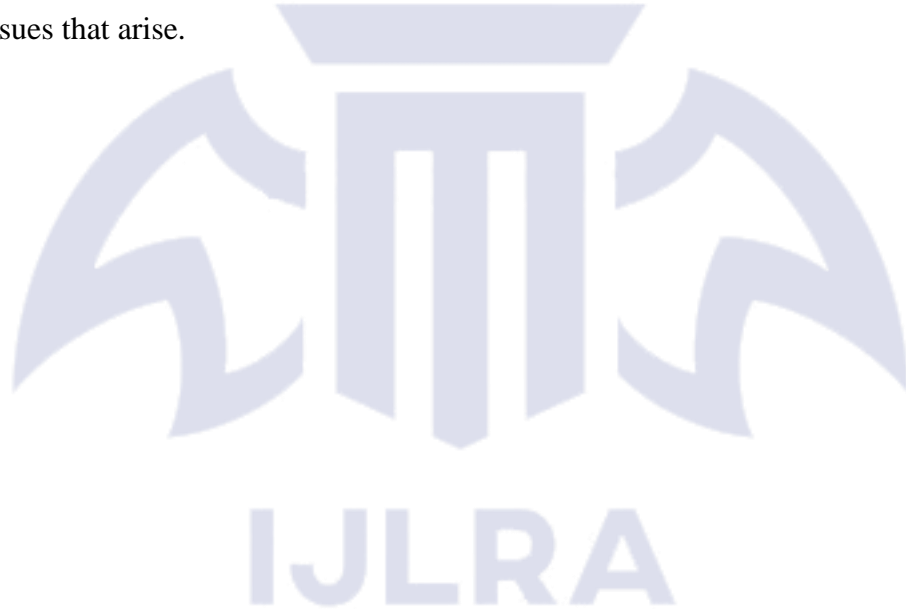
International cooperation in economic management after the financial crisis has gained importance because the economy operates in a cooperative and global economy. Some of the important aspects of global harmonization of business regulations include:

- International standards and best practices: Regulators, standards-setting organizations and industry groups collaborate to develop and promote global standards and best practices in business management. Initiatives such as the OECD principles of corporate governance, the Global Reporting Initiative (GRI) and the United Nations Global Compact provide guidance and guidelines and guidelines for companies to adopt international best practices.
- Integrated cross-border management: Regulators from jurisdictions come together to coordinate regulatory processes, share information and resolve cross-border issues. International organizations such as the financial stability board (FSB), the international organization of securities commissions (IOSCO) and the Basel Committee on Banking supervision encourage the cooperation of supervisors to promote and deal with international financial stability.
- Settlement Agreement: Regulators enter into agreements to facilitate cross-border compliance and oversight of various companies operating in many countries. . These agreements allow regulators to recognize each other's regulatory requirement and rely

- on oversight of entities within their jurisdiction, thus reducing regulatory conflicts, complicating and incentivizing market access.
- **Global Corporate Governance codes:** Many countries have adopted international corporate governance codes or principles as the basis for developing corporate governance standards and implementing them with international best practices. The Code provides guidance on board oversight, transparency, disclosure and ownership rights, promotes understanding of management expectations and promotes consistency in governance standards worldwide.
 - **Promote Corporation and Action:** Members participate in international cooperation to advocate for improved corporate governance, increase transparency and hold companies accountable for cross-border traffic. Business organizations, property managers, and business owners collaborate to solve regulatory problems, participate in international investments, and influence the behavior of international mold.
 - **Cross-border merger and acquisition:** International coordination of corporate governance is essential to ensure compliance with regulatory requirements, protect the interests of shareholders and resolve regulatory risk in cross-border merger and acquisition (M&A) transactions. The Company conducts due diligence, risk assessment and negotiation activities, including legal, regulatory and cultural differences in different jurisdiction.
 - **Anti-corruption and anti-bribery:** International cooperation aimed at combating corruption and bribery in business management: Promoting compliance with international anti-corruption laws such as the United Nations Conventions against Corruption (UNCAC) and OECD. The company implements its anti-corruption policy, conducts due diligence on business partners, and promotes transparency in business transactions to prevent corruption and promote international ethics.
 - **Corporate Social Responsibility (CSR) initiatives:** A global CSR partnership involving businesses, governments, NGOs and international organizations working together to solve global problems such as climate change, human rights violations and inequality. Corporate responsibility measure promote sustainable development,

responsible business and collaboration with global stakeholders, resulting in positive social and circumvention of all borders.

- As a result, international cooperation in business management promotes trust, security and stability in international trade. By realigning management processes, implementing common standards and promoting best practices, stakeholders can improve business management, -term reduce risks and promote long productivity in a connected world.
- As a result, the financial crisis of 2008 led to significant changes in business management and practices, with greater emphasis on accountability, transparency, risk management and security. However, the effectiveness of these reforms may vary across countries and sectors and requires ongoing vigilance to address regulatory issues that arise.



Chapter-1

Board Dynamics and Effectiveness

The power and effectiveness of the board of directors is important for a company. Here are some important factors and points to consider:

.1. Diversity and inclusion: A board with diverse skills, backgrounds, genders, races, and ages brings diverse perspectives and expertise. This diversity helps prevent groupthink and make better decisions.

Combination and diversity are important aspects of business management after the financial crisis because they lead to better decisions accountability and representations of participants.

Here is the evolution of mix and diversity in corporate governance:

- **Board Compositions:** Companies are committed to diversity on their boards to ensure a balance of wisdom, knowledge and insight. The board seeks leaders with expertise in areas such as finance, technology, risk management and business-specific knowledge to provide insight and guidance to management.
- **Independent Directors:** People increasingly value the independence of the board, Directors promote oversight and accountability. Independent directors have no conflict of interest and it is not good that they have the right to challenge management decisions, evaluate performance and protect shareholders interests without interference influence.
- **Gender Diversity:** Awareness of the importance of gender diversity on company boards. Companies have set goals and plans to increase women's representation on boards, with the goal of creating equal or greater gender equality with impact on employees and society.
- **Ethnic and cultural diversity:** Companies are focusing on ethnic and cultural diversity to ensure that the board of directors reflects the diversity of the communities they serve and the businesses they serve. Different races, ethnicities, nationalities, and cultural backgrounds bring different perspectives, ideas, and practices to decision making and problem solving,

- Diversity of age and experience: The board seeks diversity of age and experience to ensure the combination of senior management and junior leadership. Knowledge and diversity enables the combination of business knowledge, leadership and intergenerational knowledge that leads to good management and good practices.
- Skills Matrix and expertise mapping: Companies use skills matrix and expertise mapping tools to evaluate board members to identify areas for improvement. The Board is reviewed regularly to ensure they have the right skills, experience and infrastructure to respond to changes and opportunities.
- Selection and Recruitment: Companies review their selection and recruitment processes to attract diverse candidates and reduce risk bias in the selection process. They use company searches, interviews, and outreach programs to identify qualified candidates from diverse backgrounds and connect them to job boards.
- Inclusive Governance practices: The company adopts governance practices to promote diversity and equity and to integrate them across the board and the entire organization. This includes fostering a culture of respect, inclusion, and openness to multiple perspectives as well as training, coaching, and support for groups underrepresented in leadership.

In general, the composition and diversity of business management is important for successful business management. Promote innovation, improve decision-making and foster trust and accountability under stakeholders. By recognizing diversity in Boardrooms and management practices, companies can improve competitiveness, capabilities, and long-term sustainability in a more connected business environment.

2. Knowledge and Skills: The board of directors must consist of members who have knowledge and skills such as financial knowledge, business knowledge, legal knowledge, strategic planning, risk management and common sense. Having a diverse background ensures that the board can monitor the company's performance and provide valuable advice to management

Skills and abilities are the key to good business management so that managers have the skills and knowledge to provide guidance, supervision and risk management. Some of the skills and abilities required in business management include:

- **Financial Knowledge:** Finance managers have a good understanding of financial principles, financial statements and financial analysis. They can measure financial performance, evaluate investment decisions, and monitor financial reporting and disclosure requirements.
- **Business knowledge:** Leaders with business knowledge can provide deep understanding of business processes, competitive dynamics, and industry-specific challenges and opportunities. They can provide strategic guidance, assess business risks and predict business disruptions to support business growth and innovation.
- **Risk management:** Managers with risk management skills can identify, describe and mitigate risks in all areas of the business, including financial, operational, management and risk. They develop risk management processes, monitor risks and implement controls to protect the company's assets and reputation.
- **Legal and Compliance:** Executives with legal and compliance expertise ensure the company complies with laws, regulations and standards of conduct. They help reduce legal risks and ensure corporate integrity by providing guidance on legal issues, compliance management and corporate governance.
- **Technology and Digital Transformation:** Leaders with technical expertise understand digitization, new technologies and impact of technology. Analyzing business information and strategies. They can assess technology risks, assess IT infrastructure, and guide digital transformation plans to improve operational efficiency and customer experience.
- **Human Resources and Talent Management:** Leaders with human resource skills can provide insight on talent acquisition, development and management. Rights reserved. They evaluate organizational culture, various strategic plans, and succession planning processes to attract and retain top talent and foster a culture of high performance.
- **Strategic Planning and Implementation:** Leaders with strategic planning experience contribute to the development and implementation of the company's long-term vision,

goals and strategies. They evaluate business opportunities, market competition and other strategies to increase cost effectiveness and member returns.

- **Communication and Stakeholder Engagement:** Leaders with good communication skills can communicate effectively with business owners, employees, managers and other stakeholders. They interact with stakeholders, build trust and confidence, and maintain communication in times of crisis or change.
- **Ethics and CSR:** Leaders with expertise in ethics and CSR to ensure the company operates ethically, responsibly and sustainably stable. They monitor the organization's social responsibility, encourage civic engagement, and promote leadership models to build trust with partners and contribute socially and environmentally.
- **Crisis Management and Resilience:** Leaders with crisis management experience can effectively use and mitigate crisis, whether it is a financial crisis or a business crisis. They create strategic solutions, coordinate problem solving, and lead organizations through difficult times with agility and speed.

Managers who have diverse business leaders with skills and knowledge can make more informed decisions, adapt to changing business conditions and create lasting value for stakeholders. Evaluation and ongoing development of the board of directors helps ensure that the board has the necessary skills and expertise to perform its management function effectively.

3. Independence: Independent directors play an important role in ensuring fair oversight of management and protecting the interests of shareholders. Having a sufficient number of independent directors on the board can increase the board's purpose and credibility.

Independence is the corporate governance principle that enables the board of directors to fulfill its duties impartially and without being influenced by and influence. Independent directors play an important role in ensuring checks and balances, promoting transparency and protecting shareholder interests.

How to talk about freedom in business management:

- **Independent directors:** Independent directors are people who have no connections with the company or management and ensures honesty and independence in their

decisions. There are no conflicts of interest that could hinder their ability to act in the best interest of their members and stakeholders.

- **Board Independence:** Regulators and policy makers generally agree that the majority of directors on a company's board remain independent to enhance board independence and oversight. Independent directors provide independent opinions on important matters, control decision-making questions, and maintain accountability for their actions.
- **Independent Board Committees:** The company establishes independent board committees, such as the management committee, compensation committee, and nominating/governance committee, which are comprised entirely or mostly of independent directors. The group oversees important projects and decision-making processes, ensuring that they are carried out in a fair and transparent manner.
- **Lead Independent Director:** A company may appoint an independent director if the board leader is also the CEO or is associated with the board. An independent director can balance the chairman's power, facilitate open communication, and provide independent oversight of the board's activities.
- **Independent Consultants and Consultants:** The board reserves the right to retain independent consultants, consultants or legal advisors to provide objective guidance and expertise on the difficult issue. Independent advisors help the Board of Directors conduct research, analyze transactions, and make informed decisions without conflict of interest.
- **Independence disclosure:** companies must disclose information about director independence in announcements, annual reports, and governance documents. This includes disclosure of relationships between directors and company, related entities or key stake holders that may affect their independence.
- **Evaluation of independent directors:** The board regularly evaluates independent directors to evaluate their independence, effectiveness and contribution to the core responsibilities of the board. Independent director evaluation helps identify conflicts of interest, carefully evaluate the independent director, and ensure that the independent director continues to comply with model freedom over time.

- **Member Oversight:** Members play an important role in monitoring the independence of the board through processes such as member voting, corporate advisory, and member's work. Shareholders can vote on director nominations, approve employee compensation plans, and raise governance issues to protect the board's independence and integrity.

In all cases, freedom in business management is important to ensure accountability, transparency and ethics in the decision-making process. By promoting board independence companies can increase trust, reduce conflicts of interest, and support long-term value for shareholders and stakeholders.

4. Good leadership: The board and CEO should work together to create an environment of open communication, collaboration and trust among the board. Strong leadership from the top sets the tone for the board's energy and helps ensure meetings are effective and focused on strategic issues.

