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Role of Corporate Governance in Brand Building - A case study of PNB MetLife

Rajesh K. Yadav[1,a], Richa Jain[2,b], Shriti Singh[3,c]

[1]Associate Professor & H.O.D. School of Banking & Commerce, Jagran Lakecity University, Bhopal (M.P.), India

[2]Research Scholar for Doctor of Philosophy, Barkatullah University, Bhopal (M.P.), India

[3]Assistant Professor, Maharana Pratap College of Management, Ratibad, Bhopal (M.P.), India

[a-c]E-mail address: drrajeshkyadav@yahoo.com , richa.jain2106@gmail.com , shritisingh880@gmail.com

ABSTRACT

Corporate Governance provides for the rules, procedures, systems and processes using which a company is controlled and directed. This study aims in finding out how significant corporate governance is in building a brand for a company with the overview of customers and employees of PNB MetLife. As last decade has seen a remarkable change and upgrade in the way companies look for its corporate governance processes and procedures as this involves balancing the interests of all the stakeholders- shareholders, management, customers, suppliers, financiers government and the community. This study also intends to seek and show how a company can build its brand of the products and services by having a good control over its internal and external processes and procedures for work. Interview of senior officials at PNB MetLife has been undertaken, and also the data of 80 employees were undertaken to complete this study. The findings of the study suggest that the company has prospered and has been able to deliver good performances with regards to its corporate governance. Customers and employees are being aware and are assertively looking forward to deal with companies that are following corporate governance religiously.

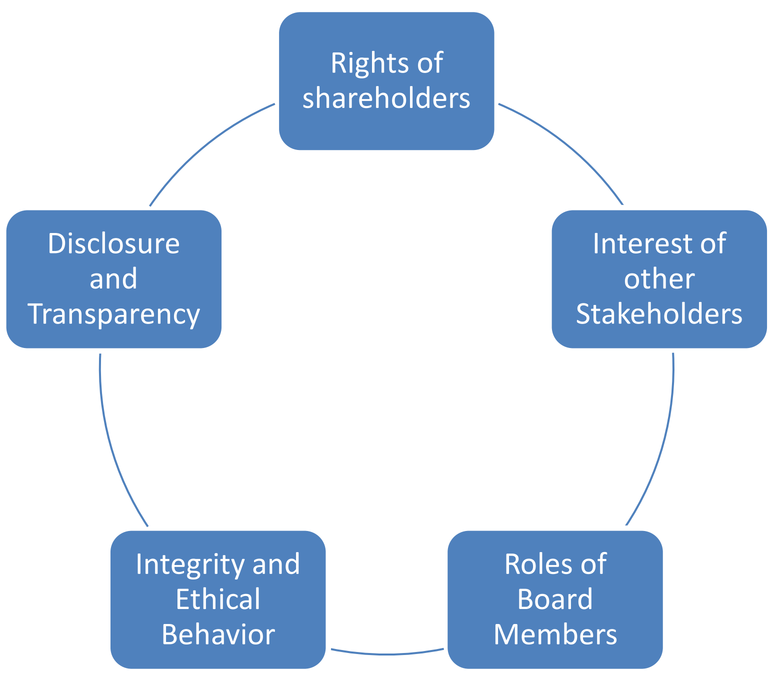
***Keywords*:** Corporate Governance, Brand Building, Interest of Stakeholders etc.

1. INTRODUCTION

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and include the rules and procedures for making decisions in corporate affairs. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders. Corporate governance practices are affected by attempts to align the interests of stakeholders. Interest in the corporate governance practices of modern corporations, particularly in relation to accountability, increased following the high-profile collapses of a number of large corporations during 2001–2002, most of which involved accounting fraud; and then again after the recent financial crisis in 2008.

1. 1. Principles of Corporate Governance

- ***The following are the general principles of corporate governance***



- ***Rights and equitable treatment of shareholders:***
  Organizations should respect the rights of shareholders and help shareholders to exercise those rights. They can help shareholders exercise their rights by openly and effectively communicating information and by encouraging shareholders to participate in general meetings.

- ***Interests of other stakeholders:***
  Organizations should recognize that they have legal, contractual, social, and market driven obligations to non-shareholder stakeholders, including employees, investors, creditors, suppliers, local communities, customers, and policy makers.

- ***Role and responsibilities of the board:***
  The board needs sufficient relevant skills and understanding to review and challenge management performance. It also needs adequate size and appropriate levels of independence and commitment.

- ***Integrity and ethical behavior:***

  Integrity should be a fundamental requirement in choosing corporate officers and board members. Organizations should develop a code of conduct for their directors and executives that promotes ethical and responsible decision making.

- ***Disclosure and transparency:***
  Organizations should clarify and make publicly known the roles and responsibilities of management to provide stakeholders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of the company's financial reporting. Disclosure of material matters concerning the organization should be timely and balanced to ensure that all investors have access to clear and factual information.

