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CORPORATE GOVERNANCE PRACTICES IN INDIA: AN EMPIRICAL STUDY WITH REFERENCE TO FAMILY-OWNED COMPANIES

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ABSTRACT

The notion of corporate governance encompasses the administration and oversight of a company, conducted within a well-defined framework of stated objectives, principles, and ethics (Cadbury, 1992). Regrettably, during the course of history, worldwide investors have faced significant challenges due to the actions of unscrupulous managers and fraudulent schemes, as demonstrated by the behaviour of Enron, Adelphia, Tyco, Worldcom, Xerox, Paramalt, and Satyam. The above described events have considerably undermined confidence in the fundamental principles of corporate governance and supervision. Nevertheless, despite the introduction of numerous global initiatives in the form of legal frameworks and regulations aimed at promoting effective corporate governance in the business industry, there remains a lack of extensive scholarly discussion regarding the governance practices specifically employed by family-owned enterprises operating within India. In light of the significant impact that family firms have had on the Indian economy throughout history, it is essential to undertake a thorough examination and enhancement of their governance protocols. Beginning with Tata and subsequently encompassing Birla, Ambani, Goenka, Ruia, Mittal, and various other notable individuals. The corporate landscape in India is characterized by a notable historical context, marked by the prevalence of family-owned enterprises. These individuals have a crucial role in promoting the economic development of the country, creating job opportunities, and increasing the Gross Domestic Product (GDP). Furthermore, these entities play a pivotal role in facilitating the accumulation of foreign reserves through the facilitation of export growth and active involvement in cross-border mergers and acquisitions. The continuous challenges related to governance and succession policy may be responsible for the persistent disruptions in the operations of family-controlled enterprises in India. Recent events, such as the conflict between the Ambani siblings and the disputes around inheritance within the Birla family, have served as illustrative examples of this phenomenon. Based on the aforementioned context, the current study represents a modest endeavor with the objective of analyzing the state of corporate governance in prominent family-controlled firms in India.

***KEYWORDS**: Family Enterprises, Family Governance.*

Introduction

The notion of "good governance" is currently pervasive, encompassing not just the domain of management literature but also other aspects of public administration and public sphere. Various stakeholders in diverse company enterprises hold elevated expectations regarding the presence of effective corporate governance within the entity. The name "Governance" derives from the Latin word "Gubernare," which signifies the act of directing or guiding. Corporate governance pertains to the management and oversight of a company's activities and initiatives. Over the past decade, there have been notable transformations in the global economic and commercial landscape. India has demonstrated unique attributes. Prominent trends in the current economic landscape encompass the gradual removal of trade barriers, the easing of constraints on foreign direct investment (FDI) and foreign portfolio investment (FPI) across various sectors, the worldwide integration of markets, the emphasis placed on financial performance, and the acknowledgment of quality as a pivotal determinant for viability in a

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fiercely competitive milieu. Currently, firms benefit from extensive global access to numerous opportunities. Indian enterprises are presently encountering challenges in guaranteeing their own survival due to the existence of international participants within the country. India has had a plethora of significant instances of corporate fraud and scandals that have come to light. The aforementioned examples include the Harshad Mehta scam, Ketan Parikh affair, Tata Finance crisis, IPO scam, and the more recent Satyam case, among others. Given the current trend of resource depletion, there is a growing emphasis on the advancement of enhanced capabilities. These characteristics bestow benefits onto both investors and customers, so ultimately contributing to the overall prosperity of the firm.

Hence, in order to ensure the continued viability and expansion of a company, it is essential to adhere to established Corporate Governance norms that facilitate the implementation of effective corporate governance practices at both domestic and international levels. These aforementioned elements have additionally contributed to the emergence of a collective consciousness among investors and lending institutions. The aforementioned circumstances have served as a catalyst for a significant paradigm shift in corporate governance, aiming to foster self-regulation and prioritize the holistic welfare of society. In contrast, family-owned enterprises demonstrate several favorable attributes. The persons under consideration exhibit a noteworthy degree of adaptability, dependability, and a robust sense of self-worth. Moreover, these individuals demonstrate a proclivity for participating in extensive strategic planning, fostering a robust corporate culture, and benefiting from a highly dedicated workforce. However, it is imperative to acknowledge that they may also present a significant array of drawbacks. These limits can be identified as a deficiency in adaptation, a propensity to prioritize internal matters, and a hesitancy to accommodate evolving circumstances. Moreover, it is also uncommon for individuals to have sporadic episodes of emotional overwhelm. The subject under investigation encompasses a captivating and intricate amalgamation of favorable and unfavorable aspects, expenditures and advantages, as well as capabilities and limitations.