Good leadership is essential to business management to lead an organization in achieving its business goals, foster a culture of integrity and accountability, and create a long-term benefits for stakeholders. Some important characteristics of good leadership in business management are:

- **Vision and strategic direction:** Effective leaders share a clear vision and direction for the organization, set clear goals, and also meet people's needs, interest and stakeholder expectations. They build trust, support and use resources to support innovation, growth and sustainability.
- **Sustainability and Social Responsibility:** Considering the importance of sustainability and corporate responsibility, managers are aware of their responsibility to create a positive impact on people and the environment while benefitting business owners. They integrate sustainability goals into business strategies, operations and decisions, driving meaningful change and contributing to a more sustainable and balanced future.

In general, good leadership in business management is characterized by vision, honesty, accountability, collaboration, change and commitment to virtuous partners. By embracing

these qualities, leaders can inspire confidence, foster innovation, and ensure organizational success in today's business and complex world

- **Duties and responsibilities:** Clearly defining the roles and responsibilities of board members helps prevent conflict and ensures everyone understands their responsibilities. This includes defining the roles of the board of directors, independent director (if any), board of directors, and board members.
- **Collaborative Decision-Making:** The stakeholders are engaged by the leaders in collaborative decision-making processes, input seeking, feedback and matters on governance
- **Resilience and Risk management:** Risk management frameworks are developed by the leaders, who also monitor risk exposures, they proactively identify, assess, and mitigate risks to the organization's reputation, financial stability and long-term sustainability.

5. Clear Roles and Responsibility:

Clear roles and responsibilities for business management are important to ensure accountability, transparency and good decision-making within the organization. The main points of corporate governance that clearly define roles and responsibilities are:

- **Board of directors:** The board of directors is responsible for oversight of review, strategic guidance and monitoring of corporate integrity. The main responsibilities of the board of directors are:
 - To determine the direction and long-term goals of the company
 - Approves, evaluates and pays senior executives, including the CEO
 - Monitor and approve major corporate decisions such as mergers, acquisitions and divestitures.
 - Monitor financial performance, risk management and compliance with laws and regulations
 - Represent stakeholder interests and ensure compliance with stakeholder expectations

- **Chairman:** Chairman of the Board of Directors, The chairman plays a key role in facilitating board meetings, setting agendas, and ensuring effective board communication. The chairman's responsibilities include:
 - Managing board meetings and discussions, ensuring that all directors have the opportunity to express their views.
 - Represent the board of directors before external stakeholders, including shareholders, regulators and the public.
 - Provide guidance and support to the CEO and management team.
 - Board evaluation and self-evaluation to improve performance and management practices.
- **Chief Executive Officer (CEO):** The CEO is responsible for the day-to day management and operations of the company, complying with the recommendations of the Board of directors, and achieving the organization's goals. The CEO's main responsibilities include:
 - Formulate and executing the company's business strategy and operational plan
 - Manage the management team and oversee the organization's operation and finances
 - Report to the Board of directors on key performance indicators, risk and opportunities.
 - Represent the company to external stakeholders and build relationships with customers, investors and partners
 - Ensure compliance with laws, regulations and ethics and promote a culture of integrity and accountability.
- **Board of Committees:** Responsibilities for specific areas of governance oversight and decision making is in the hand of Board Committees. Board Committees include:
 - **Audit Committee:** Overseer financial reporting, internal controls, and risk management processes.
 - **Compensation committee:** Review and approve compensation plan and incentive structure.

- Nomination and Governance committee: Identifying and appointing the appropriate Board of Directors and monitoring implementation
- Risk Committee: Identify and monitor company-wide risks and audit risk management processes
- Company Secretary: The company secretary is responsible for facilitating board meetings, maintaining business records, and ensuring compliance with laws and regulations. Company secretary responsibilities include:
 - Planning and facilitating board meetings, including preparation of agendas, guidelines and discussion documents
 - Manage the board's communication with management, members and regulators
 - Provide guidance on corporate governance, compliance management and board processes
 - Keep records and documents regarding the board's decisions

Clear roles and responsibilities help create accountability, encourage good decision-making, and improve management practices in the organization. By clearly defining and communicating responsibilities, companies can increase board-effectiveness, reduce risk, and build trust among stakeholders

6. Participate:

Board members should attend meetings, ask questions, challenge views and contribute their expertise to the discussion. Encourage open discussion and debate to enable the board to consider issues and make informed decisions.

Participation and collaboration are key elements of business management that promote transparency, accountability and collaboration among stakeholders. The key elements of corporate governance are:

- Participatory Engagement: Companies engage with shareholders to understand their opinions, concerns and expectations about behavior, decision-making and performance. Collaboration with members includes:

- Regular communication through business meetings, conferences with telephone calls.
- Respond to member questions, concerns and feedback
- Attend events such as trade fairs and exhibitions.
- Get advice on management issues, fees and initiatives through member surveys or surveys (such as “tell pay” surveys)
- Stakeholder discussion: The company engages with many stakeholders, including employees, customers, suppliers, regulators, and internal groups, to solicit ideas, build relationships, and express interests and concerns. Stakeholder engagement includes:
 - Staff meetings, focus groups and interest surveys were held
 - Find customers feedback through customer satisfaction surveys, feedback letters and online forums
 - Work with suppliers on sustainability projects, and community stakeholders on governance, public policy issues and community development initiatives
- Participation: board members participate in board meetings, executive meetings and management activities, contributing their intelligence, understanding and perspective to board discussions and decision-making processes. Board involvement includes:
 - Preparation: Review of meeting documents, financial information and background information before the board meeting leader
 - Collaboration: participate in discussion, ask questions, and challenge views to ensure good judgement and decision making
- Work with owners, management and external consultants to ensure compliance with regulatory requirements and best practices.

7. Effective Committees:

- Nominating and Governance Committee:
 - Responsibilities: To identify, review, and select suitable candidates for the board of directors, monitor practices, and promote board director effectiveness and diversity.
 - Introduce potential candidates to the board based on skills, expertise and diversity

- Lead recruitment, screening and execution planning.
- Evaluation, effectiveness and efficiency of the board of directors through self-evaluation and peer evaluation.
- Review and approve changes to policy, board of directors, and board of directors.
- Resolve issues of interest by dealing with operations and management issues as they arise.
- Risk Committee:
 - Function: To identify and monitor business-wide risks, including financial, operational, regulatory and risks, to protect the organization's assets, reputation and long-term value.
 - Responsibilities: Identify and analyze the organization's key risks, including inherent risks and consequences.
 - Develop risk management processes, policies and procedures to effectively reduce risks.
 - Analyze risks, stress tests and situational analysis to identify vulnerabilities and opportunities.
 - Monitor exposure and complies with risk limits and tolerances.
 - Risk management and ongoing management of findings for the board of directors and senior management.
- Social Responsibilities and Sustainability Committee:
 - Role: Monitor the company's environmental, social and governance (ESG) plans, sustainability practices and corporate social responsibilities (CSR) programs to promote responsible business and stakeholder engagement.
 - Responsibilities: Develop and implement ESG strategies, goals and metrics that meet stakeholder expectations and industry best practices.
 - Assess environmental impact, carbon footprint and sustainability risks and opportunities.

- Oversee projects related to relationships, community involvement and volunteer activities
- Monitor compliance with ethical standards, human rights and international labor standards.
- Communicate ESG performance, progress and initiatives to stakeholders (such as shareholders, investor and regulators).

Effective teams play an important role in business management by providing expertise, control and accountability in key areas of organizational management. The board of directors contributes to the success, risk management and long-term sustainability of the organization by fulfilling its duties and responsibilities meticulously.

8. **Continuing Education and Development:** Board members are required to participate in continuing education and development to stay informed about business management, management development, and best practices in business management. This ensures that the board remains efficient and has the ability to respond to issues as they arise. Continuous learning and development is an important part of good business management, it allows board members, managers and employees to develop their knowledge, skills and ability to respond to changes and opportunities.

Regular evaluation, continuous learning, and adherence to best practices are key to maintaining a critical board and long-term performance.

Chapter 2

Risk Management in a Post Crisis

landscape

According to participants, appropriate efforts to prevent future crises and be effective in the post-crisis period. Risk management against uncertainty is more important. In this case, some important issues regarding risk management are:

1. **Comprehensive Risk Assessment:**

Organizations should conduct risk assessments to identify and understand risks in all areas of their operations. This includes financial risk, operational risk, attack rise, regulatory risk, cybersecurity risk, and risk associated with air change of transmission change.

In case of crisis, risk assessment is important for organizations to identify and reduce risks. Here's how organizations can conduct risk assessment in post-disaster environment:

- Learning from the last crisis, analyze the root cause of the crisis, its vulnerability and its impact on the organization to identify areas for improvement in risk management.
- Assessing Emerging Risks: Predicting and identifying situations where new risks may arise or develop. Consider factors that may create new risks for the organization, such as change in the market, regulatory environment, technological advances, and geographic developments.
- Stakeholder Engagement: Engage stakeholders including employees, customers, suppliers, regulators, and business professionals to document perceptions of risk and vulnerability facing the organization. Relevant feedback strategies can provide insight into threats and opportunities.
- Scenario Analysis: Conduct scenario analysis to evaluate the potential impact of different scenarios on the organization's performance, financial performance and reputation. This situation consists of many factors such as economic conditions, geographical conditions, the impact of technology and management changes.

- **Risk Mapping and Prioritization:** A map of risks based on their likelihood and impact on the organization. Prioritize risks according to their importance and develop mitigation strategies to address critical risks that pose the greatest threat to organizational objectives.
- **Review of Internal Controls:** Review existing internal controls and risk management procedures to identify gaps or weakness that may occur during crisis. Develop appropriate controls to improve protection and reduce future risks.
- **Supply Chain Risk Management:** Assess the potential of an organization's supply chain and identify potential vulnerabilities or disruptions that could disrupt business continuity. Analyze supplier's financial stability, geographic diversification and contingency plans to reduce product risks.
- **Cybersecurity Assessment:** Assess an organization's cybersecurity posture and plan to reduce cyber threats and data breaches. Identify vulnerabilities in IT systems, infrastructure and networks and implement measure to increase the resilience of cybersecurity and protect sensitive data.
- **Regulatory Compliance Review:** Evaluate regulatory and compliance issue in light of regulatory changes and regulatory changes. Ensure the organization remains compliant with laws, regulations and industry standards to reduce legal and regulatory risks.
- **Crisis Management Planning:** Develop or update crisis management plans and procedures to ensure effective planning and response to future crisis or emergencies. Define roles, responsibilities, and communication processes to facilitate coordinated response and reduce the impact of the crisis on the organization.
- **Monitor and Report Risk:** Establish regular risk assessment and reporting procedures to monitor changes in risk conditions and take time to report risk to senior management and the board. Implement key risk (KRIs) and risk dashboards to provide insight to risk and improvement.
- **Continuous Improvement:** Create a culture of continuous improvement in risk management by regularly reviewing and updating risk measures, mitigation

strategies and responses. Incorporate feedback and lessons learned from past experiences to develop resilience and adapt to future challenges.

- By assessing risk and implementing risk management, organizations can improve their resilience, flexibility and ability to deal with real uncertainty about the events behind the problem. Effective risk management allows organizations to identify opportunities, mitigate threats, and continue to create value for stakeholders.

2. **Holistic Approach:**

Risk management should be integrated into the organization's strategic planning and overall decision-making process. Rather than considering various risks in isolation, it is important to consider how various risks interact and affect each other.

An effective approach to environmental risk assessment following a crisis involves considering all aspects of the organization's operations, environment, and stakeholders to understand the interplay between risks and opportunities. Here's how organizations can take a proactive approach to risk assessment:

- **Effective Risk Management:** Integrate risk management into strategic planning, decision-making processes and daily operations to ensure risks are fully considered at all levels of the organization. Integrate risk management objectives with business objectives to support an integrated approach to reduce risk and creating value.
- **Business-wide Thinking:** When assessing risk, take a business-wide perspective, considering all internal and external factors that could impact the organization's ability to achieve its goals. Assess risk across all dimensions, including financial operational, strategic, compliance and reputation risk to catch any threats coming your way.
- **Stakeholder Engagement and Collaboration:** Work with stakeholders to understand their views, concerns, and expectations about the risks and opportunities facing the organization. Facilitate collaboration between internal stakeholders (board members, executives, employees) and external stakeholders

(customers, suppliers, regulators and community groups) to foster understanding and expertise.