1. 2. Regulations on Corporate Governance

Corporations are created as legal persons by the laws and regulations of a particular jurisdiction. These may vary in many respects between countries, but a corporation's legal person status is fundamental to all jurisdictions and is conferred by statute. This allows the entity to hold property in its own right without reference to any particular real person. It also results in the perpetual existence that characterizes the modern corporation. The statutory granting of corporate existence may arise from general purpose legislation or from a statute to create a specific corporation, which was the only method prior to the 19th century.

In addition to the statutory laws of the relevant jurisdiction, corporations are subject to common law in some countries, and various laws and regulations affecting business practices. In most jurisdictions, corporations also have a constitution that provides individual rules that govern the corporation and authorize or constrain its decision-makers. This constitution is identified by a variety of terms; in English-speaking jurisdictions, it is usually known as the Corporate Charter or the [Memorandum] and Articles of Association. The capacity of shareholders to modify the constitution of their corporation can vary substantially.

1. 3. Codes and Guidelines of Corporate Governance:

Corporate governance principles and codes have been developed in different countries and issued from stock exchanges, corporations, institutional investors, or associations (institutes) of directors and managers with the support of governments and international organizations. As a rule, compliance with these governance recommendations is not mandated by law, although the codes linked to stock exchange listing requirements may have a coercive effect.

- ***Organisation for Economic Co-operation and Development principles:***
  One of the most influential guidelines on corporate governance are the G20/OECD Principles of Corporate Governance, first published as the OECD Principles in 1999, revised in 2004 and revised again and endorsed by the G20 in 2015. The Principles often referenced by countries developing local codes or guidelines. Building on the work of the OECD, other international organizations, private sector associations and more than 20 national corporate governance codes formed the United Nations Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) to produce their Guidance on Good Practices in Corporate Governance Disclosure. This internationally agreed benchmark consists of more than fifty distinct disclosure items across five broad categories.
  1. Auditing
  2. Board and management structure and process
  3. Corporate responsibility and compliance in organization
  4. Financial transparency and information disclosure
  5. Ownership structure and exercise of control rights

  The OECD Guidelines on Corporate Governance of State-Owned Enterprises are complementary to the G20/OECD Principles of Corporate Governance, providing guidance tailored to the corporate governance challenges unique to state-owned enterprises.

- ***Stock exchange listing standards***
  Companies listed on the New York Stock Exchange (NYSE) and other stock exchanges are required to meet certain governance standards. For example, the NYSE Listed Company Manual requires, among many other elements:
  1. Independent directors: "Listed companies must have a majority of independent directors...Effective boards of directors exercise independent judgment in carrying out their responsibilities. Requiring a majority of independent directors will increase the quality of board oversight and lessen the possibility of damaging conflicts of interest." An independent director is not part of management and has no "material financial relationship" with the company.
  2. Board meetings that exclude management: "To empower non-management directors to serve as a more effective check on management, the non-management directors of each listed company must meet at regularly scheduled executive sessions without management."
  3. Boards organize their members into committees with specific responsibilities per defined charters. "Listed companies must have a nominating/corporate governance committee composed entirely of independent directors." This committee is responsible for nominating new members for the board of directors. Compensation and Audit Committees are also specified, with the latter subject to a variety of listing standards as well as outside regulations.

- ***Other guidelines***
  The investor-led organisation International Corporate Governance Network (ICGN) was set up by individuals centered on the ten largest pension funds in the world 1995. The aim is to promote global corporate governance standards. The network is led by investors that manage 18 trillion dollars and members are located in fifty different

countries. ICGN has developed a suite of global guidelines ranging from shareholder rights to business ethics.

The World Business Council for Sustainable Development (WBCSD) has done work on corporate governance, particularly on Accounting and Reporting, and in 2004 released Issue Management Tool: Strategic challenges for business in the use of corporate responsibility codes, standards, and frameworks. This document offers general information and a perspective from a business association/think-tank on a few key codes, standards and frameworks relevant to the sustainability agenda.

In 2009, the International Finance Corporation and the UN Global Compact released a report, Corporate Governance - the Foundation for Corporate Citizenship and Sustainable Business, linking the environmental, social and governance responsibilities of a company to its financial performance and long-term sustainability.

Most codes are largely voluntary. An issue raised in the U.S. since the 2005 Disney decision is the degree to which companies manage their governance responsibilities; in other words, do they merely try to supersede the legal threshold, or should they create governance guidelines that ascend to the level of best practice. For example, the guidelines issued by associations of directors, corporate managers and individual companies tend to be wholly voluntary but such documents may have a wider effect by prompting other companies to adopt similar practices.

