AIRO JOURNALS
Peer Reviewed Multidisciplinary International

ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

Corporate Governance and Legal Accountability in Business Ethics and Transparency

Dr Genu Roney Varghese
School of Business and Commerce,
Spicer Adventist University
Designation: Associate Professor
Email ID: drgenuroneyvarghese@gmail.com

Mrs Nirmala Roney Varghese
Spicer Adventist University
Designation: Chief Librarian
Email ID: nirmala5varghese@gmail.com

Ms. Vallerina Roney Varghese
Spicer Adventist University
Designation: Student
Email ID: varghesevallerina@gmail.com

Ms. Vinitaa Roney Varghese
Spicer Adventist University
Designation: Student
Email ID: vinitaavarghese@gmail.com

Abstract

This paper evaluates how organizational business ethics relates to transparency, corporate governance systems and legal accountability processes. A **quantitative methodology** with **descriptive study design** enabled data collection from **200 participants** distributed among four industrial sectors of financial services, healthcare, manufacturing and technology. The Company governance practices with transparent decision processes and structured boards create positive connections between ethical corporate practices and legal requirements. Strong support is provided for both moral business conduct and organizational transparency by legally established responsibility measures that adhere to regional laws and anti-corruption regulations. The research reveals that businesses must unite regulatory responsibility measures with proper governance structures to generate both organizational moral conduct and operational transparency effectively. The research findings establish current knowledge about these components' behavior patterns and create basic principles for upcoming research that aims to enhance legal procedures and corporate management systems.

Keywords: Corporate Governance, Legal Accountability, Business Ethics, Transparency, Organizational Behavior.

1. INTRODUCITON

Corporate governance implements important mechanisms to determine how companies operate their moral and responsible functions (Wanyama et al., 2013). Several government laws exist in India which work toward responsible transparency in corporate governance management practices (Widayati et al., 2019). The essential concept of Indian company law corporate governance functions is the fundamental basis of ethical business behaviour, in addition to transparency and responsibility.Businesses operating in dynamic contexts based on corporate influence are required to exercise strict control over corporate governance legal frameworks (Verhezen& Morse, 2010).

This study examines the basic framework and legal requirements of Indian company law in order to analyse corporate governance standards. Every company looking for expansion should have strong corporate governance policies in place. Because interest groups are protected, corporations have both public recognition and financial confidence from the standpoint of investors and other stakeholders. Executives and owners among others have to completely understand all little legal issues involving corporate governance.

1.1.Legal Foundation of Corporate Governance for India

The Companies Act of 2013 shows a strong legislative framework for corporate governance in the Indian corporate scene (Yanti, 2019). This piece of significant law defines stakeholder rights together with responsibilities and obligations, therefore offering an all-inclusive structure to build ethical company operations (Zahran & Ali, 2020).

1.2.The Companies Act 2013

The Significant rules affecting the management and governance of Indian corporations are listed in the corporations Act, 2013. Section 149(1) mandates that all public corporations have three directors, while the same section mandates that private businesses have two directors. Under this law, companies have to name two to fifteen directors; yet, rules for board member selection—that is, independent directors—are mostly necessary to prevent conflicts. Three non-executive directors with independent half members must be gathered by the Nomination and Remuneration Committee to handle organizational responsibility tasks as well as assess management performance (Zaman et al., 2024).

The right of company shares owners to participate in business meetings electronically is enabled by Section 108 of the Act. The shareholders maintain powerful status through Section 151 of the Act by authorizing proxy representative designations whose actions substitute their own absence at meetings (Zhang et al., 2020). The shareholders who receive stock ownership continue to influence company management through their stock position and receive revenue from corporate profit dividends in addition to financial advantages (Ali &Limakrisna, 2013).

1.3.Corporation's Social Responsibility (CSR)

Section 135 of the legal system forces qualified organizations to redirect part of their earnings into corporate social responsibility projects. The organization proves its social dedication when it goes beyond financial strategy to make a positive impact (Alloa &Thoma, 2018). As a major concept corporate social responsibility (CSR) provides businesses flexibility to establish positive effects for both community and environmental spaces. The majority of corporate statutes and regulations of multiple countries direct businesses to create CSR funds according to specific eligibility requirements through Section 135.

The business industry defines corporate social responsibility through CSR as a self-initiated program that combines profit maximization with ecological and social development.

Businesses maintain extensive control over environmental protection and healthcare delivery and education provision and community development programs through their strategic approach to programs. Nationwide welfare commitments appear through governmental laws such as Section 135 which requires certain firms to finance social programs. The use of these benchmarks by organizations proves both their dedication towards human welfare and their focus on ethics that extends past profit generation (Damanik, 2021).

In 2015 the Securities and Exchange Board of India (SEBI) delivered the Listing Obligations and Disclosure Requirements (LODR) Regulations to the market. These guidelines set board member selection and disclosure requirements with separated board duties in order to achieve open accountability and secure stakeholder interests. The Securities Exchange Board of India mandates companies to hire independent directors who have no operational interest in becoming members of their board. Independent board members serve two critical purposes by monitoring management decisions as well as safeguarding shareholder value and stakeholder interests through keeping corporate decisions unbiased.