- **Systemic Thinking:** Uses systemic thinking models to analyze the interactions and interactions between various risk factors and organizational performance. Identify the impact and unintended consequences of risk events across the entire organization's ecosystem to create risk mitigation, address vulnerabilities, and build protection.
- **Long-term security:** In addition to financial considerations, the impact of risks and opportunities on long-term security, including environmental, social and governance (ESG), should also be considered. Analyze risks through a security lens to identify environmental and social impacts, ethical considerations, and reputational risks that may impact the agency's license to operate and the foundation's participants over time.
- **Innovation and Adaptation:** Develop a culture of innovation and adaptation that encourages experimentation, learning and rapid response to risks and opportunities. Use disruptive technologies, business models to drive innovation while managing associated risks to gain competitive advantage and create long-term value for stakeholders.
- **Durability and Flexibility:** Build organizational resilience and resilience to withstand and adapt to unexpected disruptions, shocks and challenges. create adaptive strategies, contingency plans and business continuity measures that allow the organization to quickly adapt to changing conditions and minimize the impact of adverse events on performance, stakeholders and cost of delivery.
- **Continuous Learning and Improvement:** Continuously review and update risk assessments, mitigation strategies, and response plans based on feedback, lessons learned and best practices to foster a culture of continuous learning and improve risk management. Use feedback, performance measurements and management systems to support ongoing monitoring, review and improvement of risk management system.

By using a holistic risk assessment approach, organizations can better understand the impact of risks and opportunities, improving decision-making processes and leading to greater exposure to uncertainty and increase stability in the post-crisis environment.

3. Crisis Planning:

Organizations must develop crisis management plans and response procedures to effectively deal with a crisis. This includes establishing clear roles and responsibilities, communication processes, and escalation mechanisms to facilitate coordinated emergency response.

Crisis planning involves identifying potential problems, developing response plans, and implementing mitigation strategies to minimize the impact of adverse events on the business.

Organizational performance, reputation and stakeholders. Here's how organizations can improve their crisis planning:

1. Risk Analysis and Assessment:

- Conduct a risk assessment to identify potential issues that may affect the organization's objectives, assets, and stakeholders.
- The likelihood and potential impact of each emergency is measured based on factors such as severity, length and breadth.
- Consider natural disasters, cyberattacks, global pandemics, financial crisis, law enforcement, and a variety of potential problems where criticism is not good.

2. Crisis Management Plan:

- Develop crisis management plans that outline roles, responsibilities, and procedures for different types of crisis.
- Assemble a team of senior leaders, key decision makers and experts to lead response efforts.
- Define communication procedures, escalation procedures, and decision-making procedures to facilitate coordinated response in emergencies.

- Conduct drills and simulations to evaluate the effectiveness of emergency management plans and identify areas of improvement.
3. Effective Communication:
- Communicate effectively with internal and external stakeholders before, during and after crisis.
 - Create communication channels, platforms and speakers to disseminate timely and accurate information. Customers, shareholders, regulators, media and the public.
 - Provide updates, guidance and support to stakeholders to resolve issues, manage expectations and maintain trust and confidence in the organization's response.
4. Business Continuity Planning:
- Develop a business continuity plan that outlines critical operations, services, and procedures for maintaining operations in the event of a crisis.
 - Identify critical business processes, resource and dependencies that need to be protected and managed. Give priority back.
 - Establish alternative work plans, backup facilities and backup equipment to minimize disruption and ensure business continuity.
5. Training and Capacity Building:
- Provide training and capacity building to equip workers, managers, and crisis management teams with the skills, knowledge, and resources needed to solve problems effectively.
 - Regular drills and simulations to test problem-solving abilities, improve situational awareness and develop mental decision-making ability.
6. Collaboration and Collaboration:
- Establish collaboration and collaboration agreements with external stakeholders, including government agencies, emergency responders, business partners, and community organizations to facilitate collaborative problem resolution.

- Participate in industry forums, knowledge sharing and collaboration through the sharing of best practices, lessons learned and resources for planning and problem-solving.

7. Continuous Improvement:

- Continuously evaluates and updates the solution plan based on feedback, lessons learned, and best practices.
- Perform post-issue review and report to evaluate the effectiveness of responses, identify areas of improvement, and implement corrective actions.
- Promote a culture of learning, change and reworking that supports risk management and continuous improvement of preparedness and resolution capabilities.

Through the importance of proactive planning and the use of effective measures to identify, measure and mitigate risks, organizations can improve their sustainability, reduce the impact of the crisis and protect their reputation, stakeholders and long-term viability.

4. **Strengthening Governance and Oversight:**

The board should have effective oversight over the organization's risk management system. This includes ensuring that management has implemented adequate controls, monitoring systems and reporting processes to appropriately identify and mitigate risks.

Better control and monitoring are essential elements of risk management and crisis planning.

Here's how organizations can strength governance and oversight to better predict , mitigate and respond to problems:

Board Oversight:

- Directors play a role in monitoring and directing risk management activities and emergency preparedness.
- Establish a board of directors, such as risk management committee or oversight committee, to oversee risk management process, resolution plan, and business continuity strategies.

- Ensures that board members have the skills, experience and independence to perform their supervisory duties effectively.

Risk Management Framework:

- Ensuring effective risk management, including risk identification, assessment, mitigation and monitoring processes in the corporate policy model. Define risk and tolerance to guide decision making and resource allocation based on the organization's strategic goals and stakeholder needs.
- Continuously review and update risk management processes in response to emerging risks, changing business conditions and regulatory requirements.

Internal Control:

- Strengthen internal controls and management processes to reduce operational, financial and compliance risks that could lead to fraud.
- Segregation of duties, approval procedures and monitoring to prevent and detect fraud, errors and abuse provide procedure.
- Conduct regular assessments and reviews of internal controls to identify weaknesses and areas for improvement.

Visualization and Business:

- Promote transparency and accountability of corporate governance by ensuring the relationship between advertising, policy and communications agencies.
- Publish regular reports, disclosures and updates on crisis management, risk management and crisis planning so stakeholders can understand the organization's management practices and operations.

Crisis Management Structure:

- Establish a crisis management system, roles and responsibilities to facilitate coordination during a crisis.
- Define escalation processes, decision makers, and communications to ensure timely and effective responses.

- Conduct training and drills to prepare emergency management teams and stake holders for a variety of emergencies and improve their readiness to respond.

External Audit and Assurance:

- Find independent auditors, regulators and business experts to verify the effectiveness of governance and risk management.
- Engage outside consultants, consultants, or peer review to conduct assessments, surveys, or evaluations to identify areas for improvement and best practices.

Continuous Monitoring and Improvement:

- Establish procedures for continuous monitoring and evaluation of management and monitoring processes to identify successes, gaps, and improvement opportunities in risks.
- Continuous evaluation, review of management standards, policies and procedures to ensure compliance with best practices and evolving business standards.
- By strengthening management and control, organization can improve their ability, capacity and ability to respond effectively to problems, preserving owner value, reputation and long-term sustainability.

5. Stress Assessment and Scenario Analysis:

Organizations must conduct stress analysis and scenario analysis to assess their resilience to various adverse events and conduct business. This helps identify vulnerabilities and assess the potential impact of different risk factors on the financial stability and operational performance of the organization.

Stress testing and situation analysis are important tools for assessing an organization's resilience to adverse events and problems. Here's how organizations can use stress testing and situation analysis to improve risk management and crisis planning:

- **Risk Analysis:** Begin by identifying various stressful situations and adverse events that could affect the organization's performance, financial stability, and profitability. Consider internal and external events such as economic crisis, natural disasters, cyberattacks, management changes, supply chain disruptions.

- **Scenarios Development:** Develop appropriate procedures that represent the various types and intensities of stressors the organization may face. Terms should be tailored to the organization's specific business, geography, business model and risk profile. Consider single and multiple scenarios to capture relevant risks.
- **Assumptions and don'ts:** Identify the assumptions, parameters, and alternatives for any situation, including key drivers, consequences, opportunities, and severity levels. Clarify the impact of each event on key business metrics such as revenue, profitability, productivity, market share and customer retention.
- **Data Collection and Analysis:** Collect relevant data and past performance to determine the potential impact of stressful events on the organization's finances, operations, and idea goals. Use quantitative models, statistical methods, and simulation tools to evaluate the sensitivity of key performance indicators to various stressors.
- **Risk Assessment:** assess the risk and vulnerability of the organization under all stressors, including capital losses, capital adequacy, capacity constraints and business interruptions. Identify high-risk areas, intersections and progressions that could lead to the impact of stressful events.
- **Mitigation Strategies:** Develop mitigation strategies and contingency plans to deal with problems and vulnerabilities. Consider various risk protection measures such as capital buffers, capital reserves, insurance policies, hedging strategies, and different strategies to create protection and reduce risk.
- **Scenario Testing and Sensitivity Analysis:** Conduct scenario testing and sensitivity analysis to assess the robustness and capital adequacy of the organization's risk management model indifferent scenarios. Evaluate the effectiveness of risk mitigation measures in reducing and preserving value in the event of adverse events.
- **Scenario Calibration and Calibration:** Calibrate stress scenarios and assumptions based on historical data, market intelligence, expert opinion and regulatory requirements. Validate results with back testing, stress testing, and pressure testing to ensure accuracy, precision, and reliability of results.
- **Management and Reporting:** Develop management and reporting systems to track the stress testing and incident analysis process. Ensure senior management and the board

receive regular updates, reports and information on the results of stress assessment, risk and mitigation strategies.

- **Continuous Improvement:** Continuously review and improve stress tests and situational assessments based on feedback, lessons learned, and updating best practices. Incorporate new risk information, business development, and regulatory requirements into the organization's risk information, business development, and regulatory requirements into the organization's risk management system to increase its effectiveness and impact over time.

Through stress testing and scenario analysis, organizations can identify risks, measure their impacts, and take steps to reinforce and prepare for poor quality and problematic situations. This process allows organizations to improve risk management, improve capital allocation and protect stakeholders.

6. **Technology and Data Analysis:**

Technology and data analysis can improve risk management by identifying risks from a visual perspective, through time control, predictive models and early warnings. Advanced analytics such as machine learning and artificial intelligence can help organizations discover patterns and trends in big data may indicate potential risks.

Technology and data analysis play an important role in improving risk management, crisis planning and overall management of organizations.

Here's how to use technology and data analysis:

1. Risk Analysis and Assessment:

- Use data analysis tool to identify, monitor and evaluate risks in all aspects of the business, including finance, operations, management and risk.
- Use risk maps, dashboards and visualization tools to provide instant insight into risks, trends and emerging threats.
- Use analytical models to predict potential events and measure their likelihood and impact on the organization.

2. Problem Detection and Early Warning:

- Use advanced analytics and artificial intelligence (AI) algorithms to identify early warning signs of emerging problem tests, such as unusual patterns or inaccuracies in data, customer complaints, or market fluctuation.
 - Create automatic notification system that trigger alerts to stakeholders when pre-existing risks are exceeded or critical events occur.
3. Business Continuity and Marketing:
- Use cloud technologies, remote collaboration tools and digital platforms to support business continuity readiness and readiness to work remotely in emergencies.
 - Use analytics to increase supply chain resilience by identifying potential disruptions, evaluating alternatives, and improving product quality based on the need for predictability and risk.
4. Crisis Response and Management:
- Create a digital command center equipped with real-time data, analytics and communication tools to support quick thinking and collaboration in a crisis.
 - Use social media monitoring tools and technology-based opinion research to track public opinion, opinions and emerging issues around emergencies and respond quickly to reduce reputational risks.
5. Regulatory Compliance and Reporting:
- Implement governance, risk can compliance (GRC) software solution to streamline regulatory compliance, manage liabilities and automate reporting requirements.
 - Use analytical data to conduct compliance audits, detect violations and identify areas of non-compliance with information standards and non-compliance detection procedures.
6. Cyber Security and Data Protection:
- Use advanced cybersecurity technologies such as intrusion detection systems, threat intelligence platforms, and security analysis tools to detect and prevent cyber threats, data breaches, and insider threats.
 - Uses analytics to analyze network traffic, user behavior and system traffic for signs of activity and possible criminal activity.
7. Decision Support and Risk Modeling:

- Use data analysis and machine learning algorithms to create printing risk models, test simulations and stress models to assess the impact of adverse events on the organization's work, potential impact on financial situations and risks. Good intentions.
 - Use predictive analytics to predict market trends, customer preferences and competitive trends for risk management and strategic decision-making.
8. Monitoring and Continuous Improvement:
- Use performance reports, key risk indicators (KRIs) and management dashboards to monitor performance management effectiveness, risk and status compliance.
 - Conduct regular data audits and reviews to ensure accuracy, reliability and completeness of data sources, analysis models and reporting outputs.

By leveraging the power of technology and data analysis, organizations can enhance risk management capabilities, improve preparedness issues, and improve management performance in today's business world and environment of uncertainty. These tools enable organizations to make informed decisions, identify opportunities and reduce risks, ultimately driving sustainable growth and creating value.

7. Compliance:

Organizations must keep up with changing regulations and ensure compliance with laws and regulations. This includes maintaining internal controls, conducting regular audits, and maintaining transparency in reporting practices to regulators and stakeholders.

Compliance is the process of complying with the rules, regulation and business standards the govern business and operations. It is essential for organizations to comply with legal requirements to reduce legal and financial risks, maintain ethical standards, and maintain stakeholder trust.