As the scale of a family-owned enterprise develops, it experiences a commensurate augmentation in intricacy and heterogeneity. Therefore, the attainment of essential competencies required to promote a common objective and effectively manage conflicts within family-owned firms poses substantial challenges. The establishment of effective and transparent governance mechanisms is crucial in facilitating the discussion and resolution of complex and often emotionally charged familial, ownership, and business issues faced by long-standing family firms. Hence, it is crucial for family members to cultivate efficient strategies that promote a harmonious attitude towards the firm. In addition, it is imperative for individuals to acquire the requisite skills and competencies that enable them to actively engage in communication and discourse, facilitating the interchange of their viewpoints pertaining to the notable difficulties that the family enterprise must address. The corporate landscape in India throughout history has been marked by a notable prevalence of family-owned enterprises, encompassing renowned companies such as Tata, Birla, Ambani, Goenka, Ruia, Mittal, and other more. They exert a significant influence on the augmentation of the country's economic growth, by supporting the creation of employment possibilities, bolstering the Gross Domestic Product (GDP), and amassing foreign reserves through the expansion of export activities. Moreover, they actively participate in cross-border mergers and amalgamations. However, the ongoing obstacles related to governance and succession policy have continually impeded the effective functioning of family-controlled firms in India. The phenomena in question has been exemplified by recent occurrences, including the rivalry between the Ambani siblings and the difficulties around inheritance within the Birla family. The main objective of this study is to examine the state of corporate governance in significant family-controlled enterprises in India, as noted earlier.

Governance of Family-Dominated Firms

In the context of family governance, it is crucial to embrace a broader conceptualization of the term "family" that extends beyond conventional boundaries of biological relationships or marital connections. Within the framework of governance, the notion of "family" may cover persons who have formed significant and significant relationships with specific family members that go beyond biological links. This may involve individuals who have developed significant relationships with the family, such as close friends or professional advisors. Family-owned firms are widely recognized as essential foundations of the global economic civilization. The development, expansion, and enduring presence of organizations play a crucial role in advancing the general economic welfare of the global society. Private businesses face similar management issues as public enterprises on a regular basis, but they also encounter unique concerns that are closely linked to their private ownership.

One notable attribute observed in successful family enterprises is the existence of a good system of governance and administration. Broadly speaking, the governance framework of a family pertains to the rules and strategies that govern the ownership and management of its economic and financial assets. Moreover, it promotes collaboration among many stakeholders within the family unit, including its members, fiduciaries, and advisers, with the objective of building a cohesive set of principles and a collective vision for the family. A set of guidelines will be created to ensure adherence among all individuals within the familial unit. The primary objective of an efficient governance framework is to provide a structured system of responsibility and a clear allocation of authority among the various stakeholders and entities comprising a family and its business. The composition of this group may involve several stakeholders, such as family members, shareholders, company directors, fiduciaries, family advisors, and maybe the family office. The progressive evolution of a governance system holds great importance, as it requires a significant duration and opportunity to undergo changes through family discussions and align with the fundamental values and principles of the family. This methodology facilitates the adaptation of the program to align with the distinct specifications of individual households. Family businesses that effectively navigate the transition into the third generation frequently display discernible traits.

However, it is crucial to recognize that older family enterprises are also susceptible to significant drawbacks. Family-owned enterprises are recognized for exhibiting a greater degree of intricacy when compared to businesses that are not family-owned. The primary factor contributing to this phenomenon can be largely attributable to the significant influence exerted by the families who possess ownership of these firms, frequently assuming leading positions within them. Examining family companies from the perspective of divergent value systems offers a robust framework for comprehending the intricate dynamics they face. These firms have numerous challenges that stem from the inherent conflicts between familial values anchored in emotions and corporate values focused on duties. The presence of divergent objectives and preferences among owner-managers and owner-manager separations gives rise to specific conflicts within family-owned firms. The tensions indicated above manifest themselves through operational challenges and conflicts of interest among several family members who are involved in either ownership or managerial responsibilities.