1. 4. Stakeholder's Interest

In contemporary business corporations, the main external stakeholder groups are shareholders, debt holders, trade creditors and suppliers, customers, and communities affected by the corporation's activities. Internal stakeholders are the board of directors, executives, and other employees.

Much of the contemporary interest in corporate governance is concerned with mitigation of the conflicts of interests between stakeholders. In large firms where there is a separation of ownership and management and no controlling shareholder, the principal–agent issue arises between upper-management (the "agent") which may have very different interests, and by definition considerably more information, than shareholders (the "principals"). The danger arises that, rather than overseeing management on behalf of shareholders, the board of directors may become insulated from shareholders and beholden to management. This aspect is particularly present in contemporary public debates and developments in regulatory policy.

Ways of mitigating or preventing these conflicts of interests include the processes, customs, policies, laws, and institutions which affect the way a company is controlled. An important theme of governance is the nature and extent of corporate accountability. A related discussion at the macro level focuses on the effect of a corporate governance system on economic efficiency, with a strong emphasis on shareholders' welfare.

1. 5. Corporate Governance and Brand Building

The essence of good corporate governance is ensuring trustworthy relations between the corporation and its stakeholders. Therefore, good governance involves a lot more than compliance. Good corporate governance is a culture and a climate of Consistency, Responsibility, Accountability, Fairness, Transparency, and Effectiveness that is deployed throughout the organisation.

Boards have the basic responsibility to ensure sustainable improvements in corporate valuations by providing strategic guidance and oversight regarding management decisions, as well as selecting and changing the management whenever necessary. Success can only be achieved on a sustainable basis, if boards behave as a role model for implementing the principles of governance in their own operations and ensure that the corporation follows these principles in making key decisions.

The board of directors is the most important element in corporate structures. The tone at the top determines the tune in the middle. In particular, clear separation of management rights (taking initiative and implementation) and governance rights (guidance, approval, and oversight), is critical in minimizing potential 'agency' risks of the management such as:

- Fraud
- Cronyism, building a personal fiefdom with company resources
- Lethargy, focusing on excuses as opposed to results
- Being too risk averse that may lead to overinvestment
- Being too risk prone

Issues such as the composition of boards, their agenda and processes for decision-making, and how they learn to continuously improve the governance of the corporation, critically influence the both the quality of decisions and of management. The main responsibilities of the board are to provide effective oversight and strategic guidance for the management. The quality of their decisions is critically dependent on the quality of the Information they have. Establishing a Culture that sets the right tone at the top is critical for establishing the 'trust' for the corporation with all its stakeholders

The success of the board depends on making sound judgments in numerous situations that involve balancing different interests:

- Risk versus reward;
- Short term versus long term;
- Effective oversight versus motivating management;
- Ethical considerations versus market practices; and
- Competing interests of different stakeholders.

In short, good corporate governance is very important for sustainable development, not only for the individual company, but also for the economy as a whole. Therefore, the quality of governance should be continuously improved and good governance should be promoted. However, what is not measured and cannot be improved.

Most attempts to measure the quality of corporate governance focus on compliance-related issues. Numerous rating models also seem to focus on the inputs of governance, such as the composition of boards and the separation of the CEO and chairman roles. However, they do not pay sufficient attention to the quality of information, decision-making processes, nor link the effectiveness of governance to output measures such as the brand image, employee and customer satisfaction indices, or profitability and value creation. Also, most measures fail to deal with learning and development in governance.

First, what is more important than which demographic characteristics a board member possesses, is what kind of experience he/she has and what types of behavior he/she portrays. Therefore, gender, nationality and age diversity are not sufficient to evaluate the effectiveness of a board. One should also evaluate the relevance of the experience of board members to address the main challenges the company is likely to face.

Another important issue is that the quality of the information that the board gets is a key determinant of its effectiveness. Whether relevant and timely information, presented in a context, with the benchmarks and alternatives identified, assumptions understood and stress-tested, or whether the potential effects of various alternatives on different stakeholders have been taken into account, would have a significant impact on the quality of the board's decision.

Third, the impact of a board's decisions on output measures should be evaluated, not just not inputs such as information quality. Governance is important for the sustainability of value creation. If the model that aims to measure effectiveness of governance does not evaluate the linkages to output measures - not only financial performance, but also lead indicators such as customer, employee, or other stakeholder satisfaction - it would be missing an important dimension.

2. ORGANIZATIONAL PROFILE

PNB MetLife India Insurance Company Limited (PNB MetLife) is a joint venture between MetLife International Holdings Inc. (MIHI), Punjab National Bank Limited (PNB), Jammu & Kashmir Bank Limited (JKB), M. Pallonji and Company Private Limited and other private investors, with MIHI and PNB being the majority shareholders. PNB MetLife was previously known as MetLife India Insurance Company Limited (MetLife India) and has been present in India since 2001.