Here's how organizations can manage compliance:

1. Regulatory Environment Assessment:
 - A comprehensive assessment of the regulatory environment that affects the organization's business, geography, and operations.

- Review laws, regulations, policies and standards published by regulatory agencies, government agencies, trade associations and international organizations.
2. Regulatory Compliance Framework:
 - Establish a regulatory compliance framework that outlines policies, procedures, and controls that comply with regulatory requirements.
 - Define responsibilities, accountability for compliance, oversight, and success in the organization.
 3. Administrative Monitoring and Updates:
 - Monitoring the development of regulations, updates and changes that may affect the institution's work, products, services and stakeholders.
 - Establish a process to track changes, evaluate their impact, and communicate updates to stakeholders in a timely manner.
 4. Risk Assessment and Prioritization:
 - Perform risk assessment to identify potential compatibility issues, vulnerabilities, and vulnerabilities in the current application.
 - Prioritize risk according to its value, likelihood, potential impact on the reputation, financial stability, and liability of the organization.
 5. Policies and Procedures:
 - Develop and implement policies, procedures, and internal controls to meet regulatory requirements and reduce compliance risks.
 - Ensure policies and procedures are clear, easy to understand and communicated to employees through training programs, manual and internal communications.
 6. Compliance Training and Awareness:
 - Provide regular compliance training and awareness training to staff on governance, ethical standards and responsibility.
 - Provide specific training to employees in high-risk areas or compliance-related responsibilities.
 7. Monitoring and Reporting:
 - Establish monitoring and control procedures to comply with regulatory requirements and identify violations or deviations from regulations and the standard design process.

- Use the reporting process for employees to report compliance issues, violations, or suspicious activity through confidential media such as gold or news media.
8. Assessment and Evaluation:
- Conduct regular audits, evaluations and reviews to evaluate the effectiveness of compliance management rules, identify defects and implement corrective actions.
 - Involve internal auditors, external consultants or third parties – the organization works to conduct an independent assessment and provide assurance of compliance with process and practice.
9. Remediation and Compliance:
- Take immediate action to resolve non-compliance, fix problems, and implement corrective actions to prevent recurrence.
 - Establish discipline, punishment and control procedures to deal with violations and hold individuals accountable for non-compliance.
10. Continuous Improvement:
- Create a culture of continuous improvement by receiving feedback requests, evaluating performance metrics, and tracking lessons learned through case study and analysis.
 - Regularly review and update compliance procedures to reflect changes in regulatory requirements, business models and market conditions.

By implementing compliance management system, organizations can reduce legal and reputational risks, build trust among stakeholders, and demonstrate a commitment to ethical and sound business management.

8. Risk Culture and Awareness:

Establishing a culture of risk awareness in an organization is essential for risk management. This includes promoting accountability, encouraging open communication about risk, providing training and awareness to employees at all levels.

Risk culture and awareness are key to effective risk management in an organization. It includes attitude, behavior, values and beliefs that influence the way individuals and groups perceive, evaluate and respond to risk.

Here's how organizations can promote strong risk management and increase risk awareness:

1. Leadership Commitment:
 - Demonstrate a culture of commitment to risk management by setting the tone at the highest level and upholding cultural codes of accountability, transparency and fairness.
 - Discuss the importance of risk awareness and risk management throughout the organization and highlight each employee's role in identifying, assessing and mitigating risk exposure.
2. Clarify Expectations:
 - Establish clear expectations regarding risk management responsibilities, behaviors, and work standards for employees at all levels of the organization.
 - Define risk, tolerance level and risk behavior to guide decision making and resource allocation based on strategic objectives.
3. Education and Training:
 - Provide education and training to increase employee's knowledge of risk management, processes and best practices.
 - Provide specialized training and accountability on specific issues related to employee responsibilities, such as cybersecurity awareness, regulatory compliance, and scheduling issues.
4. Communication and Engagement:
 - Create an open, transparent communication system that encourages employees to raise concerns, reports incidents, and demonstrate understanding of risk and vulnerability.
 - Involve employees in risk discussions and decision-making processes and solutions so they can assist in risk identification, assessment and mitigation.
5. Risk Analysis:
 - Increase risk awareness by encouraging employees to recognize and understand the risk and opportunities associated with actions, decisions and tasks.
 - Provide tools, frameworks and guidance to evaluate risk-inducing products and make informed risk-based decisions aligned with the organization's objectives.
6. Incentives and Rewards:

- Improve motivation, recognition and performance evaluation with behavior management and consequences to encourage good risk.
- Recognize and reward employee behaviors that demonstrate risk management, such as identifying potential risks, implementing effective controls or contributing to their reduction.

7. Additional Suggestions and Improvements:

- Solicit employee feedback on risk management processes, practices, and culture through surveys, focus group calculations, and input strategy.
- Use feedback to identify areas for improvement, close gaps in risk knowledge or understanding, and implement corrective actions to strengthen risk culture over time.

8. Lead by Example:

- Model and demonstrate commitment to risk management and behavior in daily operations and decision-making.
- Leaders and managers are encouraged to model risk awareness, open communication about risk and uncertainty, and emphasize the importance of risk management. Good luck with your planning and execution.

9. Cross-Functional Collaboration:

- Encourage collaboration and teamwork across functional areas and organizational silos to support risk management related to risk and addiction.
- Promote collaboration, information sharing, and joint problem solving to identify and mitigate risks across multiple departments or business units.

By creating a risk culture and risk awareness throughout the organization, organizations can encourage employees to be aware, review and reduce exposure risks, ultimately improving recovery, performance and long-term productivity.

9. Cooperation and Collaboration:

Organizations should work with industry peers, regulators and other stakeholders to share best practices and access resources for printing and risk management. Establishing partnership can improve the organization's ability to anticipate and respond to risk that can affect the entire business or industry.

Cooperation and Collaboration are crucial for risk management and emergency preparedness. Organizations can leverage expert leadership, resources and partners to identify, measure and mitigate risks by collaborating with external stakeholders, including business partners, government agencies, community organizations and other interested parties.

Here's how cooperation and collaboration can improve risk management:

1. Communication and Intelligence Skills:

- Work with industry associations, regulatory bodies, government agencies to share information, best practices, and intelligence on emerging risks, threats and developments.
- Participate in news sharing, discussions and working groups to exchange information, measure performance and stay informed on industry trends and risk profiles.

2. Cross-sector Collaboration:

- Form partnership with organizations from different sectors, sectors or regions to address common risks, vulnerabilities and issues that can affect many stakeholders.
- Combining joint research projects, experimental studies or a knowledge sharing platform to create new solutions and strengthen defense against threats such as cybersecurity, climate change or supply chain disruption.

3. Public-Private Partnership (PPP):

- Create public-private partnership with government agencies, law enforcement, and emergency responders to improve crisis emergency preparedness, response, and recovery.
- Integration of joint activities, training plans and tablet simulations to improve cooperation, communication and cooperation between public and private stakeholders in emergency situations.

4. Supply Chain Collaboration:

- Enhance collaboration and cooperation with suppliers and transportation providers to manage supply chain risks, impact of disruptions and dependency.
- Establish relationships with key vendors to conduct risk assessments, develop contingency plans, and implement preventative measures to ensure continuity of critical use of supply and assistance during outages.

5. Community Engagement:

- Work with local communities, NGOs and community organizations to understand community needs, concerns and issues related to environmental, social and governance (ESG) risks.
- Work with communities to engage stakeholders in projects that promote sustainability, accountability and sustainable development, such as preparing for disasters, protecting the environment or initiating education and health.

6. Technology and Innovation Partners:

- Work with technology partners, startups and innovators to use new technologies such as artificial intelligence, data analytics and blockchain to improve risk management capabilities and decision-making processes.
- Form partnerships or collaborations with technology companies to develop and implement new solutions for risk assessment, monitoring and mitigation in areas such as cybersecurity, predictive analytics and problem solving.

7. Third party Collaboration:

- Use third-party collaboration, such as risk management software, online forums, or marketing collaboration, to encourage collaboration, information sharing, and problem resolution among stakeholders.
- Using digital platforms and social media channels to engage with stakeholders and get feedback and ideas from the crowd to address risks and pressing issues.

By encouraging collaboration and cooperation between various stakeholders, organizations can enhance their capacity, capabilities and resources, improve the nature of managing risk and ultimately promote sustainable growth, value creation and positive social outcomes.

10. Continuous Improvement:

Risk management is an ongoing process that must be constantly monitored, evaluated and improved. Organizations should regularly review and update their risk management strategies, policies and procedures to respond to internal and external changes.

Continuous improvement is a risk management and contingency planning principle that refers to the continuous process of identifying improvement opportunities, implementing changes, and monitoring results to develop a strong and efficient organization.

Here's how organizations can support continuous improvement in risk management and emergency preparedness:

1. Create a Learning Experience:

- Promote a culture of learning, innovation and flexibility, encourage employees to clearly identify areas for improvement and develop strategies to improve risk management processes and resolution plans.
- Promote mental safety and open lines of communication so employees can express concerns, share their understanding, and offer solutions without fear of retaliation, retribution, or judgement.

2. Feedback Process:

- Use feedback methods such as surveys, focus groups, tip boxes, and anonymous news feeds to obtain input on risk management and resolution capabilities from employees, stakeholders, external partners.
- Regularly review feedback and engage in discussion with stakeholders to understand their perspectives, solve problems, and incorporate insights into developed projects.

3. Data-Driven Decisions:

- Leverage data analytics, performance metrics, and key performance indicators (KPIs) to monitor risk management performance, evaluate the effectiveness of controls, and identify areas for improvement.
- Use data from insights to prioritize improvement efforts, allocate resources efficiently, and track progress overtime to ensure continuous improvement of risk management.

4. Benchmarking and Best Practices:

- Benchmark risk management practices with marketers, competitors, and organizations to identify gaps, opportunities, and best practices for improvement.

- Network of business forums, conferences and meetings where insights, lessons learned and new methods for risk management and planning problem solving are shared.

5. Training and Development:

- Provide regular training, professional development and skills development to employees at all levels of the organization to improve risk management, problem-solving and resilience-building skills.
- Provide specific training in risk exposure, change management and crisis management techniques to provide employees with the knowledge and skills necessary to respond to uncertainty.

6. Monitoring and Evaluation Methods:

- Establish procedures for regular monitoring, review and evaluation risk management processes, controls and strategic response to meet the organization's objectives and keep its risk profile the same.
- Conduct regular assessments, reviews and evaluation to identify areas for improvement, evaluate the effectiveness of development plans and reduce emerging risks and problems.

7. Cross-Functional Collaboration:

- Promote collaboration and cooperation between departments, business organizations and stakeholders to support management process risk and joint development.
- The art of leveraging multiple perspectives, skills and experiences to foster innovation, problem-solving, and decision-making that enhances organizational resilience and performance.

8. Support and Leadership:

- Demonstrate leadership support and commitment to continuous improvement by demonstrating key ideas on value, return on investment, and improving risk management and emergency preparedness. Prepare to commit.
- For example, lead competitive development efforts and allocate resources to support ongoing initiatives to improve organizational strength, agility and long-term sustainability.

By embracing a culture of continuous improvement and applying methods to improve risk management and crisis planning, organizations can transform by adapting to changing conditions, reduce emerging threats, and seize opportunities for growth and innovation.

By implementing an effective and efficient approach to risk management, organizations can improve capabilities, maintain costs, and improve performance.



Chapter-3

Shareholder Engagement and Executive Compensation

Long-term security partnerships play an important role in creating a viable payment system, especially in today's management. An environment where people increasingly pay to align with stakeholder interests and create long-term value.

Here's how members are involved in the payment process:

1. Say-on-pay voting:

Many jurisdictions use "say-on-pay" voting, which allows employers to express their views on pay through voting. Member participation in these elections is important because companies regularly interact with shareholders to explain their payouts, resolve issues, and solicit feedback.

"compensation-related" means a shareholder vote by the company's board of directors that allows shareholders to vote on whether to approve compensation plans for senior executives.

Here are some key points about the "pay pitch" in affiliate marketing.

1. **Shareholder Empowerment:** The "Pay Promise" gives shareholders a say in determining compensation for senior executives with respect to shareholder management and chief executive content. It allows shareholders to express their views on whether compensation is consistent with company performance and shareholder preferences.
2. **Advisory Vote:** In many countries, voting "on compensation" is a non-binding decision; This means that voting rights benefit the company's board of directors but do not control changes in workforce pay. However, managers often take members opinions into account when making compensation decisions.
3. **Transparency and Disclosure:** Speak to pay promotes transparency and disclosures of the compensation system's performance, allowing employers to evaluate the relationship between pay and performance, including the company's compensation and practices.