Research Methodology

Objectives of the Study

Based on the aforementioned context, the primary aim of this study is to evaluate the current status of governance practices inside important family-owned firms functioning in the Indian market.

Research Design

The primary aim of this study is to examine the current governance strategies utilized by renowned family organizations. To achieve the stated objective, the research focuses on Indian firms that are included in the SENSEX, a generally acknowledged indication of the Indian economy's performance. Therefore, the study involved a group of 5 prominent Indian companies that were listed on the stock exchange and formed part of the BSE SENSEX index. An examination of the 5 prominent companies included in the S&P BSE-SENSEX reveals that a total of 3 of these entities adhere to a management strategy distinguished by family ownership and control. The companies mentioned above include Bajaj Auto Ltd., Reliance Industries Ltd, Mahindra & Mahindra, Tata Motors and Tata Steel.

In order to enhance the implementation of this research, a thorough investigation of governance variables has been conducted. The aforementioned factors pertain to the configuration of the board, the regularity of board meetings, the makeup of the board, the creation and efficacy of different committees such as Audit Committees, Remuneration Committees, Investor Grievance Redressal Committees, Nomination or Corporate Governance Committees, Market Capitalization (M-Cap), the procedure for addressing employee grievances, Corporate Social Responsibility (CSR), complaints against the company or SEBI Stricture, and other pertinent factors to be taken into account.

Data Source

The primary approach utilized for data collection predominantly entailed the utilization of secondary sources. The study employed secondary data obtained from the PROWESS Corporate Database, which was sourced from the Center for Monitoring Indian Economy (CMIE), a well-regarded company known for its proficiency in corporate data analysis, located in Mumbai. Moreover, this research encompassed the utilization of a wide array of sources. The sources utilized in this study included a variety of materials such as corporate annual reports, research publications, books, journals, newspaper reports, electronic newsletters from professional institutions and corporate entities, company websites, and publications of corporation rankings by both Indian and international agencies, as determined to be relevant and essential for the research.

Summary of the Proposed Investigation

The primary objective of this study was to assess the degree to which a specific group of prominent Indian firms complied with Corporate Governance Codes. The present study has undertaken a systematic method of identification and selection in order to ascertain 95 noteworthy recommendations from a comprehensive compilation of 22 widely recognized national and international rules that pertain to the field of Corporate Governance.

- **The legislative framework pertaining to the advancement of robust corporate governance in India**

The CII Charter (1998), the recommendation proposed by K.M. Birla, Clause 49 of the listing agreement of SEBI (1999), the recommendations presented by the Naresh Chandra Committee on Corporate Audit and Governance (2002), the Narayana Murthy Committee Report (2003), the J.J. Irani Committee Report (2005), and

- **Numerous internationally recognized principles and legislation have garnered significant acclaim for their role in advancing the efficacy of corporate governance**

Cadbury Report (U.K., 1992), Viénot II Report (France, 1999), Combined Code of London Stock-Exchange (U.K., 2000), Code of Corporate Governance for listed companies in China (China, 2001), Norby Committee's Report on Corporate Governance (Denmark, 2001), Hermes Principles (U.K., 2002), The Cromme Code (Germany, 2002 & 2003), Securities Exchange Commission Listing Rules (U.S., 2003), Smith Report (UK, 2003), Revised Combined Code of London Stock-Exchange (U.K., 2006) etc.

Summary of the Findings Obtained from the Conducted Study

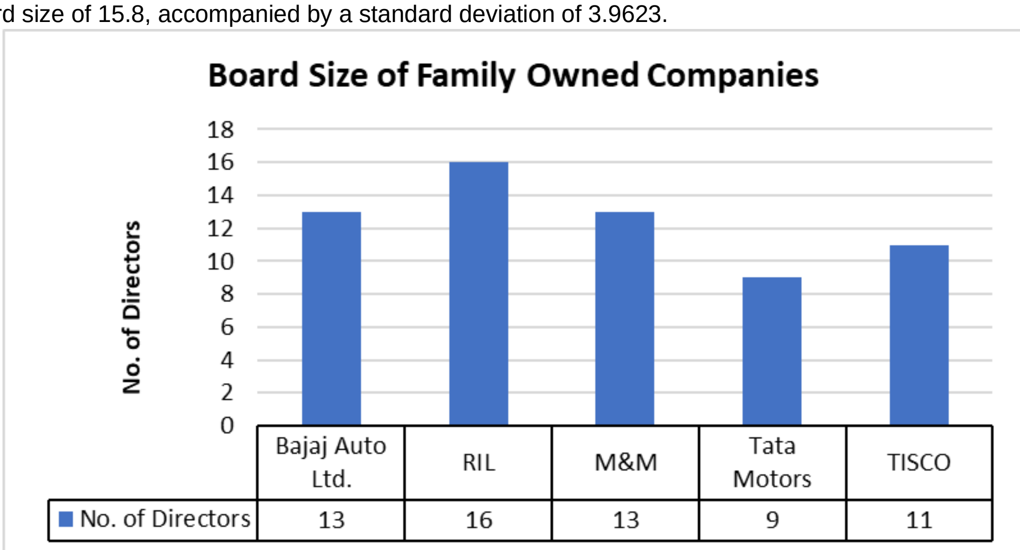
The subsequent results are obtained from the survey conducted on the Family Enterprises within the companies listed in the S&P BSE SENSEX.