1.4.Transparency's Measurements

Accurate and uniform financial information can be measured by making all companies publish financial statements based on IFRS and GAAP industrial standards. Non-GAAP reporting systems operate via various systems but GAAP is the primary U.S. accounting standard to design accurate financial statements.An organization needs effective financial reporting as well as elaborate whistleblower systems in order to sustain ethical and truthful corporate behavior. Employees utilize these disclosure mechanisms to document unprofessional conduct without revealing their identity and set up ethical corporate standards. The company allows employees to report concerns through connected web-accessible reporting sites which include anonymous whistle-blower provisions. The evaluation process assists Carnival and its ethical decision-making in identifying current misconduct before it becomes future organizational threats. Protection of whistleblowers under the law forbids workplace discrimination along with punitive measures against whistleblowing workers. Commitment to ethical values by organizations through these actions creates trust among staff members as well as clients and stakeholder groups. Definition of corporate governance together with legal accountability and business ethics and legal responsibility is a fundamental prerequisite of global business success while facilitating continuous making of profits.

State institutions in conjunction with laws currently have an important role in guiding corporate conduct because business institutions are now expected to uphold increasing ethical standards and openness.Companies emulate fair and ethical practices by applying corporate governance guidelines as well as the process of implementing them. Every organization needs to use control systems based on legal framework to demonstrate commitment to applicable laws and regulations. Business ethics and transparency concentrate primarily on establishing ethical rules during business decision-making together with open practices in corporate activities.

An assessment takes place in this paper about how governance structures with legal duty systems influence business transparency and organizational ethical behavior. This research analyzes different sectors to establish useful results regarding the relationship between governance systems and legal structures that enhance transparency and moral actions that result in higher organizational legitimacy and public trust.

1.5.Objectives of the study

1. To explore the impact of corporate governance structures on promoting business ethics and transparency.
2. To evaluate the role of legal accountability in ensuring ethical compliance and transparency in corporate practices.

1.6.Research Hypothesis

Null Hypothesis (H_0): There is no significant relationship between corporate governance mechanisms, legal accountability practices, and business ethics and transparency in organizations.

Alternative Hypothesis (H_1): There is a significant positive relationship between corporate governance mechanisms, legal accountability practices, and business ethics and transparency in organizations.

AIRO JOURNALS
Peer Reviewed Multidisciplinary International
ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

2. LITERATURE REVIEW

The determination of business policies alongside legal responsibility has become more essential according to **Akinsola (2025).** The principles behind modern business governance systems emerged from the fundamental changes in organizations which result from globalization and technological development alongside stakeholder demands for responsibility. Such governance models are vital because they enable organizations to fortify their defense against financial crisis threats as well as environmental stressors and cybersecurity threats. Akinsola (2025) shows that business problems caused corporate governance structures to modify into structures which integrated CSR into fundamental business frameworks.

Akinsola (2025) emphasized the necessity of corporate governance in protection of ethical behavior as well as balance of stakeholder interests and long-term future development. Compliance with the law became demonstrated to be the most significant driver of maintaining company integrity and reducing risks and maintaining transparency. Drawing on its research into legal and regulatory foundations of corporate governance, the paper demonstrated how businesses needed to adhere to national and international compliance regulations. Under this strategy, Akinsola (2025) tested corporate governance best practices and measured moral leadership under this strategy along with board independence with internal controls and compliance. The research measured company policies to ensure they were effective in avoiding corruption and protecting whistleblowers as well as maintaining proper financial reporting. Key factors influencing business compliance were the UK firm Governance Code combined with the Sarbanes-Oxley Act (SOX) and the newly created Environmental Social Governance (ESG) regulations. During the time when regulatory landscapes and technological advancements were occurring, firms were faced with challenges to maintain compliance. In response, they adopted artificial intelligence (AI) in their compliance tracking and data-driven risk assessment systems.

Akinsola (2025) had pointed through his evaluation of board governance excellence that the inclusion of independent directors with diverse board members together with specialized audit and risk management and remuneration committees would enhance corporate control to encourage ethical behavior. In addition to CSR requirements for board oversight, the research considered sustainability goals that had an impact on public relations through influencing corporate leadership orientation.

Akinsola (2025) explained some responsibility processes aimed at shielding corporate boards from moral as well as legal duties pending. To generate ethical requirements in corporate compliance, the corporation applies whistleblower safeguards comprising detailed reporting complemented with regular board tests and transparent channels. In addition to investor oversight and shareholder pressure mechanisms focusing on enhancing board-level accountability, the Sarbanes-Oxley Act and the Dodd-Frank Act were key elements of this research study.The research provided companies with guidance on how to establish trust with stakeholders through public endorsement of ethical choices and transparent practices based on legal standards and proper responsibility procedures according to legal standards. Through such policies in accordance with Akinsola (2025), risks for organizations are minimized, thus enhancing shareholder value as well as providing promises of ethical and legally sound sustainable business operations.

Akinsola and Hamzah (2025) discovered that better development is essential to enable regulatory changes designed to enhance corporate governance for the purpose of enhancing company accountability as well as developing investor trust. Research findings indicated that rapid alterations in both legal contexts and global markets forced firms to develop continuous updates of their corporate governance frameworks addressing new challenges. Executives managed three principal digitalization-associated challenges alongside greater investor expectations in regard to corporate responsibility and the challenges posed by international company organizations operating in Malaysian marketplaces. Focused on board role assignments and enhancing disclosure standards, industrial legal reforms also push company entities towards developing sustainable strategic plans.

Vickneswaran (2025) examined how corporate governance and the interplay between it and management-shareholder relations combined with reporting strategies yield organizational efficiency and ethical purity.The report says good corporate governance systems are crucial for ethical choice and building trust in a sector under heightened scrutiny. Open communication and executive pay ensure to manifest the intricate relationship between shareholders and management as Vickneswaran (2025) facilitates their interest alignment. The research considered the increasing importance of reporting activities beyond legal compliance into environmental social and governance (ESG) aspects as evidence of ethical conduct. Vickneswaran (2025) asserts that the current business environment necessitates adequate changes in management methods and reporting practices along with governance frameworks. The utilization of sustainability with transparency required the combination of auditing practices and accepted legal frameworks. Along with his research of board actions ensuring ethical conduct and legal adherence, Akinsola (2025) examines fiduciary duties contemplating legal stipulations managing board activities. Through these selected duties, the board possesses immense powers to enhance organizational objectives in relation to limitations of conflict-free decision making on the basis of full information in open settings.