4. **Participation Opportunity:** Payment for voting provides shareholders with the opportunity for participation and dialogue between the company and its investors. Companies can work with employers to resolve issues, explain pay decisions, and solicit feedback on pay performance.
5. **Risk Mitigation:** “Talk and Pay” can be used as a risk mitigation tool to help companies identify reputational risks, shareholder risks, and administrative issues related to workforce compensation. Protecting business owners’ concerns can help reduce risks.
6. **Impact on Board Accountability:** Voting on pay can impact board accountability by enabling executive decisions to include paid employment. If compensation is deemed too high or inconsistent with the company’s performance, the board may face shareholder objection
7. **Long-term reforms:** “Speak to pay” encourages companies to link executive pay to long-term performance measures and shareholder value. Executive can adjust compensation structures to encourage senior executives to focus long-term growth and profitability
8. **Influence of specific advisory firms:** Advisory firms such as Institutional shareholder services (ISS) and Glass Lewis often advise shareholders on “Payroll” voting based on their evaluations of paid business. Companies can take these recommendations into account when discussing remuneration issues with members.

Overall, “talking about pay” is a way to improve stakeholder engagement, increase transparency, and align executive pay with company performance. It was good and the members liked it. It encourages companies to take responsibility and engage in responsible management of practices that provide long-term benefits.

2. Discussion and transparency:

Participatory engagement gives companies the opportunity to engage in discussions with employers about paid work. This discussion increases transparency and allows companies to explain the rationale behind compensation decisions, performance measurements and incentive structures.

Transparency in corporate governance refers to openness, honesty and clarity in the company's communication and interaction with shareholders throughout the partnership. It involves providing shareholders with timely, accurate and relevant information about the company's performance, management practices, strategic decisions and risk factors. The main points of transparent communication in the corporate sector are:

1. **Timely and relevant information:** Companies must provide timely and relevant information to shareholders through a variety of communication tools, including newsletters, annual releases, financial statements, investor presentations, and management information. Information to facilitate decision-making and collaboration should be accessible and easy for members.
2. **Clear communication:** Businesses should communicate with business owners in a clear, concise and easy-to-understand manner, without jargon, instructions or techniques. To ensure business owners understand the information provided, communications need to be tailored to the target audience's skills and knowledge of the company's operations
3. **Open dialogue:** companies should engage in an open and transparent dialogue with shareholders that encourage questions, suggestions and reasonable criticisms. Shareholders must be willing to share their opinions, concerns and expectations regarding the company's performance, management, executive compensation and policies and must behave well.
4. **Disclosure of material information:** the company must disclose material information that may affect shareholders' investment decisions, including financial performance, business strategy, significant risks and significant events. Disclosure must be complete, accurate and comply with regulatory requirements and best practices.
5. **Partnership process:** companies must develop a partnership process with shareholders, including annual general meetings (AGMs), meetings, business meetings, member meetings and one-on-one meetings with the organization.
6. **Business negotiations:** companies must be informed in advance about participation and results of the discussions must be shared with the members.
7. **Members ideas and decision:** companies must clearly present ideas and solutions, including the reasons behind each agreement, board responses, and voting members

conclusions. Shareholders must have access to important information to make decisions on voting matters.

8. **Voting policy:** companies must disclose their voting policies and practices, including how they vote on shareholder resolutions, compensation packages, employment and leadership selection. Companies must provide shareholders with information about the circumstances under which voting decisions were made and any disputes that may arise.
9. **Procedures:** the company must develop a strategic plan to comment on business management, employee retirements, freezing of sustainable development measures and other issues. Businesses must recognize business owners concerns and act as advocates and demonstrate actions that address business owners concerns
10. **Code of conduct compliance:** the company must comply with business rules and standards that promote transparency, accountability and shareholders rights. Compliance should be disclosed in the annual report or corporate governance report, with explanations for any deviations or non-compliance.

By promoting transparency in dialogue with stakeholders, companies can build trust, confidence and long-term relationships with their owners. Members trust and foster member confidence and support the company's strategies and measures. It promotes a culture of accountability, honesty and openness based on the principles of transparent communication, good corporate governance and responsible management.

3. Alignment with shareholder interests:

Stakeholders help ensure that employee compensation programs are aligned with shareholder interests and company performance. By understanding shareholders views and expectations, companies can create compensation packages that encourage senior executives to create long-term shareholder value rather than focusing solely on short-term financial measures.

Stakeholder alignment refers to the extent to which a company's actions, decisions and strategies are consistent with the goals, interests and expectations of its stakeholders. When a company aligns its interests with those of its members, it maximizes shareholder value, improves business management, and fosters the trust and confidence of business people. The main points of agreement with the relevant members are:

1. Maximizing shareholder value: Companies should prioritize actions and decisions that will maximize shareholder value over the long term, such as achieving sustainable growth, improving capital allocation, and generating competitive returns on investment.
2. Transparent communication: Companies must communicate openly and transparently with their shareholders about their performance, strategies, risks and practices. Clear and timely communication helps build trust and align members interests.
3. Good governance: companies must maintain strong corporate governance that protects the rights of shareholders, ensures the independence and accountability of the board, and pays business owners and executives from time to time to create value for the same
4. Planning and action: The company must develop and implement strategies that meet the needs of its members and contribute to growth and profitability. Good decisions should consider the interests of all stakeholders, including business owners, employees, customers and communities.
5. Risk management: companies must identify, measure and manage risks to protect shareholder value and minimize downside risks. Risk management should be based on stakeholders need and integrated into effective decision-making process
6. Capital allocation: companies must allocate capital effectively and responsibly, including shareholder interests, strategic priorities and long-term value creation. Capital allocation decisions must be transparent, disciplined and consistent with the company's financial objectives.
7. Stakeholder Engagement: Companies should engage with shareholders and other stakeholders their views, concerns and expectations. Effective communication helps companies identify areas for collaboration and opportunities to increase member benefits.
8. Performance measurement: Companies should establish key performance indicators (KPIs) and metrics related to the company's value creation objectives, such as earnings growth, earning per share. Return on equity, and total shareholder return. Performance should be measured against these criteria to ensure alignment with members interests.
9. Responsible and sustainable development: the company must adopt corporate responsibility and sustainable development practices that meet customer expectations and contribute to long-term benefits. Environmental, social and governance (ESG) considerations must be incorporated into sound business and decisions-making process.

10. Engagement and feedback: Companies should engage with members, solicit feedback, and respond to their concerns and priorities. By listening to shareholders and considering their feedback, companies can align with shareholders interests and strengthen relationships with investors

As a result, collaboration with relevant business owners is important to build trust, improve business reputation, and increase profitability over time. Companies that form effective partnerships will attract investment, retain stakeholder support, and gain competitive market share

4. **Comparable performance compensation:**

Stakeholders can help determine whether employees compensation is consistent with the company's long-term performance. Employers can review their compensation practices to ensure senior managers are appropriately rewarded for achieving strategic objectives and driving sustainable growth.

The integration of executive compensation and performance in corporate governance refers to the extent to which executive compensation packages are designed to motivate and reward executives for company performance and shareholder value. When executive pay is tied to performance while aligning their own interests with those of the public. The following are important considerations for a successful relationship between paymasters and participating partners:

1. **Performance-based Compensation:** Create compensation related to performance incentives such as annual bonuses, long-term incentives and equal gifts. Tie compensation to key performance indicators such as earnings per share, revenue growth, return on investment and total shareholder return to ensure senior executives are rewarded for delivering measurable results that benefit members.
2. **Indicator selection and measurements:** Select performance indicators that are directly related to the company's objectives, core activities and long-term profitability objectives. Measurements should be transparent, valuable and aligned with customer satisfaction, allowing managers to focus on driving growth and profitability during performance evaluations

3. **Challenge goals and performance goals:** Set challenging but achievable performance goals and objectives to motivate supervisors to exceed expectations. Performance goals need to be aligned with the company's strategic plan, business model, and shareholder expectations to ensure senior management is committed to finding opportunities, programs and projects.
4. **Risk adjusted incentives:** consider risk-adjusted performance measures and safeguards in financial management to reduce excess risk. Balancing short-term incentives with long-term performance measures and incorporating risk-adjusted performance measures can help ensure employee benefits with risk management and member benefits.
5. **Redemption provisions:** use claw back provisions that allow companies to recover payments made to executives in cases of financial abuse, misappropriation or other material misconduct, this affects the owner's value. Recovery policies reflect the company's commitment to accountability and responsible management and ensure that employees compensation meets performance and shareholder expectations.
6. **Peer group benchmarking:** conduct peer group benchmarking to ensure compensation and structure are competitive and aligned with industry standards and best practices. Benchmarking helps ensure executive compensation is consistent with the company's performance and market expectations, thereby increasing transparency and trust among shareholders.
7. **Transparency and disclosure:** provide members with clarity and transparency about practices, policies and performance metrics. Transparent communication helps build trust, accountability and unity between senior management and shareholder and demonstrates the company's commitment to responsible management and participation through engagement.
8. **Advice and payroll insurance policy:** Find tips and advice on payroll through collaborative, hands-on-presentations and annual voting rights. Strategic advisors provide a better understanding of shareholders expectations and interests, guide the company's decision-making process, and improve relationships between financial managers and shareholders.

By ensuring executives are compensated with performance for corporate participation, companies can encourage executives to be the primary focus of value creation, quality of

performance, and responsible practices that benefit shareholders and stakeholders. The relationship between executive compensation and performance can strengthen a company's competitive position, increase shareholder confidence, and promote long-term growth and profitability.

5. **Addressing member concerns:**

Membership allows companies to directly address compensation concerns or disputes. Companies can increase investor trust and confidence by listening to input and incorporating their input into payout decisions.

Addressing members concerns is an important part of working with employers, especially regarding performance adjusted employee compensation. In this context, here are some ideas to address members concerns:

1. **Open discussion:** Create an open and transparent communication system where business owners can voice their concerns and provide feedback on the workers compensation system. Listen carefully to business owners perspectives and engage in meaningful conversations to understand their values and effectively address their concerns.
2. **Explanations and recommendations:** Provide a clear and detailed presentations of the executive compensations process, including with rationale behind compensation decisions, performance measurements, and negotiation with business owners.

Transparent communication helps build trust and confidence among stakeholders and demonstrates the company's commitment to corporate responsibility and accountability.

3. **Integration with customer care:** Show how payment model design aligns with customer satisfaction and delivers beneficial results over a long period of time. Explain the connection between performance measurement, motivational objectives, and shareholder value by showing how compensation relates to the company's business objectives and financial performance.
4. **Board oversight and governance:** Improve the board's role in overseeing the performance of the compensation system and maintaining good relations with relevant parties. Emphasizing the independence of the tax committee and the rigorous process for determining compensation, including business models, peer comparisons and strategic advice.

5. **Performance based incentives:** Implement performance-based incentives to pension managers, rewarding senior executives who measure results and deliver results that yield productive members. Provide examples of how employee compensation directly affects key performance indicators and the company's long-term financial performance.
6. **Partnership Engagement:** Demonstrate the company's commitment to partnering with members and the workforce by soliciting creative input from board members. Communicate with business owners through business meetings, demand lists, and annual salary votes to gather feedback and resolve issues in a timely and transparent manner.
7. **Continuous Improvement:** Demonstrates the company's commitment to continuous improvement of payroll operations, management standards and shareholders engagement. Describe ongoing efforts to review and revise health care plans, including best practices, and to respond to changing strategic needs and regulatory requirements.
8. **Responsibility and performance monitoring:** Demonstrates the company's responsibility to shareholders and its commitment to performance monitoring and accountability. Describe the process of evaluating senior management, conducting periodic performance reviews, and adjusting compensation based on performance results and feedback strategies.
9. **Long term value creation:** Clarify the company's long-term focus on value creation and sustainability and guide senior management's performance and decision-making. Ensure performance compensation plans are designed to motivate senior executives to perform tasks that foster long-term growth, innovation and shareholder support.

By voicing shareholders' concerns and demonstrating a commitment to transparency, accountability and good shareholder relations, companies can increase the trust of their members, improve business reputation and build relationships with business partners over time. Effective shareholder collaboration helps build trust, confidence and support among shareholders, contributing to the long-term success and stability of the company.

6. Proxy advisory firms

It plays an important role in creating corporate capital, especially in terms of performance- stabilizing executive salaries. The companies provide independent analysis, research and consultancy to companies on issues such as remuneration, corporate governance and shareholder

solutions. Here is a discussion of how the corporate advisory system affects executive compensation and shareholder concerns:

- 1. Research and Analysis:** The service agency conducts research and analysis on executive salaries, management standards and performance indicators of listed companies. They evaluate the relationship between employee pay and company performance by comparing wages to industry standards and best practices.
- 2. Proposal Voting:** Companies submit voting proposals to their shareholders on issues such as director proposals, paid voting, and director election. Recommendations are based on the company's assessment of business management, based on customer preferences and regulatory compliance.
- 3. Impact on Voters Vote:** Companies often rely on voting recommendations from consulting firms when voting on financial and other governance matters. These recommendations can influence the outcome of shareholder votes, especially in controversial or high-profile cases
- 4. Working with companies:** Consulting firms may work with companies to discuss compensation practices, management structures, and member reactions. The company actively seeks to resolve any discrepancies or concerns raised by corporate consultants in order to gain support from corporate entities and achieve effective results.
- 5. Transparency and accountability:** Proxy advisory firms promote transparency and accountability in executive compensation by providing independent analysis and recommendations to investors. Research data and voting guidelines help investors make executive compensation decisions that align with shareholders' interests and best practices.
- 6. Market Impact:** Proxy advisory firms have significant market due to their role in advising institutional investors and asset managers. Their recommendations may influence shareholders' views on business management, compensation management and overall performance, thereby affecting product prices and operating costs.
- 7. Security Management:** Certification companies have faced increased regulatory scrutiny in recent years as policymakers and regulators monitor their practices and voting rights influence their outcomes and the company's behavior. Regulatory reform will require

greater transparency and disclosure for advisory firms to be accountable and fair in their recommendations.