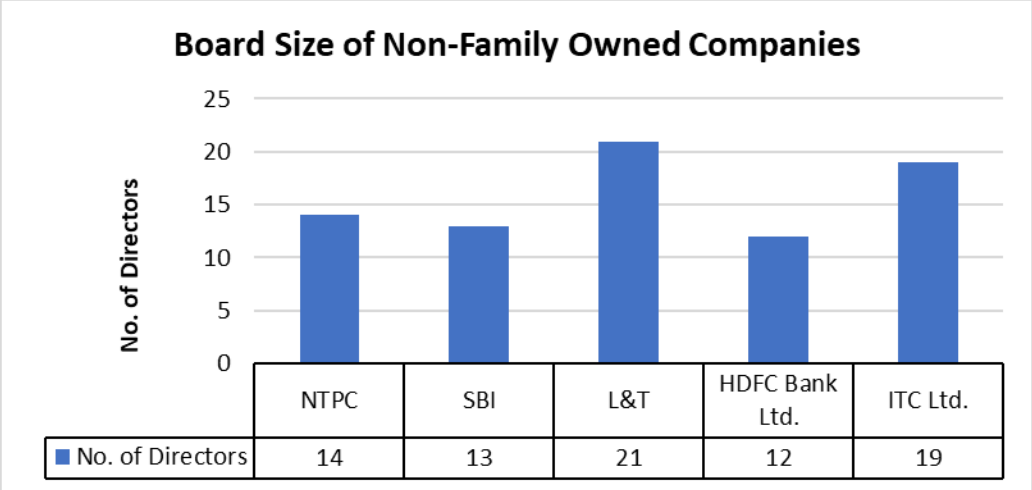
- **The Adherence to Established Codes and Regulations**

The family-owned businesses that were assessed demonstrated a notable degree of adherence to the obligatory provisions outlined in Clause 49 of the listing agreement. The aforementioned guidelines were formulated in accordance with the recommendations issued by the Kumar Mangalam Birla Committee. Furthermore, in regard to non-mandatory requirements, the evaluated firms shown outstanding adherence.

- **Board Size**

The study examined the family enterprises in the S&P BSE SENSEX and found that the mean board size was 12.4, with a standard deviation of 2.6076. In contrast, non-family firms exhibit an average board size of 15.8, accompanied by a standard deviation of 3.9623.