The authors feel that these reforms would ensure consistent business assessments by developing assured relationships between companies and investors. Effective financial compliance systems and effective corporate governance frameworks as per **Efunniyi et al. (2024)** characterized the organization integrity and firm responsibility alongside transparency. Coupled with the retention of stakeholder trust, the research considered the most important framework-building components and approaches to achieve current performance goals. Though it also encompassed stakeholder participation and regulatory compliance based on survey findings, firm governance relies on ethical conduct in combination with risk management. The principal advantaged of SOX and GDPR compliance are the preservation of good relationships with stakeholders and ensured legal protection. The paper emphasized the importance of having a sound risk management system in order to analyze and determine security risks that impact operations and financial condition of a company.

The authors emphasized that ethical standards have to go side by side with whistleblower rights and that right codes of conduct must follow to establish a moral business culture. The conclusion of this article argues that blockchain technology blended with artificial intelligence and machine learning will drive automation of compliance processes thus increasing monitoring of financial performance. Based on an analysis of accountability with openness and equity and stakeholder protection values**, UMIRZAKOVICH (2024)** explored with long-term value creation and governance choices made through corporate governance systems what drives ethical conduct and risk management. The writer concluded that by increasing organizational adaptability and financial performance within UMIRZAKOVICH (2024), effective governance systems establish stakeholder trust. The writer posits that organizational trust requires these basic concepts to thrive in corporate markets and strengthen corporate governance systems.

3. RESEARCH METHODOLOGY

3.1.Research Design

This study used a **descriptive research approach** to analyze the relationship among corporate governance, legal accountability, business ethics and transparency. The design helps one to have a good awareness of the interconnections among different components inside companies.

3.2.Research Approach

A **quantitative study method** is applied to gather numerical data and investigate how legal responsibility and corporate governance influence corporate ethics and openness.This approach simplifies statistical analysis and generalization finding.

3.3.Population Sample

The sample group consists of **managers, staff members, and executives** from many businesses in 4 different sectors. These volunteers were chosen depending on their familiarity with organizational transparency, corporate governance policies, and legal systems.

3.4.Sample size

The study calls for a **200-participants sample size**. This scale was selected to ensure sufficient data for statistical analysis and to present a decent picture of the target group. Table 1 shows the selected industry for the research together with the sample distribution.

ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

Table 1: Selection of Sample

Industry	Sample Size
=Financial Services	50
Healthcare	50
Manufacturing	50
Technology	50
Total	**200**

3.5.Sampling Technique

Participants are chosen using a **stratified random selection technique** from a range of organizational levels and sectors. This guarantees that the sample is representative of many perspectives in the contexts of corporate governance and legal accountability.

3.6.Data Collection

A **structured questionnaire** is used to gather data about legal accountability, corporate governance frameworks, ethical behavior, and transparency. To guarantee a wide audience, the questionnaire is disseminated electronically.

3.7.Tools Used for Data Analysis

SPSS and other statistical applications are used for data analysis. To find connections and make inferences about how corporate governance and legal responsibility affect company ethics and transparency, **descriptive statistics and correlation analysis**are used.

4. RESULT AND DISCUSSION

The demographics of the 200 participants reveal a balanced distribution by gender, age group, and job title has been shown in Table 2 or figure 1.

AIRO JOURNALS
Peer Reviewed Multidisciplinary International
ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

Table 2: Demographic Information of Participants

Demographic Variable	Category	Frequency (N)	Percentage (%)
Gender	**Male**	120	60%
	Female	80	40%
Age Group	**18-30**	60	30%
	31-45	80	40%
	46+	60	30%
Job Title	**Executive**	40	20%
	Manager	60	30%
	Employee	100	50%