- 8. Stakeholder Engagement:** Proxy advisory firms work with a broad range of stakeholders, including institutional investors, corporations, regulators and industry groups, to gather input, solve problems and promote ideas about business management and business compensation.

Consulting firms in general play an important role in promoting stakeholder participation and accountability in the payroll process. By providing analysis and advice, they help investors make informed decisions that meet shareholder needs, corporate governance standards and regulatory requirements.

7. Stakeholder participation:

The scope of membership is not limited to commercial organizations but also includes other stakeholders such as business people, business owners and commentators. Companies that actively engage with multiple stakeholders on performance compensation issues demonstrate a commitment to stakeholder engagement and corporate governance excellence.

Stakeholder engagement is an important part of good stakeholder engagement, especially in discussions about paid employment. Here's where affiliates can discuss compensation and member concerns:

- 1. Broad Stakeholder Representation:** Stakeholder participation, involves the participation of a wide range of stakeholders, including employees, customers, suppliers, communities and shareholders, including management. Each stakeholder group may have different views and interests regarding management, management, and compensation for company performance
- 2. Identify Key Stakeholders:** By involving multiple stakeholders in a conversation, companies can identify common concerns and key impacts around pay and job quality. Stakeholder input helps the company understand the various views and expectations that may influence executive's compensation decisions.
- 3. Address stakeholder Expectations:** Companies can leverage stakeholders to answer important questions and expectations about the compensation system. By engaging with

stakeholders and collecting feedback, companies can influence stakeholders concerns and incorporate their opinions into decision-making processes.

4. **Build trust and credibility:** Inclusive stakeholder engagement builds trust and credibility by showing that the company values the opinions and perspectives of all stakeholders, not just shareholders. By engaging stakeholders in compensation-related discussions, companies can promote understanding of stakeholder's ownership and responsibilities.
5. **Improved Decision making:** Stakeholder engagement can lead to better, more balanced decisions about compensation. By considering different perspectives and interests, companies can create compensation packages that meet the expectations of various stakeholders and contribute to long-term cost creation
6. **Transparency and accountability:** Inclusive stakeholder engagement promotes transparency and accountability in payment practices. By involving stakeholders in decision-making and communicating openly about compensation decisions, companies can build trust and confidence among stakeholders and demonstrates their commitment to responsible management.
7. **Mitigation:** Stakeholder engagement helps companies identify and mitigate risks associated with payroll operations. By addressing stakeholders' concerns and incorporating their input into compensation decisions, companies can reduce the potential for harm to the system, reputation, management oversight, and member performance.
8. **Long-term value creation:** Inclusive stakeholder engagement is important to support long-term value creation and sustainability. Considering the interests of all stakeholders, companies can create compensation packages that encourage senior executives to implement strategies that balance short-term financial performance, short and long term benefits, and benefits to stakeholders

Overall, stakeholder engagement is critical to executive compensation and encouraging a positive approach to shareholder engagement. By involving multiple stakeholders in discussions about performance based compensation, companies can increase transparency, accountability, and trust, ultimately leading to long-term company success and productive members.

8. Long term incentives and sustainability:

Partnering with shareholders can highlight the importance of incorporating long-term incentive structures into compensation packages to encourage productivity with reasonable wages. By partnering with environmental, social and governance (ESG) stakeholders, companies can demonstrate their commitment to employee compensation practices that align with long-term safety goals

Long term support (LTI) with sustainability targets is becoming more common, this is becoming increasingly common as companies recognize the importance of environmental, social and governance premium (ESG) in creating long-term value and reducing risk. Here are the long-term motivation and safety results:

- 1. Alignment with long-term value creation:** Long-term incentives are designed to align employee compensation with the company's long term goals and members' tastes. By integrating sustainability goals into LTI, companies can empower senior leaders to prioritize initiatives that led to long-term growth, sustainability, and productivity.
- 2. Focus on ESG performance:** Sustainability-focused LTIs may include performance indicators related to environmental stewardship, social responsibility and corporate governance. These measures may include reducing carbon emissions, increasing energy efficiency, improving diversity and inclusion, strengthening the supply chain or ensuring technical certification security.
- 3. Integration of ESG processes:** Companies can integrate ESG standards into existing LTI-based operations or initiate relevant LTI-related initiatives to be implemented if compensation is directly linked to ESG performance. By incorporating ESG metrics into incentives, companies demonstrate their commitment to sustainable business and corporate citizenship.
- 4. Risk and security management:** Support LTI supports senior executives to consider ESG factors in strategic decisions and risk management processes. By developing incentives for executives with sustainability goals, companies can encourage executives to identify and mitigate ESG-related risks, such as governance issues, respect, reputational risk, supply chain disruptions or climate change impacts

- 5. Innovation and Competitive Advantage:** Focusing on sustainability, LTI encourages innovation and fosters a culture of continuous improvement by empowering senior management to create solutions to new problems to solve sustainability issues. Companies that take ESG seriously will gain a competitive advantage in attracting investors, customers, and talent that will benefit leadership and management.
- 6. Legal Compliance and disclosure:** Companies must ensure that LTIs are security-related in accordance with legal requirements and responsibilities. Transparent communication regarding sustainability goals, performance measurements and financial management help build trust among investors, regulators and other stakeholders.
- 7. Long-term stakeholder value:** Finally, sustainability-focused LTI aims to create long-term stakeholder value by integrating the compensation executives' pay themselves with ESG performance and social impact. By encouraging senior management to integrate sustainability issues into business strategies and decisions, companies can lead to sustained, sustainable growth and long-term success for all stakeholders.

In summary, integrating sustainability goals into the long-term program aligns executive compensation with ESG performance and strengthens the company's commitment to responsibilities and business practices. By empowering senior management to prioritize sustainability outcomes, companies can create long-term benefits, reduce risk and increase stakeholder confidence.

Shareholder engagement is an important factor in developing compensation practices that align with shareholder interests and promote long-term growth. Create long-term value and improve business management transparency and accountability, By encouraging dialogue with business owners, companies can increase business confidence and build a strong and sustainable business.

Chapter-4

Regulatory Reforms and International Governance Standards

Law reform and international governance standards have played an important role in improving international business governance, especially in response to events such as the 2008 financial crisis and other company scandals. Below is a summary of some of the major changes and standards for management around the world:

1. **Sarbanes-Oxley Act (SOX):** Enacted in the United States in 2002 in response to scandals such as Enron and WorldCom, SOX brought major changes to corporate governance, reporting finance, and auditing practices. Establishes regulations for administration, management, and leaders of public financial institutions to improve transparency, accountability, and completeness of financial disclosure.

This act represents one of the most important acts in regulatory affairs, especially in the United States, but has also influenced governance worldwide. Below are the impacts on regulatory change and global governance:

- **Increase Corporate Accountability:** SOX was created in response to corporate bankruptcies such as Enron and WorldCom to increase accountability and transparency. The law imposes strict requirements on financial reporting, internal control and auditing in order to increase investors' confidence in the financial market
- **Strengthening corporate governance:** SOX is reforming corporate governance to improve the independence of the board of directors, performance committee and liability insurance. U.S listed companies are required to comply with SOX requirements, including CEO and CFO certification of financial statements, to improve governance standards and reduce the risk of financial fraud.
- **Implication for global companies:** while SOX applies primarily to U.S publicly trade companies, its provisions have an impact on corporate governance worldwide. Many international organizations have voluntarily adopted standards such as SOX or done business with American partners or investors, leading to greater convergence in international governance standards.

- **Global Best practices:** SOX is responsible for the development of global best practices in the areas of corporate governance, risk management and internal control. International organizations such as the International organization of Securities commissions (IOSCO) and the International Corporate Governance Network (ICGN) have incorporated SOX principles into their regulations and recommendations.
- **Cross-border listing:** Companies seeking to access U.S. capital through cross-border listings must comply with SOX regulations even if located in different jurisdictions. The external effects of SOX influenced regulatory changes in countries where companies sought to enter U.S. capital markets, resulting in greater convergence on maintaining a standard.
- **Regulatory Cooperation:** SOX promotes regulatory cooperation and collaboration among regulators around the world seeking to harmonize regulatory standards and promote inter-regulatory relationships. Regulators in different jurisdictions collaborate on issues such as accounting standards, audits and employee requirements to improve investor protection and business practices.
- **Impacts on corporate culture:** SOX helps change corporate culture towards stricter values of responsibility, fairness and ethics. It is more important for companies to comply with rules, ethics and responsible practices to prevent damage to their reputation and liability by not complying with the law.
- **Challenges and criticisms:** Despite its advantages, SOX has faced criticisms for being too complex and costly for companies to implement and maintain. Critics say the costs of compliance, especially for smaller companies, may outweigh its benefits, leading to calls for regulatory reform to simplify SOX requirements and reduce compliance

Overall, the Sarbanes-Oxley Act has had a significant impact on driving regulations, reform and governance standards around the world by promoting transparency, accountability, and investor protection in financial markets. Although challenges remain, SOX continues to improve corporate governance and regulatory challenges remain, SOX continues to improve corporate governance and regulatory frameworks around the world, driving improvements in corporate governance and equity.

2. “Dodd-Frank Wall street reform and consumer protection Act”:

After the 2008 financial crisis, the Dodd-Frank Act was passed in 2010, reforming the entire US financial system. It covers all aspects of corporate governance, including remuneration, shareholder rights, risk management and financial transparency.

Dodd-Frank The wall street reform and consumer protection act (commonly known as Dodd-Frank) is a major financial law reform enacted in the United States in 2010 in response to the 2008 financial crisis. The implications of Dodd-Frank for regulatory reform and regulation at the national and international level are:

- **Financial stability and oversight:** The Dodd-Frank Act established the Financial stability oversight Commission (FSOC), which is responsible for overseeing risks and identifying organizations deemed “too big to fail”. This bill aims to prevent future financial problems by strengthening supervision of significant financial institutions (SIFIs) and addressing financial risks.
- **Reforms and oversight”:** The Dodd-Frank Act brought significant changes to financial regulations, including the creation of the consumer financial protection Bureau (CFPB) to protect customers from financial abuse. The bill also takes steps to strengthen regulations regarding derivative markets, credit rating agencies and credit markets.
- **Corporate Governance and Executive Compensation:** The Dodd-Frank Act contains provisions designed to improve corporate governance and executive compensation. For example, the law requires employers to have a “say on pay” vote, provided the employer’s vote does not affect the pay package. Dodd-Frank also requires companies to disclose CEO pay rates and strengthens claw back provisions on executive pay.
- **Increasing Transparency and Disclosure:** The Dodd-Frank Act introduced measures to improve transparency and disclosure in the financial industry. The bill requires greater disclosure regarding executive compensation, risk management and conflicts of interest to provide more detailed information and provide time to disinvest. There is confusion about investing
- **Volcker Rule:** The Dodd-Frank Act includes the Volcker Rule, which prohibits banks from trading and limits their investments in mutual funds and private equity funds.

Regulations aimed at reducing excessive risk from banks and improving financial stability by separating traditional banking business from speculative business.

- **International Coordination:** Dodd-Frank has implications for international coordination and cooperation. Many provisions of the Act will affect foreign banks and financial institutions operating in the United States, thus encouraging cooperation from international regulators in complying with standards, regulations, and resolution of cross-border antitrust issues.
- **Derivatives Regulations:** The Dodd-Frank Act introduced new reforms, including the clearing, reporting and copy trading to regulate over-the counter (OTC) derivatives. By taking the standard business model from the business model that takes control of the platform, invoice increases transparency, reduces the risk involved, and reduces business risk in the business model.
- **Systematic Risk Monitoring and Resolution:** The Dodd-Frank Act strengthens regulators ability to monitor and resolve risk issues at financial institutions. The bill requires SIFIs to prepare a “will to live” plan for effective resolution in the event of a financial crisis. Regulators have broader powers to intervene in troubled financial institutions to prevent conflicts.

Overall. The Dodd-Frank Act represents an effort to reform financial regulation, strengthen consumer protections, and reduce risk exposure after the 2008 financial crisis. Although Dodd-frank applies primarily to the United States, its provisions have global implications and are influencing changes in global governance and regulatory practices as countries seek to improve financial stability and protect investors in the global financial network.