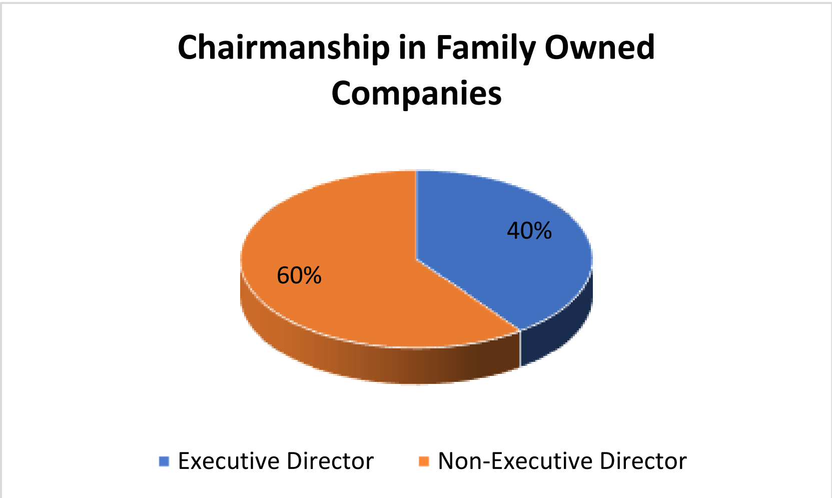


- **The Autonomy of the Board**

Inside the context of fostering self-governance inside family-owned organizations, it was noted that all such businesses adhered to a board structure of at least 50% Independent Directors. The participation of non-executive independent directors on the board is mandated by the mandatory recommendation specified in Clause 49 of the listing agreement. As per the aforementioned regulation, if the chairman of the board assumes the position of an executive director, it is mandatory for a minimum of fifty percent of the board members to be non-executive independent directors. Upon conducting a thorough analysis of the proposal presented by the Naresh Ch. Committee, which was commissioned by the Department of Company Affairs, it becomes evident that a considerable proportion of the surveyed family enterprises, precisely 3 out of the total 5, have complied with the suggestion of appointing a majority of Independent Directors to their board.

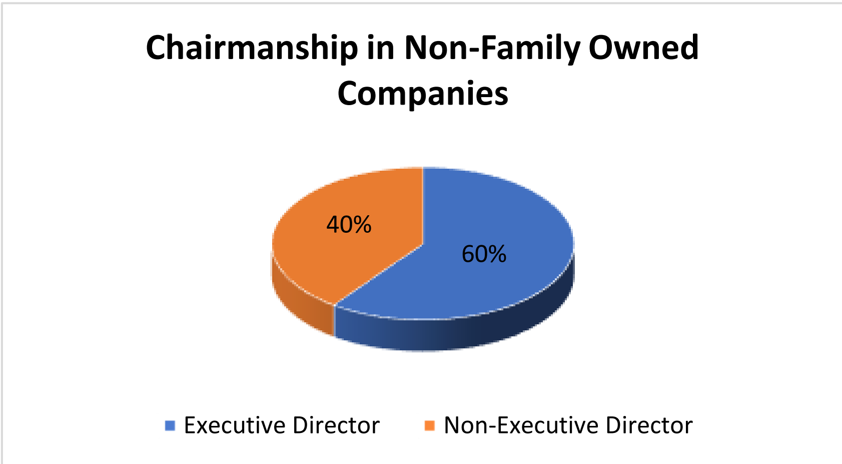
- **The Current Status of the Chairman of the Board**

The study's results suggest that a considerable percentage, around 60%, of family-owned enterprises chose to choose a Non-Executive Director to fulfill the responsibilities of the Chairman of the Board. In contrast, the two remaining family enterprises made the decision to choose an Executive Director to undertake this task.



Source: Data computed from latest corporate disclosures

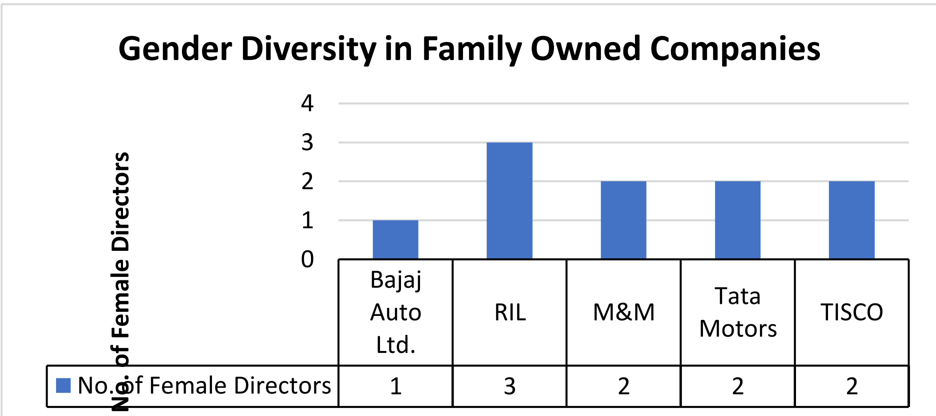
In contrast, a comprehensive examination of the chairman's function in non-family enterprises reveals that precisely 40% of the total, specifically 2 out of the 5 non-family organizations listed in the S&P BSE SENSEX, are overseen by non-executive directors who assume the leadership position within their respective boards.