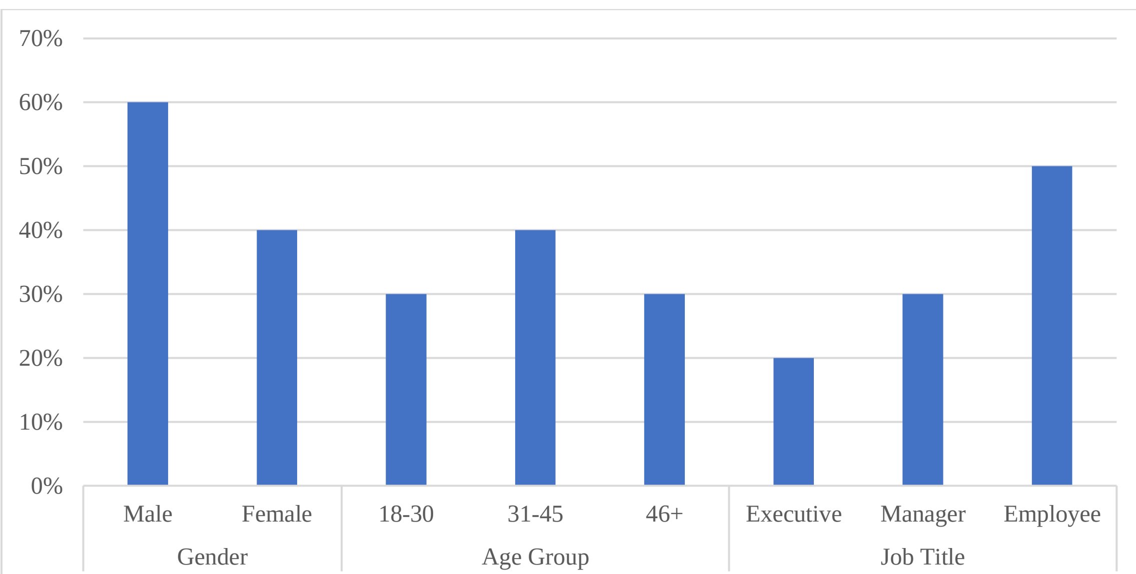

Figure 1: Graphical Presentation of Demographic information

ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

Of the 120 male participants—that is, 60% of the total—there are 80 female participants, or 40% of all. Thirty percent of respondents—60 participants—between the ages of 18 and 30; forty percent between the ages of 31 and 45; thirty percent are 46 years of age or older—60 participants. Work titles indicate that half of the respondents—100 participants—are employees, thirty percent are managers—60 participants, and twenty percent have executive positions. This helps to guarantee a wide spectrum of opinions from several organizational levels and demographics.

Table 3: Corporate Governance Mechanisms

Governance Mechanism	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Clear board structure	70 (35%)	80 (40%)	30 (15%)	15 (7.5%)	5 (2.5%)
Transparent decision-making	60 (30%)	90 (45%)	30 (15%)	15 (7.5%)	5 (2.5%)
Effective stakeholder engagement	50 (25%)	90 (45%)	40 (20%)	15 (7.5%)	5 (2.5%)
Ethical leadership	80 (40%)	70 (35%)	30 (15%)	15 (7.5%)	5 (2.5%)

ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

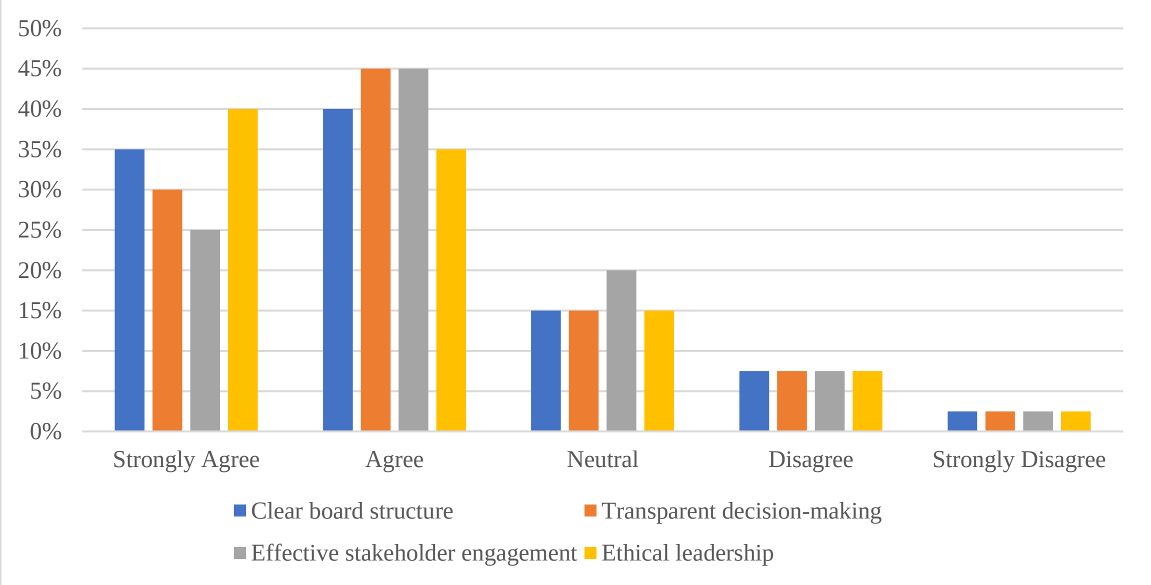

Figure 2: Graphical presentation of Corporate Governance Mechanisms

The responses to corporate governance systems show great agreement with significant governance practices has been shown in Table 3 or Figure 2. The majority (35%) strongly agree whereas forty percent of respondents say their companies have clear board arrangements. This suggests that a well-defined board structure is usually seen as the pillar of good government. More proof of this comes from 45% of respondents agreeing and 30% strongly agreeing that most companies depend on open decision-making. Good stakeholder involvement is also highly appreciated; 45% of respondents agree and 25% strongly approve. Of them, 35% agree and 40% strongly feel that government should be run under ethical leadership. These results reveal positive impressions of the corporate governance policies used in the companies under observation.

Table 4: Legal Accountability Practices

Legal Accountability Practice	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Compliance with local regulations	100 (50%)	70 (35%)	20 (10%)	5 (2.5%)	5 (2.5%)

Transparency in financial reporting	90 (45%)	70 (35%)	30 (15%)	5 (2.5%)	5 (2.5%)
Anti-corruption measures	80 (40%)	80 (40%)	30 (15%)	5 (2.5%)	5 (2.5%)
Regular audits and reviews	90 (45%)	70 (35%)	30 (15%)	5 (2.5%)	5 (2.5%)