3. EU Directives on Economic Governance:

The EU has adopted a number of directives with the aim of harmonizing the regulatory regimes of member states. The guidelines cover areas such as shareholder rights, disclosure requirements, board of directors and financial reporting. The European Union has implemented a series of directives on corporate governance in order to improve transparency, accountability and member rights in EU member states.

Below is a description of some important EU directives on trade regulations:

- First Directive on Company law (1968): This directive does not only focus on corporate governance, but also regulates investments companies, establishing companies and the dissemination of rules that directly affect the regulation of trade in EU member states.
- Company Law Directive (1976): The Directive deals in particular with matters relating to disclosures in annual financial statements and consolidated accounts of certain types of companies. Its aim is to increase the transparency of financial reporting and investor confidence.
- Seventh Company Law Directive (1983): The directive focuses on the preparation and disclosure of investment funds for groups of companies operating in the EU. It aims to harmonize business standards for multinational companies and make financial reporting more transparent.
- Corporate Governance Recommendations (1999): Although not legally binding, these recommendations provide guidelines for members to improve corporate governance, including board governance, member rights and disclosures. The proposal aims to provide best practices and harmonization in trade regulations across the EU.
- Shareholders Right Directive (2007/36/EC): This Directive aims to improve shareholder rights, encourage cross-border voting and improve shareholder participation in listed companies by requiring greater transparency in the exercise of voting rights. It also provides additional information about the party's business relationship and refund policies.
- Directive Directive (2014/95/EU): This directive focuses on the mandatory disclosure to traders of securities specified in the EU market regulation copy. It aims to improve transparency and investor protection by harmonizing financial reporting obligations in cautionary documents and forms for major insurance companies.
- Non-financial Directive (2014/95/EU): This directive requires some large companies to disclose non-financial information, including environment, social and governance (ESG). Major annual reports.
- Shareholder Rights Directive II (2017/828/EU): This amended directive promotes the rights and participation of shareholders by introducing rules on the shareholder's voting card for exchange and refund policy on products. It also provides clarity in the interaction between investment companies and asset managers.

These directives represent the EU's major effort to harmonize trade regulations and improve the transparency of rules, accountability and member rights in members. These reflect the over all commitment to promoting sustainable and responsible business practices in the EU and to comply with worldwide best practices and corporate governance standards.

4. UK Corporate Governance Code:

The UK Corporate Governance Code is published by the Financial Conduct Authority (FRC) and sets standards of good corporate governance for UK listed companies. It covers areas such as board performance, accountability, executive compensation and corporate governance.

The UK corporate Governance Code (formerly the corporate Governance Code) sets out the principles of good corporate governance for UK listed companies. It is regulated by the financial conduct authority (FRC) and regularly updated to reflect changing regulatory standards and best practice. Below is a summary of the key features of the UK corporate Governance Code:

- **Principles and Rules:** The code is based on principles supported by key points and specific rules that provide guidance on how companies can use this content. Changes in the law allow companies to adapt their management to their specific circumstances, adhering to the principles.
- **Board leadership and effectiveness:** This policy emphasizes the importance of strong and effective leadership. For effective oversight and communication, it is recommended to separate chairman and chief executive roles, encourage diversity on the board, and encourage the appointment of independent directors (NEDs), competing for control.
- **Accountability and transparency:** The law emphasizes the importance of transparency and accountability in business management. It requires companies to make clear and detailed disclosures about their governance practices, boards, compensation policies and risk management process in their annual reports and money.
- **Participation:** The law encourages participating companies to engage with shareholders and other stakeholders to understand their views and concerns. He recommends regular dialogue with investors in the company, transparency in voting and effective cooperation on important issues, such as remuneration and board appointment.

- **Remuneration Law:** This law regulates the procedures and principles regarding the remuneration of senior managers. It supports linking executive salaries to company performance, emphasizes the importance of fairness and transparency in pay policies, and requires companies to provide detailed information about their pay practices.
- **Risk management and internal control:** This policy emphasizes the importance of risk management and internal control. It requires companies to establish a robust risk management framework, regularly assess key risks and maintain internal control procedures, copy and protect company assets for the benefit of shareholders.
- **Governance code:** In addition to the corporate governance code, the FRC oversees the UK's governance code, which sets out corporate governance principles and best practice in relation to business enterprises. The governance code aims to promote responsible investment and corporate governance to improve long-term shareholders.
- **Changes and Updates:** The UK corporate Governance code is continually updated and updated to reflect changing management structures, governance developments and stakeholders. The FRC consults with stakeholders, including companies, investors and regulatory experts, to ensure that the code remains relevant and effective in supporting the process of pressure on business conduct.

Overall, the UK corporate governance code promotes transparency, accountability and shareholder management of UK listed companies. It provides a framework for companies to adopt best practices in corporate governance, improve board performance and build trust and confidence among stakeholders, investors and shareholders.

5. International Corporate Governance Network (ICGN):

ICGN is an international organization dedicated to promoting global corporate governance. It establishes principles and procedures for corporate governance, provides guidance on members' rights and responsibilities, and advocates reforms to improve global governance.

The International Corporate Governance Network (ICGN) is an organization dedicated to promoting corporate governance and international standards. Founded in 1995, ICGN brings together trade associations, management experts, regulators and other stakeholders to

advocate for governance principles and increase value for shareholders and stakeholders. The main points of International trade management are:

- **Mission and objectives:** ICGN's primary mission is to promote international cooperation and dialogue on business management issues and to promote best practices that increase transparency, accountability and protection of traders. The organization focuses on influencing police development, regulatory reform and entrepreneurship to improve business governance across the region.
- **Membership:** ICGN members include many investment companies, asset management companies, pension funds, management professionals, experts and other professionals involved in business management. Members include industry leaders such as pension funds, high-net-worth funds, and asset managers with billions of dollars in assets under management.
- **Corporate Governance:** ICGN establishes and promotes good corporate governance through the global governance guides (GGP) and other guidance documents. The principles provide a framework for companies, investors and regulators to evaluate and improve corporate governance practices, including areas such as the board of directors, shareholders policy, remuneration and risk management.
- **Policy initiatives:** ICGN engages in policy advocacy at international, regional and national levels to promote the adoption of change management and management processes based on many of the world's best practices. The organization works with policymakers, regulators, policy makers and business organization to influence the development and implementation of business policies
- **Research and thought Leadership:** ICGN conducts research, writes reports and organizes conferences and events to promote knowledge sharing and a culture of thought leadership on management issues. It publishes advice, case studies and best practice recommendations to help companies and investors navigate challenging regulatory and emerging trends.
- **Management and collaboration:** ICGN promotes member management and collaboration as important tools for effective business management. It encourages institutional investors to make responsible investments, communicate with companies on governance

issues, exercises their voting rights, and advocate for changes that will develop long-term and profitable business owners.

- **Global Network:** ICGN operates globally, with members and activities spread across regions and countries around the world. It promotes common understanding of regulatory policies and practices by encouraging collaboration and exchange of ideas between management professionals and stakeholders from different backgrounds, cultures, and laws.
- **Partnerships:** ICGN collaborates with other international organizations, business associations, universities and civil society to support its goals and objectives. It works closely with organizations such as OECD, the world Bank, the International organization of Securities Commissions (IOSCO) and the business development principles (PRI) to promote international regulatory standards and initiatives.

Overall, the international corporate Governance Network plays an important role in shaping global governance, enabling dialogue among stakeholders and enabling change. Sharing good behavior to improve transparency, accountability and results for business owners and stakeholders worldwide. It plays an important role in creating long-term value.

6. OECD Principles of Economic Governance:

The organization for Economic Governance, which provide references for countries seeking to improve their governance. The principles cover areas such as shareholder rights, fair treatment of stakeholders, transparency and accountability. The OECD principles of Business Governance are internationally accepted guidelines that provide recommendations for good business management. The principles were developed by the organization for Economic CO-operation and Development (OECD) to help governments, regulators, companies and investors improve business governance, promoting business confidence, financial stability and economic growth.

The main points of the OECD business principles are:

- **Comprehensive Framework:** The OECD principles provide a framework for corporate governance covering a wider range of topics, including the rights and responsibilities of members, fair treatment of stakeholders, board responsibilities, transparency and consensus

- Core Principles: These principles are based on 6 principles of business management :
 - i. Foundation of effective business management
 - ii. Property rights and active ownership
 - iii. Fair owner treatment
 - iv. Role of shareholders in business management
 - v. Disclosure of information and transparency
 - vi. Role of the board of directors
- Member rights: The principles emphasize the importance of protecting and promoting the rights of members, including the right to vote, participate in important decisions in the company and access corporate information. They approved measures to improve member rights, such as promoting voting rights and ensuring members integrity.
- Role of the board of directors: The concept outlines the role of the board of directors in guiding strategy, overseeing management and ensuring the long-term success of the company. They recommend best practices for establishing board governance, independence, diversity and effectiveness, as well as board-specific functions such as auditing compensation and election
- Transparency and disclosure: These principles emphasize the importance of transparency and disclosure in business management to enable investors and stakeholders to make informed decisions. They recommend clear and timely disclosure of financial and non-financial information, including risk, performance, compensation, business impact and governance practices.
- Stakeholder Engagement: These principles recognize the importance of working with stakeholders (including employees, customers, suppliers and communities) in management. Respect the work. They recommend that companies develop a process to solicit input from stakeholders, address their concerns, and concerns and consider their interests in the decision-making process.
- Legal and regulatory: The principles address the need for quality control procedures and the implementation of measures to meet business management standards. They agree to audit management, regulatory controls and business discipline to hold companies and managers accountable for compliance with regulatory requirements.

- **International Cooperation:** These principles encourage international cooperation and collaboration among governments, regulators, companies, investors and other stakeholders with the aim of promoting uniform and international business management. They promote the unification of regulatory standards, share best practices and resolve cross-border regulatory issues.

Overall, the OECD principles of Economic Governance provide an important framework for countries and companies to strengthen their economic governance, strengthen business confidence and promote business and development. They provide useful information to policymakers, regulators and business stakeholders who want to improve governance in business and promote responsible business practices.

7. Global Reporting Initiative (GRI):

GRI provides a sustainability reporting framework that includes management reporting on topics such as the board of directors, performance compensation, risk management and ethics. Many companies use GRI standards to increase transparency and accountability in their management.

The Global Reporting Initiative (GRI) is an independent international standards organization that helps businesses, governments and other organization that helps businesses, governments and other organizations understand and communicate their impact on important issues such as climate change, human rights, governance and public health. The main points of Global Advertising are:

- **Mission and Goals:** GRI's mission is to empower decision makers to take action for sustainable business and world by providing sustainability guidelines and guidance. Its goals include promoting transparency, accountability and stakeholder participation in the advertising industry.
- **Sustainability Reporting Standards:** GRI develops and maintains a set of internationally recognized sustainability reporting standards that organizations can use to report on their financial, environmental and relationship issues. The standards are designed to be comprehensive, reliable and comparable, allowing organizations to disclose information about performance and transparency.

- **Stakeholder Engagement:** GRI works with a wide range of stakeholders, including businesses, investors, governments, civil society and academia, to develop and revise its standards. Stakeholder input helps ensure that the solution model results in sustainability and reflects the needs and expectations of different stakeholders.
- **Principle of prioritization:** At the core GRI's approach to sustainability is the concept of prioritization, which expresses the relevance and significance of sustainability issues for the organization and stakeholders respectively. GRI standards require organizations to identify and monitor key elements of reporting in terms of financial, environmental and social impact.
- **Guidelines:** GRI provides a simple reporting framework that allows organizations to tailor their sustainability reports to stake holders' specific circumstances and needs. The framework includes advertising content, presentation templates, and specific guidelines that organizations can use to create advertising and communicate their performance.
- **Reporting on Reporting:** GRI encourages organizations to follow a reporting process that includes stakeholder engagement, product evaluation, data collection, analysis and reporting. The organization provides guidance, tools and resources to support organizations through all stages of the reporting process, including training and online resources.
- **Recognition and Credibility:** GRI's sustainability reporting standards are widely recognized and respected by investors, regulators and other stakeholders as the framework for sustainable reporting. Organizations that use GRI standards increase their credibility and reputation by demonstrating their commitment to transparency, accountability and operational excellence.
- **Continuous Improvement:** GRI regularly reviews and updates its sustainability reporting standards to reflect sustainability challenges, stakeholder pressures, and changes in teaching practices. The organization also conducts research and discussions with stakeholders to identify emerging issues and trends that may impact future security reporting.

Overall, the World Advertising forum plays an important role in promoting business reporting and transparent, accountable business and international business responsibility. GRI provides a framework and language for sustainability reporting, helping organizations

measure, manage and communicate their impact on sustainability, contributing to sustainable development and creating long-term benefits.