Source: Data computed from latest corporate disclosures

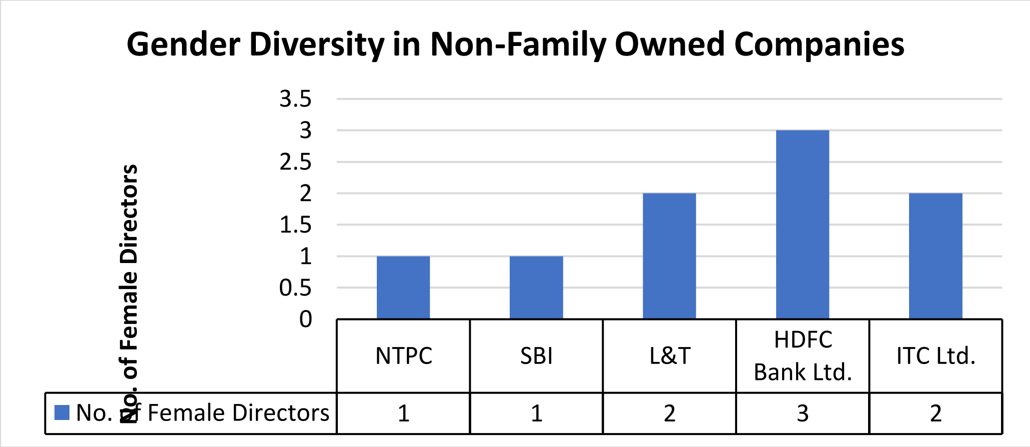
- **Gender Diversity within Corporate Boards**

In accordance with the recently implemented legislation, it is mandatory for publicly listed businesses and public entities that meet the specified criteria of a minimum paid-up share capital of Rs 100 crore or an annual turnover of at least Rs 300 crore to designate a female director. Nevertheless, the companies included on the S&P BSE SENSEX demonstrate significant deficiencies in terms of their performance. Among the cohort comprising the top 10 firms, a mere 2 companies demonstrated the presence of more than 2 female directors on their boards, while all the entities had the presence of female representation within their boardrooms. Arundhati Bhattacharya, the former Chairperson of the State Bank of India (SBI), served as an exemplary illustration in this context. Bhattacharya was widely acknowledged for her historic achievement as the inaugural female occupant of the highest leadership role within the leading financial institution of the country. Ms. Bhattacharya, an alumna of Jadavpur University, had been recognized by the esteemed business newspaper Forbes as a notable female leader in the Asian subcontinent.



Source: Data computed from latest corporate disclosures

In contrast to the conventional belief, a study revealed that among the 5 notable non-family firms included in the S&P BSE SENSEX index, all of them have a female board member.



- **The Constitution of an Audit Committee**

The research findings suggest that a substantial percentage of family-owned enterprises, specifically 80% (4 out of 5), had Audit Committees (AC) consisting exclusively of Independent Directors (IDs). Moreover, it is noteworthy to mention that a majority of the audit committees in family enterprises, specifically 4 out of 5, have made their official written charters publicly available. These charters have received the approval of the whole board of directors. However, with respect to the examination and assessment of the sufficiency of the audit committee charter on an annual basis by the board, a mere fraction of companies, namely 20% (1 out of 5), adhered to this protocol. However, it was noticed that each organization analyzed in the study has, at the very least, an individual with a robust accounting background and financial experience. Furthermore, it was observed that none of the surveyed organizations selected a candidate who had previously served on the executive board to fulfill the position of Chairman of the Advisory Committee.

- **The Operational Mechanisms of the Board and Audit Committee**

With regards to the scheduling of board and audit committee meetings, it is noted that a significant number of businesses conduct a minimum of four board meetings per year, ensuring that the time between any two consecutive sessions does not exceed four months. Moreover, several companies also convene biannual gatherings of their audit committees, wherein one of these assemblies occurs prior to the completion of financial statements.

Regarding the inclusion of minutes from Board meetings and AC meetings in annual reports, it is of significance to highlight that precisely 60% of the family firms (3 out of 5) adhered to this practice. Furthermore, it is noteworthy to emphasize that a mere 40% of the family enterprises under scrutiny (specifically, 2 out of 5) have successfully implemented a distinct occasion for their audit committees to assemble annually with both the external and internal auditors of the organization, excluding any involvement from management. The objective of this meeting is to establish a platform for deliberating on any potential concerns that may emerge throughout the audit procedure. Additionally, it is important to highlight that a significant majority of the family-owned businesses, namely 80% (4 out of 5), have delegated the authority to the audit committee to make decisions on the selection and firing of both internal and external auditors.