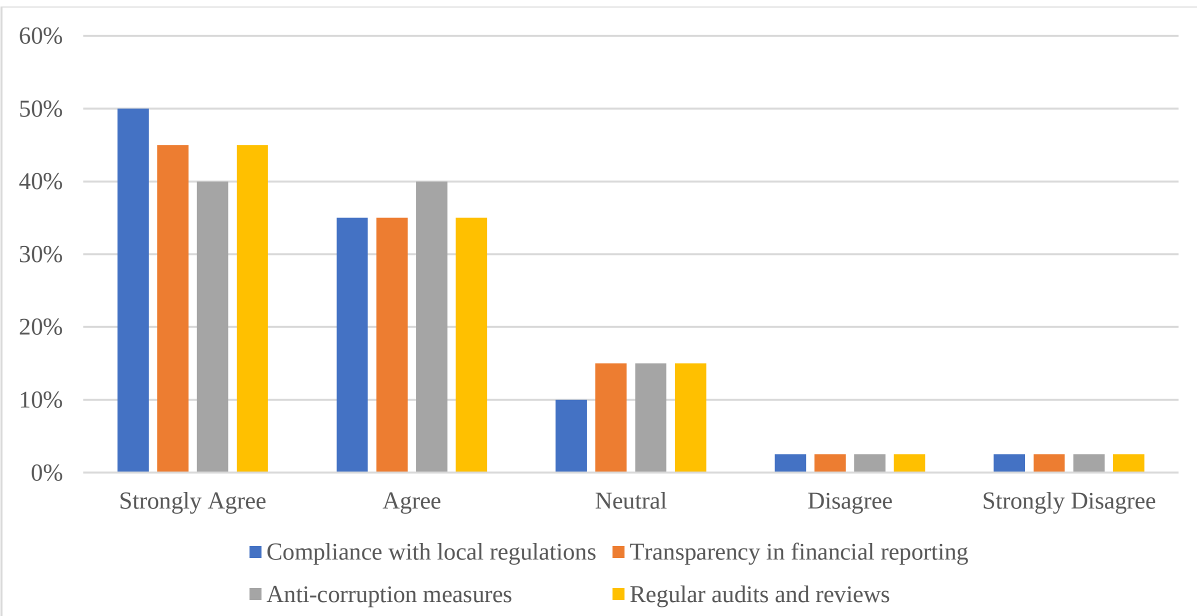

Figure 3: Graphical presentation ofLegal Accountability Practices

The sample taken as a whole has legal responsibility policies much valued. Of the participants, 50% firmly feel their companies abide by local laws and 35% agree has been shown in Table 4 or Figure 3. This reveals a great will to respect the law. Likewise, reflecting a general dedication to openness, 35% of respondents agree and 45% strongly believe that financial reporting should be public. Furthermore, highly agreed upon by 40% of respondents are anti-corruption policies, and 45% strongly support frequent audits. These findings show that many

AIRO JOURNALS
Peer Reviewed Multidisciplinary International
ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

companies give legal responsibility great importance and have solid processes in place to assure compliance and openness.

Table 5: Business Ethics and Transparency

Ethical Practice	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Fair treatment of employees	90 (45%)	80 (40%)	20 (10%)	5 (2.5%)	5 (2.5%)
Transparency in business operations	100 (50%)	70 (35%)	20 (10%)	5 (2.5%)	5 (2.5%)
Ethical marketing practices	80 (40%)	80 (40%)	30 (15%)	5 (2.5%)	5 (2.5%)
Social responsibility initiatives	70 (35%)	80 (40%)	30 (15%)	15 (7.5%)	5 (2.5%)

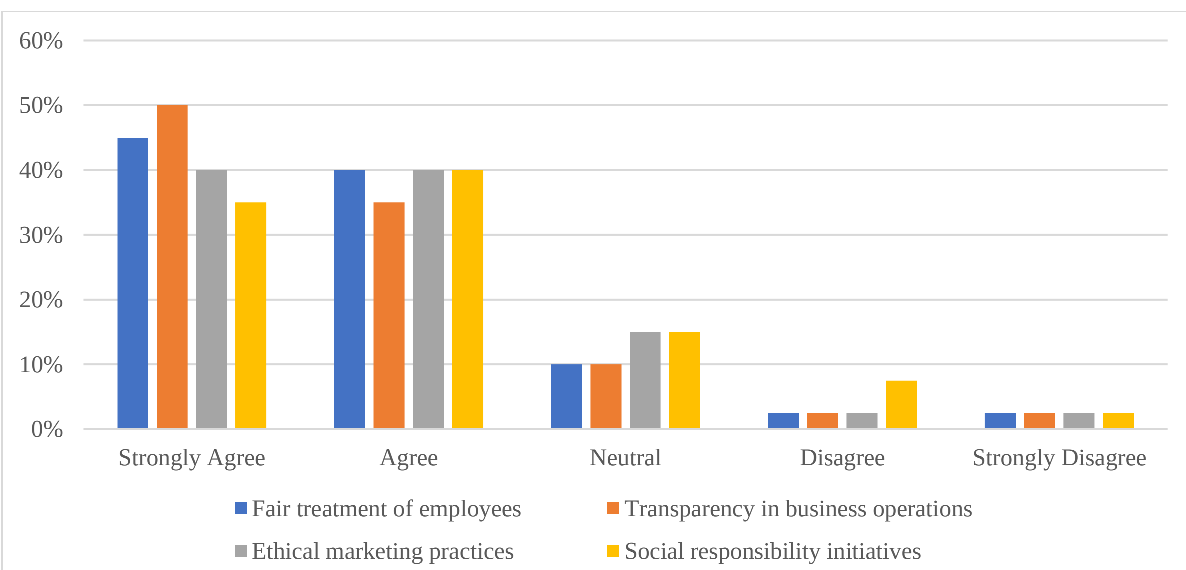

Figure 4: Graphical presentation of Business Ethics and Transparency

ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

For most of the responses, corporate ethics and honesty are basic values has been shown in Table 5 or Figure 4. Forty-five percent of respondents strongly believe that treating employees properly is crucial, while forty-percent agree. Furthermore, 50% of respondents strongly feel and 35% of them agree that corporate activities should be open. While 35% strongly agree with social responsibility initiatives, 40% of respondents strongly agree with ethical marketing strategies. The always positive answers to the studied companies' organizational culture show that ethical behavior and openness are highly valued there.