8. Sustainability and ESG reporting Standards:

Focus on integrating environmental, social and governance (ESG) into corporate governance. Initiatives such as the Task force on Climate related Finance Disclosure (TCFD) and the Sustainability Accounting Standards Board (SASB) are providing guidance on ESG disclosures regarding risks and opportunities for investors and stakeholders.

Sustainability and environmental, social and governance (ESG) reporting standards are the main methods used by organizations to disclose their non-financial performance and impact on sustainability issues. The standards provide guidance on reporting ESG products, helping companies communicate their practices and performance to stakeholders in a consistent and transparent manner.

Here are some important sustainability and ESG guidelines:

- **Global Reporting Initiative (GRI):** The Global Reporting Initiative (GRI) is an organization that develops appropriate sustainability reporting standards around the world used by businesses, governments and other organizations. GRI standards provide a framework for reporting business, environmental and social impact in terms of value, stakeholder engagement and transparency.
- **Sustainability Accounting Standards Board (SASB):** The Sustainability Accounting Standards Board (SASB) develops industry-specific standards for ESG reporting with a focus on financial sustainability issues. SASB standards help companies identify, measure and disclose ESG factors that impact their business, investors and other stakeholders.
- **Task Force on Climate-related Financial Disclosure (TCFD):** The Task Force on Climate-related Financial Disclosures (TCFD) provides recommendations for companies to voluntarily publish climate-related financial information. TCFD recommendations help companies assess and disclose climate-related risks and opportunities, provide transparency and help investors and other stakeholders make informed decisions.

- **Carbon Disclosure Project (CDP):** The Carbon Disclosure Project (CDP) is an international initiative that allows companies to report on their environmental impact, particularly the effects of climate change. CDP helps investors and other stakeholders better understand the cloud industry by aggregating and rating company's security-related disclosure, deals, and publications.
- **International Integrated Reporting Council (IIRC):** The International Integrated Reporting Council (IIRC) supports integrated reporting, which combines financial and non-financial information into a single report. Financial position, sustainable impact, co-teaching encourages organizations to consider the interaction between financial and non-financial factors in decision making.
- **United Nations Sustainable Development Goals (SDGs):** The United Nations Sustainable Development Goals (SDGs) provides a framework for addressing global development challenges such as poverty, inequality, climate change and environmental degradation. Many organizations align their sustainability reports with sustainability goals to demonstrate their commitment to sustainable development and prosperity.
- **Corporate Sustainability Reporting Directive (CSRD):** The Corporate Sustainability Reporting Directive (CSRD) was proposed by the European Commission with the aim of strengthening the sustainability reporting requirements of EU-listed companies. The directive will align guidelines with the EU's Sustainability goals and require companies to disclose key sustainability information in annual reports.
- **Other Leaders and Guidelines:** In addition to the above model, there are many securities and ESG reporting plans, methods, and procedures, such as the Safety Principles (PRI), the Dow Jones Sustainability Index (DJIS), and the United Nations. Global compact (UNGC). These metrics provide guidance and support to organizations looking to improve sustainability reporting and integrate ESG issues into their business strategies.

Overall, sustainability and ESG reporting standards play an important role in supporting transparency, accountability and stakeholder engagement in business organizations. By adopting and implementing these standards, organizations can increase their credibility, manage ESG risks and opportunities, and contribute to sustainability and profitable over the long term.

These changes to laws and international regulatory standards aim to strengthen corporate governance, increase transparency and accountability, protect shareholders and support the long-term development of companies. Adherence to these standards helps build trust with investors, reduce risk and improve the culture of international business.



Chapter-5

Stakeholder Inclusivity, Technology and Corporate Culture

Stakeholder engagement, technology and corporate culture are interrelated elements that shape the ethos and functioning of modern organizations. Here is the relationship between them:

1. Stakeholder engagement and technology:

- **Collaboration platforms:** Technology provides a platform for dialogue with stakeholders, including employees, customers, suppliers, and communities. These platforms encourage discussion, feedback, and collaboration, fostering a culture where diverse voices are heard and considered.
- **Accessibility:** Digital tools make it easier to reach more stakeholders regardless of geographic or physical location. Virtual meetings, webinars and online meetings allow organizations to engage with stakeholders who might otherwise be restricted or excluded from traditional engagement processes
- **Transparency and Accountability:** Technology enables organizations to be more transparent in their interactions with stakeholders by providing them with access to data and information. This transparency promotes accountability and trust because stakeholders can see how decisions are made and understand the reasoning behind them.

After the financial crisis, stakeholder involvement and technology integration have become important aspects of organizational management. Here's how they have changed:

- **Stakeholder engagement:**

Broader definition of stakeholder: The definition of stakeholder is no longer limited to shareholders but also includes employees, customers, suppliers, local communities and larger communities. This general perspective recognizes that an organization's actions and decisions affect many stakeholders.

Participation and discussion: There is an increase in the number of discussions with stakeholders and the inclusion of their views in the decision making process. This

involvement helps build trust, manage expectations, and ensure that corporate decisions reflect the interests of all stakeholders.

Institutionalization of stakeholder engagement: Organizations are institutionalizing stakeholder engagement processes and creating processes for discussion, feedback, and communication.

Talk to shareholders: this will include advisory groups, community meetings and regular announcements of participatory partnership activities.

Product evaluation: Product evaluation is carried out to identify and monitor the issues that are most important to stakeholders and organizations. This helps analyze resources and track relevant solutions

- **Technology in organizational Governance:**

Data analysis and decision making: Technology, especially data analysis, plays an important role in improving the decision-making process. Advanced analytics tools help identify trends, patterns and insights into organizations management problems, it allows analyzing large amounts of data.

Digital platforms for stakeholder engagement: Organization are leveraging digital platforms such as social media, online media forums and stakeholder engagement portals to facilitate communication and engagement with stakeholders. These platforms enable instant discussion, feedback, and collaboration on issue management.

Confirmation and disclosure: Technology increases transparency and accountability through digital advertising platforms and online disclosures, and management information in an accessible and effective format, ensuring clarity and availability of information.

Cyber Security and Risk Management: As management continues to digitalize, cyber security has become a critical issue. Organizations are investing in cybersecurity measures and risk management to protect sensitive data, ensure data privacy, and mitigate cyber threats to management.

Board Portal and Integration Tools: Boards have adopted board portals and integration tools that support the board process, improve communication, and facilitate information sharing

and decision-making. This tool increases the effectiveness and efficiency of managers in managing the organization

Overall, corporate stakeholders and technology changed governance after the financial crisis, resulting in greater transparency, collaboration and accountability. By empowering stakeholders and using the right technology, organizations can strengthen leadership, build trust among stakeholders, and respond more effectively to a complex and rapidly changing business environment

2. Leadership and Technology:

Communication and collaboration: Technology influences the traditions of lines of communication in the organization by allowing employees to interact and collaborate, Tools like instant messaging, video conferencing, and project management software facilitate instant messaging and remote collaboration, promoting a culture of openness, accessibility, and teamwork

Innovation and Adaptability: Technology allows employees to innovate, experiment, and adapt to change. A technology-enabled culture encourages employees to explore new ideas, test new technologies, and continually improve processes and products.

Learning and development: Technology provides leadership, virtual classrooms, and training content to support continuous learning and professional development through online education. Employees can improve their skills, learn about business trends and seek personal and professional development in a technology learning environment. The intersection of culture and technology reshaped organizational performance and management after the financial crisis. Technology follows changes in the way employees in an organization interact, innovate and make decisions. With advanced communication tools and digital collaboration where employees can share ideas and simple information across borders.

Additionally, the rise of remote working technology has also impacted work culture by promoting flexibility, trust and freedom among employees. Organization that use technology to drive innovation create a culture that values experimentation, agility and continuous learning, quickly adapting to industry changes and driving digital transformation initiatives. However, ethical considerations surrounding technology, such as data privacy and

cybersecurity, highlight the importance of ethical implementation of corporate culture practices that emphasize integrity, accountability, and responsible use of technology. Finally, the integration of leadership and technology is essential for organizations to realize the full potential of technology, fostering and freezing sustainable growth and strengthening cultural management in the evolving digital environment.

3. Synergies and challenges:

Effective integration: when the partners and technology involved are aligned with the values and goals of the company culture, they foster a strength, creating a positive impact on collaboration, innovation and growth. A culture that includes good technology will be more flexible, efficient and responsive to stakeholders needs

Challenges to achieve: However, there may be challenges in integrating stakeholders and technology into leadership. These issues may include issues related to digital distribution, data privacy, cybersecurity and resistance to change. Organizations need to consider these issues carefully to ensure that technology enhances, rather than diminishes, their inclusive culture.

The combination of technology and corporate culture creates synergies and challenges for organizations after the financial crisis.

On the one hand, there is the combination of technology and culture:

1. **Innovation and agility:** Technology supports a culture of innovation by providing employees with tools and platforms to experiment, collaborate, and develop new ideas. The combination of an innovation-focused culture and technological capabilities enables organizations to quickly adapt to changing business conditions and gain competitive advantage.
2. **Efficiency and productivity:** Technology streamlines processes, automates routine tasks and increases productivity. A culture that supports technology solutions encourages employees to use digital tools more efficiently, freeing up time for strategic planning and more valuable tasks.
3. **Transparency and communications:** technology supports transparent communication and information sharing throughout the organization. A culture of open communication,

supported by technology, can encourage trust, cooperation and collaboration among employees, leading to better decisions-making and better problems solving

4. Remote working and flexibility: Technology improves the working life and health of employees by supporting remote working and flexible working. A culture that values flexibility and trust enables employees to work remotely, driving job satisfaction, retention and productivity.

But there are still some problems in the integration of technology and culture:

1. Digital divide: Not all employees have the same skills or expertise in technology, resulting in inequality in digital skills and abilities. Promoting an inclusive culture and investing in digital literacy programs can close the digital divide and ensure all employees can use technology effectively.
2. Reluctance to change: Some employees may resist technological change because they are worried about their job being changed are unfamiliar with new technology, or are concerned about information, privacy and security. A culture that encourages emotional growth, encourages continuous learning and supports employees through change can help overcome change.
3. Cybersecurity risks: The rapid adoption of technology has increased the risk of cybersecurity threats such as data breaches, phishing attacks and malware. A culture of cybersecurity awareness is important to protect sensitive information and maintain trust with customers and stakeholders
4. Digital overload: The proliferation of digital tools and information can lead to digital overload, leaving employees feeling overwhelmed by constant notifications, emails, and messages. A culture that supports work-life balance, sets clear boundaries for digital communication, and encourages mindfulness and wellness can help reduce the negative effects of digital overload.

In summary, the combination of technology and corporate culture has much in common for post-financial crisis organizations, but also brings with it problems that require careful monitoring and management. Organizations can use technology to drive sustainable growth increase employee engagement and long-term success by creating a culture that embraces innovation, transparency, inclusion and sustainability.

Stakeholder engagement, technology and corporate culture are intertwined aspects of modern organizational dynamics. When used effectively, that can create synergies that foster innovation, collaboration and sustainable growth. Organizations that prioritize inclusion, use technology and foster a culture of openness and collaboration are better positioned to success in today's business environment.



Case Laws

Some of the notable case laws in corporate governance following the 2008 financial crisis:

Citigroup Shareholder Derivative Litigation (2009): It was alleged by the shareholders that the board of directors of Citigroup failed to provide adequate oversight of the company's risk management practices, which led to significant losses during the financial crisis. In this case the importance of board oversight in corporate governance was highlighted which resulted in a settlement that included governance reforms and changes to executive compensation practices.

Delaware Supreme Court - Stone v. Ritter (2006): By this case an important precedent was set regarding the duty of care owed by corporate directors in overseeing risk management. It was held by the court that it is the duty of the directors to implement systems to monitor and oversee compliance with legal obligations, including the obligation to implement adequate risk management processes.

SEC v. Goldman Sachs (2010): The Goldman Sachs were charged with fraud for its role in selling complex mortgage backed securities without disclosing key information about the underlying assets to the investors by THE SECURITIES AND EXCHANGE COMMISSION. In this case the importance of transparency and disclosure in corporate governance, particularly in the sale of complex financial products were highlighted

JPMorgan Chase London Whale Trading Losses (2012): As a result of risky trading activities conducted by a group of employees in JP Morgan Chase's chief investment office known as the "London Whale" trades, heavy losses were incurred. Due to this incident questions were raised about risk management practices and oversight within the bank which led to calls for enhanced governance reforms.

Wells Fargo Unauthorized Account Openings (2016): After it was revealed that employees had opened millions of unauthorized accounts to meet sales targets, Wells Fargo had to face regulatory scrutiny and shareholder lawsuits. The importance of ethical conduct, internal controls and accountability in corporate governance was highlighted in this case.

While these cases may not all directly stem from the 2008 financial crisis, they illustrate the legal and regulatory issues that have emerged in the realm of corporate governance assessment in the post-crisis era. They underscore the importance of robust governance practices, risk management, transparency, and accountability in maintaining investor confidence and preventing future crises.



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BOOKS

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