- **The Non-Executive Directors (NEDs) Convene for Separate Meetings**

According to the Higgs Report of 2003, it was suggested that enhancing corporate governance through the facilitation of transparency and effectiveness may be achieved by mandating non-executive directors to convene in a collective meeting at least once annually, with the exclusion of the chairman and executive directors. Furthermore, the study put out a recommendation to incorporate a statement inside the annual report that would serve to acknowledge the taking place of those meetings. The aforementioned matter witnessed a notable lacklustre performance exhibited by the Indian family corporations under scrutiny, as merely 4 out of the total 14 family enterprises enlisted on the S&P BSE SENSEX (30%) arranged such a gathering.

- **Composition of Remuneration Committee**

In relation to the stipulation mandating the formation of a Remuneration Committee comprising solely of a minimum of three Non-Executive Directors, a significant majority of the family businesses scrutinized, particularly 80% (4 out of 5), demonstrated compliance with this criterion. Moreover, it has been noted that a substantial percentage of the Chairmen of Remuneration Committees in family enterprises, specifically 60% (3 out of 5 companies), attended the Annual General Meeting with the intention of addressing any inquiries. Furthermore, with respect to the matter concerning the Remuneration & Assessment Committee, which is tasked with evaluating the assessment criteria for directors and management personnel and providing recommendations, it has come to light that only 6 out of the total of 14 family enterprises that were assessed have adhered to this stipulation.

- **The Revelation of Executive Compensation Packages**

All the family-owned businesses that were examined provided information regarding the compensation of their top-level managers, namely by categorizing it into fixed and variable components. However, in relation to the disclosure of pension benefits accrued by each director over the course of the year, it was found that 60% of the family enterprises assessed (3 out of 5 companies) had complied with this requirement.

- **The Committee for Nominations**

The findings of the research indicated that a mere 3 out of the total 5 family firms that were studied were found to have a Nomination Committee in place. The selection of individuals to serve on the audit committee was conducted by the board of directors, who relied on instructions provided by the nominating committee and worked in conjunction with the chairman of the audit committee. Out of the total of 5 family enterprises that were assessed, only 2 exhibited compliance with this specific approach. As to the Combined Code of Corporate Governance, U.K., 2006, one of the suggested measures for improving effective corporate governance involves the establishment of a nominating committee. This committee might be headed by either the chairman or an independent non-executive director. However, it is advisable that the person appointed as the chairman abstains from taking on the responsibility of chairing the nominating committee, especially when the committee is involved in the task of identifying a qualified candidate to replace the present chairman. In relation to this subject, a significant proportion of the family-owned enterprises, specifically 3 out of the overall 5 (60%), have demonstrated compliance with the aforementioned matter.

- **Grievance Committee for Investors**

All corporations, including those that are family-owned, have implemented a distinct Investors Grievance Committee led by a non-executive director, as required by the provisions outlined in Clause 49 of the Listing Agreement.

- **Corporate Social Responsibility Panel**

Prominent firms that are listed on the S&P BSE-SENSEX, including family enterprises, have proactively formed a Corporate Social Responsibility Committee in accordance with the requirements outlined in Section 135 of the Companies Act of 2013 and Clause 55 of the Listing Agreements. The committee is composed of at least three directors, including one Independent Director. The main duty of the entity is to develop and deliver a Corporate Social Responsibility Policy to the Board. The policy outlines the specific measures to be undertaken by the firm as outlined in Schedule VII, while also suggesting the appropriate level of expenditure for these corporate social responsibility initiatives. The Corporate Social Responsibility Committee is a governing body within a corporation that is responsible for overseeing and implementing initiatives related to corporate social responsibility.

- **Corporate Reporting**

In relation to the disclosure and dissemination of price-sensitive information using electronic media, it was observed that all the companies questioned opted to provide such information through their official websites and/or electronic newsletters or electronic media.

Moreover, it was determined that all of the family-owned businesses examined in the research had provided information regarding the quantity of shares held by individual directors in their respective positions within the specific organization. The aforementioned information was distributed through several channels, such as the annual report, the designated "investor service" area on their websites, and the official notices pertaining to shareholder meetings. Moreover, it is noteworthy that all corporations have made public the stock-option or stock-purchase initiatives provided to their personnel across various hierarchical positions, including both professional and manual laborers.