Table 6: Statistical Analysis Results

Variable	Mean	Standard Deviation	Correlation with Corporate Governance	Correlation with Legal Accountability
Corporate Governance Mechanisms	4.1	0.8	0.72	0.68
Legal Accountability Practices	4.2	0.7	0.68	0.75
Business Ethics and Transparency	4.0	0.9	0.70	0.74

Strong agreement with the ideas of corporate governance practices, legal accountability requirements, and company ethics and openness is shown by the rather high means of the statistical research on these issues. Corporate governance practices show that, given a mean score of 4.1 and a standard deviation of 0.8, participants largely agree on the importance of governance. Legal responsibility policies offer significantly more support for openness and legal compliance given their greatest mean (4.2) and standard deviation (0.7). Business ethics and openness indicate a significant but rather more variable agreement with a mean score of 4.0 and

ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

a standard deviation of 0.9. The correlations among the variables show that corporate governance, legal responsibility, and business ethics all have favorable interactions with one another. Business ethics and legal responsibility policies demonstrate the most significant mutual relationship with openness (0.75). Organizations that base their conduct on high ethical standards display a strong relationship with having well-established legal systems.

The hypothesis results confirm that corporate governance frameworks and legal responsibility procedures and business ethics and transparency factors strongly correlate positively with each other. The scientific research demonstrates a strong connection between organizations that maintain clear governance and strong legal compliance systems because such elements usually lead to better ethical conduct and transparency practices.Business ethics receive significant improvement from implementing legal accountability practices. Therefore, the theory supporting the alternative approach proves accurate.

4.1.Discussion

The results of the study help to highlight how closely business ethics, legal accountability, corporate governance, and openness interact. This study supports the assertion that strong corporate governance and legal responsibility systems help companies be more likely to encourage moral behavior and openness in their operations. The results of the study are discussed in this section together with past studies and their likely organizational consequences.

Mechanisms of Corporate Control

The results of the poll show that most respondents think that fundamental components of corporate governance include ethical leadership, open decision-making, well-defined board structures, and effective participation of stakeholders. Particularly, 45% of respondents said their businesses effectively include stakeholders; 35% strongly agreed and 40% felt their board structure is clear-cut. These findings line up with prior studies stressing the need of corporate governance structures in determining organizational behavior. Agency theory holds that open decision-making and a well-organized board can lower agency expenses and advance more moral organizational conduct(Ijeoma&Ezejiofor, 2013).

The findings also line up with the body of research on ethical leadership, which holds that developing an ethical culture inside a company largely depends on leadershipKarsono(2023). The 75% agreement in this poll on the value of ethical leadership demonstrates the conviction that good leadership generates an environment in which staff members are motivated to act morally.

Legal Responsibility Mechanisms

The participants of the survey mostly agreed that important legal accountability mechanisms were conformity to regional laws, openness in financial reporting, and anti-corruption campaigns. According to 45% of respondents, regular audits and financial openness are absolutely vital; 50% strongly agreed that their companies comply with local laws. These results support past studies linking legal compliance to higher ethical behavior by showing that legal accountability is a fundamental pillar in sustaining corporate integrity and hence encouraging opennessVickneswaran (2025). Moreover, studies proving how legal systems could prevent unethical behavior fit the great support for anti-corruption campaigns (Solomon, 2020).

Business Ethics and Transparency

The remarkable result of the survey is that participants highly respect company ethics and openness. The most of the respondents (50%) strongly agreed that fair treatment of employees is crucial, and 45% strongly agreed that openness in corporate procedures is indispensable. These results align with a more general trend in the study showing that businesses with ethical business policies usually have better reputation and more degrees of openness (Sharma&Bhetwal, 2024).

Moreover, the emphasis on ethical marketing strategies and social responsibility programs supports the assertion that businesses with strong ethical foundations are more likely to implement corporate social responsibility (CSR) and openness (Kharel et al., 2019).

The results of this study on the favorable link between corporate governance, legal responsibility, and business ethics are in line with those of other scholars who argue that an organization's legal and governance structures are absolutely important in fostering moral business practices (Pandey 2023). The findings suggest that businesses with strong legal

AIRO JOURNALS
Peer Reviewed Multidisciplinary International
ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

responsibility and governance systems are more likely to reward moral behavior, therefore promoting an environment of transparency and responsibility.

The statistical analysis of this study reveals that firm ethics and transparency, legal responsibility practices, and corporate governance policies are all rather tightly linked. Transparency and business ethics were favorably connected with both corporate governance and legal responsibility; the latter showed a rather stronger link (0.75). These findings complement past studies demonstrating that moral corporate behavior is greatly promoted by legal accountability practices—such as obeying rules and being open about finances—Cetindamar (2018). Moreover, organizations with solid corporate governance systems usually show better degrees of ethical norms and openness (Keay& Loughrey, 2015). Consistent with the studies showing that implementing legal frameworks and performing regular audits improves ethical behavior inside companies, the correlation analysis also highlights the significant impact of legal responsibility on business ethics and transparency (Jones, 2012).

The study are clear for companies trying to improve their ethical standards and governance systems. Businesses should first focus on creating transparent governance frameworks, which include well defined board responsibilities and ethical leadership practices, so ensuring that ethical behavior penetrates the company. As said byPina& Torres (2019), good governance practices encourage moral behavior and strategic decision-making.