- **Whistle Blower Code**

The inclusion of a "Whistleblower Policy" into employment agreements was considered essential to enhance the effectiveness of corporate governance. Based on the most recent study, it has been observed that a mere 13 out of a total of 14 family enterprises have demonstrated compliance with the aforementioned matter.

- **The Assessment of Directors and Board Performance**

The study's findings suggest that a mere 20% of the 5 family enterprises examined had adopted a mechanism for assessing the performance of non-executive directors. The review procedure entailed the utilization of a peer group consisting of the whole Board of Directors, with the exception of the director under assessment. During the course of doing the annual review and reassessment of the audit committee charter, it was seen that a mere two out of the entire cohort of family firms evaluated (representing 20% of the sample) were found to be in adherence with this crucial stipulation. Furthermore, in regards to the disclosure of directors' participation in director training and orientation programs, the examined firms shown a notable reluctance. The findings of the study indicate that just 20% of the firms assessed, all of which were family-owned enterprises, demonstrated successful implementation of the aforementioned principles.

- **Business Ethics Policy**

In regards to the distribution of Corporate Governance Guidelines and Code of Business Ethics inside organizations, it was observed that all companies under examination, including those categorized as family enterprises, had a significant degree of dedication to this facet. Furthermore, with regard to the implementation of a distinct code of conduct or ethics expressly designed for board members, it was found that nearly all of the assessed organizations had already adopted such a code.

Analysis of Individual Companies

The notion of corporate governance The assessment of the operational effectiveness of particular firms has been carried out through the utilization of a quantitative metric referred to as the "Corporate Governance Score" (CGS). The scoring process involves assigning a binary value of "1" to indicate adherence to each of the 95 questions covered in the survey, while a binary value of "0" is assigned to indicate non-adherence or lack of explanation. The aforementioned challenges were identified through an analysis of 22 widely recognized Codes of Corporate Governance, as well as relevant legislation, clauses, sections, and proposals put forth by committees aiming to establish optimal corporate governance standards. The subsequent tables display the corporate governance scores of the complete sample of 10 companies, which includes the top 5 family enterprises. The analysis is provided on an individual firm level-

Corporate Governance Scores of Sample Family Enterprises

Rank	Name of Family Owned Company	Corporate Governance Scores (CGS)
1	Reliance Industries Ltd.	83.10
2	Tata Steel	74.67
3	Mahindra & Mahindra	73.62
4	Tata Motors	72.57
5	Bajaj Auto Ltd.	64.15

Source: Calculation based on PROWESS and Corporate Disclosures

Corporate Governance Scores of Sample Non-Family Enterprises

Rank	Name of Family Owned Company	Corporate Governance Scores (CGS)
1	HDFC Bank Ltd.	75.73
2	Larsen & Toubro	75.62
3	ITC Ltd.	70.46
4	NTPC	69.41
5	SBI	56.78

Source: Calculation based on PROWESS and Corporate Disclosures

Conclusion

The analysis of governance protocols inside famous family-controlled corporations in India unveils a scenario characterized by a notable adherence to obligatory restrictions outlined in corporate governance laws, namely Clause 49 of the listing agreement. Nevertheless, while the considerable degree of compliance witnessed in specific regions, significant obstacles persist that hinder progress and demand more improvement.

Family-owned firms have demonstrated a favorable trajectory in various areas, including the autonomy of the board, the structure of audit committees, and the formation of specialist committees as required by regulatory authorities. However, there exist certain noteworthy elements that require attention and action, such as the inclusion of gender diversity within corporate boards, the organization of separate meetings for non-executive directors, and the implementation of comprehensive performance reviews.

Family-owned enterprises, including Reliance Industries Ltd., Tata Steel, and Mahindra & Mahindra, have demonstrated a noteworthy commitment to adhering to governance standards, as evidenced by their relatively higher Corporate Governance Scores (CGS) compared to non-family firms such as HDFC Bank Ltd. and Larsen & Toubro.

The study highlights the need of family businesses employing strategies to promote gender diversity among their boards, increasing transparency in the release of meeting minutes, strengthening performance evaluations, and enforcing whistle-blower processes. Furthermore, it is imperative to assess the efficacy of audit committee charters and establish director training programs as pivotal domains for advancement.

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