Second, companies should retain giving legal responsibility top importance as they directly affect openness and business ethics. Frequent audits and adherence to local laws are two examples of these steps; businesses that follow strict legal compliance and transparency will most likely gain from higher ethical standards, as López-Arceizet al.'s (2018) research clearly shows given the strong link between legal responsibility and corporate ethics.

At last, companies should build a culture embracing corporate ethics and openness since they are connected and help one another. The results underline ethical practices like treating people fairly and being open about operations, which help to build trust with stakeholders and increase the long-term success of the company.

AIRO JOURNALS
Peer Reviewed Multidisciplinary International
ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

Limitations

Though it provides interesting information, this study has restrictions. The sample size is sufficient, but it could be expanded to encompass more geographical areas and industries even so. Future studies could also look at how certain legislative policies or corporate governance structures influence business ethics and openness in different cultural settings. Moreover, qualitative research could throw more light on the intricate ways in which governance systems and legal responsibility processes influence moral behavior in companies.

5. CONCLUSION

A company's level of effectiveness depends heavily on legal responsibility processes together with corporate governance structures and business ethics and openness.Organizations having robust governance systems and strict legal compliance display a higher probability to conduct business with integrity while being open. Research evidence indicates that system strength between corporate governance and legal accountability elements lays the foundation for building firm ethical behavior. Businesses which maintain transparent board leadership along with decision-making clarity along with regular audit procedures tend to stick to ethical provisions and legal obligations. This research demonstrates that combining corporate governance with legal accountability systems produces moral behavior together with openness which leads to better long-term profitability and reputation within a firm.

REFERENCES

1. Akinsola, K. (2025). Legal Compliance in Corporate Governance Frameworks: Best Practices for Ensuring Transparency, Accountability, and Risk Mitigation. *Accountability, and Risk Mitigation (January 31, 2025)*.
2. Akinsola, K. (2025). The Evolving Role of Corporate Governance in Shaping Business Practices and Legal Accountability in the 21st Century. *Available at SSRN 5115523*.
3. Akinsola, O. K. (2025). Ensuring Ethical Conduct and Legal Compliance within Corporate Boards: Legal Standards, Best Practices, and Accountability.

ISSN:2320-3714
Volume:1 Issue:3
March 2025
Impact Factor: 11.9
Subject: Law

4. Akinsola, O. K., & Hamzah, F. (2025). Legal Reforms and Innovations in Corporate Governance for Enhancing Transparency, Accountability, and Investor Confidence.
5. Ali, H., &Limakrisna, N. (2013). *Metodologipenelitian (Petunjukpraktisuntukpemecahanmasalahbisnis, penyusunanskripsi, tesis, dan disertasi)*. Deeppublish.
6. Alloa, E., &Thoma, D. (2018). Transparency, society and subjectivity: Critical perspectives. In *Plagrave Macmillan*. https://doi.org/10.1007/978-3-319-77161-8
7. Cetindamar, D. (2018). Designed by law: Purpose, accountability, and transparency at benefit corporations. *Cogent Business & Management*, *5*(1), 1423787.
8. Damanik, E. S. (2021). Pengaruhsistemadministrasi modern, keadilan, akuntabilitas, dan sanksiperpajakanterhadapkepatuhanwajibpajak UMKM Kota Jambi. *Ekonomis: Journal of Economics and Business*, *5*(1), 303–313. https://doi.org/10.33087/ekonomis.v5i1.326
9. Efunniyi, C. P., Abhulimen, A. O., Obiki-Osafiele, A. N., Osundare, O. S., Agu, E. E., & Adeniran, I. A. (2024). Strengthening corporate governance and financial compliance: Enhancing accountability and transparency. *Finance & Accounting Research Journal*, *6*(8), 1597-1616.
10. Ijeoma, N., & Ezejiofor, R. A. (2013). An Appraisal of corporate governance issues in enhancing transparency and accountability in small and medium enterprises (SME). *International Journal of Academic Research in Business and Social Sciences*, *3*(8), 162.
11. Iryani, E., Ali, H., & Rosyadi, K. I. (2021). Berfikir Kesisteman Dalam Social Support: Ta'awun Upaya Peningkatan Mutu Pendidikan Agama Islam Di Mas Al-Ihsaniyah Sarang Burung Muaro Jambi. JurnalManajemen Pendidikan Dan IlmuSosial, 2(1), 413–425.
12. Jones, S., Badawoud, T., & Reza, M. (2012). Corporate social responsibility: Transparency, ethics and governance in emerging markets. *Maastricht School of Management Working Paper*, (2012/09).

13. Karsono, B. (2023). Good Corporate Governance: Transparency, accountability, responsibility, independency dan fairness (literature review). *Dinasti International Journal of Management Science*, *4*(5), 811-821.

14. Keay, A., & Loughrey, J. (2015). The framework for board accountability in corporate governance. *Legal studies*, *35*(2), 252-279.

15. Kharel, S., Magar, S., Chaurasiya, N., Maharjan, S., & Rijal, C. P. (2019). Transparency and accountability in the Nepalese corporate sector: A critical assessment. *Quest Journal of Management and Social Sciences*, *1*(1), 1-25.

16. López-Arceiz, F. J., Bellostas-Pérezgrueso, A. J., Moneva-Abadía, J. M., & Rivera-Torres, M. P. (2018). The role of corporate governance and transparency in the generation of financial performance in socially responsible companies. *Spanish Journal of Finance and Accounting/Revista Española de Financiación y Contabilidad*, *47*(1), 44-80.

17. Pandey, V. (2023). Corporate Governance (CG): An Issue of Transparency, Accountability and Ethics. *IJRAR23A2213*.

18. Pina, V., & Torres, L. (2019). Online transparency and corporate governance in Spanish governmental agencies. *Online Information Review*, *43*(4), 653-675.

19. Sharma, S., &Bhetwal, S. K. (2024). The Impact of Transparency, Accountability, Ethical Practices and Decision Making on Corporate Governance Perceptions in Laxmi Sunrise Bank. *Accountability, Ethical Practices and Decision Making on Corporate Governance Perceptions in Laxmi Sunrise Bank (September 26, 2024)*.

20. Solomon J. Corporate governance and accountability. John Wiley & Sons; 2020 Oct 19.

21. UMIRZAKOVICH, T. F. (2024). CORPORATE GOVERNANCE: A CRITICAL FRAMEWORK TO FOSTER TRUST, TRANSPARENCY, ACCOUNTABILITY, FAIRNESS, AND STAKEHOLDER PROTECTION. *GospodarkaiInnowacje.*, *46*, 171-180.

22. Verhezen, P., & Morse, P. V. (2010). Fear, regret and transparency: Corporate governance embracing disclosure and integrity. *Washington: World Bank-NACC Publication*.

23. Vickneswaran, A. (2025). Corporate Governance, Management-Shareholder, and Reporting Practices: Navigating Transparency, Accountability, and Sustainable Decision-Making. In *Governance Strategies for Effective Sustainable Development* (pp. 1-14). IGI Global.

24. Vickneswaran, A. (2025). Corporate Governance, Management-Shareholder, and Reporting Practices: Navigating Transparency, Accountability, and Sustainable Decision-Making. In *Governance Strategies for Effective Sustainable Development* (pp. 1-14). IGI Global.

25. Wanyama, S., Burton, B., & Helliar, C. (2013). Stakeholders, accountability, and the theory-practice gap in developing nations' corporate governance systems: Evidence from Uganda. *Corporate Governance (Bingley)*, *13*(1), 18–38. https://doi.org/10.1108/14720701311302396

26. Widayati, C. C., Widjaja, P. H., & D, L. (2019). The effect of job satisfaction and job environment on turnover intention of employees in engineering and services construction services. *Dinasti International Journal of Education Management And Social Science, 1*(1), 28–43. https://doi.org/10.31933/dijemss.v1i1.34

27. Yanti, W. I. P. (2019). Pengaruhinklusikeuangan dan literasikeuanganterhadapkinerja UMKM di Kecamatan Moyo Utara. *JurnalManajemen Dan Bisnis, 2*(1), 1–10. http://sahabatpegadaian.com/keuangan/inklusi-keuangan

28. Zahran, R., & Ali, H. (2020). Faktor-faktor yang mempengaruhisisteminformasi: Sumberdayamanusia, bisnis, teknologi dan metode (Literature review manajemenpemasaran). *Jurnal Akuntansi Universitas Mercubuana*, 1–21. https://www.academia.edu/download/65018601/Artikel_Literatur_Review_Faktor_Yang_Mempengaruhi_Sistem_Informasi_Ravena_Zahran_dikonversi.pdf

29. Zaman, R., Arslan, M., & Siddiqui, M. A. (2014). Corporate governance and firm performance: The role of transparency & disclosure in the banking sector of Pakistan.

International Letters of Social and Humanistic Sciences, *43*, 152–166. https://doi.org/10.18052/www.scipress.com/ilshs.43.152

30. Zhang, Y., Chong, G., & Jia, R. (2020). Fair value, corporate governance, social responsibility disclosure, and banks' performance. *Review of Accounting and Finance*, *19*(1), 30–47. https://doi.org/10.1108/RAF-01-2018-0016

Author's Declaration

I as an author of the above research paper/article, here by, declare that the content of this paper is prepared by me and if any person having copyright issue or patent or anything otherwise related to the content, I shall always be legally responsible for any issue. For the reason of invisibility of my research paper on the website /amendments /updates, I have resubmitted my paper for publication on the same date. If any data or information given by me is not correct,I shall always be legally responsible. With my whole responsibility legally and formally have intimated the publisher (Publisher) that my paper has been checked by my guide (if any) or expert to make it sure that paper is technically right and there is no unaccepted plagiarism and hentriacontane is genuinely mine. If any issue arises related to Plagiarism/ Guide Name/ Educational Qualification /Designation/Address of my university/college/institution/ StructureorFormatting/ Resubmission/Submission /Copyright /Patent /Submission for any higher degree or Job/Primary Data/Secondary Data Issues. I will be solely/entirely responsible for any legal issues. I have been informed that the most of the data from the website is invisible or shuffled or vanished from the database due to some technical fault or hacking and therefore the process of resubmission is there for the scholars/students who finds trouble in getting their paper on the website. At the time of resubmission of my paper I take all the legal and formal responsibilities, If I hide ordo not submit the copy of my original documents (Andhra/Driving License/Any Identity Proof and Photo) in spite of demand from the publisher then my paper maybe rejected or removed from the website anytime and may not be consider for verification. I acceptthe fact that as the content of this paper and the resubmission legal responsibilities and reasons are only mine then the Publisher (Airo International Journal/Airo National Research Journal) is never responsible. I also declare that if publisher finds Any complication or error or anything hidden or implemented otherwise, my paper may be removed from the website or the watermark of remark/actuality maybe mentioned on my paper. Even if anything is found illegal publisher may also take legal action against me.

Dr Genu Roney Varghese
Mrs Nirmala Roney Varghese
Ms. Vallerina Roney Varghese
Ms. Vinitaa Roney Varghese

*****