PNB MetLife brings together the financial strength of a leading global life insurance provider, MetLife, Inc., and the credibility and reliability of PNB, one of India's oldest and leading nationalized banks. The vast distribution reach of PNB together with the global insurance expertise and product range of MetLife makes PNB MetLife a strong and trusted insurance provider. PNB MetLife is present in over 150 locations across the country and serves customers in more than 8,000 locations through its bank partnerships with PNB, JKB and Karnataka Bank Limited.

PNB MetLife provides a wide range of protection and retirement products through its Agency sales of over 10,000 financial advisors and multiple bank partners, and provides access to Employee Benefit plans for over 800 corporate clients in India. With its headquarters in Bangalore and Corporate Office in Gurgaon, PNB MetLife is one of the fastest growing life insurance companies in the country. The company continues to be consistently profitable and has declared profits for last four Financial Years.

3. REVIEW OF LITERATURE

The number researchers and scholars have given a lot of input towards the topic of this study which have been very well incorporated in this study. Much has been done in recent years to make Indian Companies and entrepreneurs aware of corporate governance being the base pillar of their business activity. Corporates are in line with their attitudes towards mainstream business companies setting clear objectives, undertaking potential investments, measuring and reporting performance publicly.

The latest norms and policies introduced by government and industries have been assessed as a faction by several researchers on this subject which is also a part of this study. The present research study would be in continuation of the research studies undertaken so far. There have been certain noted contributions in the field of corporate governance and brand building so far. Most of them have been done as a part of scholastic research work in universities India and abroad. Some of the noted contributions to the corporate governance and brand building fields are given below.

1. Debabrata Chatterjee (2010), the author speaks about analyzing the corporate governance (CG) practices of three prominent Indian firms, based on four parameters namely, 'Approach to Corporate Governance', 'Governance Structure and Practices', Board Committees' and corporate social Responsibility Activities. The methodology used in the study is based on three companies, namely ITC Ltd., Reliance Industries ltd, and Infosys Technologies ltd., were chosen, as they represent different ownership and control patterns among the private sector companies. The findings and results of this study are though the CG practices are exemplary, there exist differences in the way the companies adopt the CG practices.

2. Renu Arora, Richa Garg (2013), the authors states that corporate governance is the need of the business performances. The purpose of this study is to find out the issues and challenges of corporate governance in India. Different news articles, Books and Web were used which were enumerated and recorded. It is found that a lack of understanding, inadequately trained personnel, coverage, policy etc. further adds to the lack of awareness about corporate governance. Available secondary data was extensively used for the study. The study shows that Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time.

3. Padmini Srinivasan (2011), the author opines that the status of corporate governance research in the Indian and International journals between the period 2000-2010. The purpose of this paper is to understand the nature of global research on corporate governance in top tiered international journals that reflects the growing interest in India. This study paper shows that there has been a steady and growing interest in the field of corporate governance in India. The convergence of the importance of certain topics like performance and regulatory mechanisms between international and Indian journals can be seen as indicative of the presence of the common body of knowledge in the field of corporate governance research. There is however, a need for more empirical research in the Indian context and also the development of theories that are embedded in local realities.

4. Priyanka Aggarwal (2103), the author states that in today's era of globalization, the corporate world requires a world-class governance system. Corporate governance is about promoting corporate ethics, fairness, transparency and accountability. In recent years, the area of corporate governance has been in limelight and has attracted

increased attention of academicians and researchers worldwide due to high-profile scandals and corporate collapses like Enron, WorldCom and Satyam. Despite the intuition that 'Good Governance' would lead to 'Good Performance' by firm, conclusive evidence on this relationship has been lacking. A large number of researches have been done in different parts of the world to study this relationship but the results have been mixed and inconclusive. The purpose of this study is to find answer to the research question – "Are Corporate Governance and Corporate Profitability Related?" in short term, particularly in an Indian context. It also endeavors to determine the direction of causality between them. Initial sample of 50 Indian companies listed on S&P CNX Nifty 50 Index. The findings of this paper are that governance rating has a positive but insignificant impact on corporate profitability of firm. Corporate profitability also has an insignificant positive impact on governance rating of firm. But the given study suffers from some limitations and the results must be interpreted and used in light of these limitations.

5. Palanisamy Saravanan (2012), the author states that the impact of corporate governance in the determination of firm value in the manufacturing firms in India has been surprising. The purpose of this study is to understand the effects of corporate governance over business performances. The purposing sampling method was adopted while choosing the sample firms that are listed in Bombay Stock Exchange (BSE). Out of 6000 firms listed in BSE, banking, insurance, financial firms were excluded as they are governed different bodes and their accounts and differently structured. Foreign firms, companies acquired during the period of investigation were also excluded, so the researchers choose a sample of 1732 firms and the relevant data were collected during the period 2001 to 2010. The data were analyzed using a multiple regression analysis to identify the factors that affect firm value. This study revealed that the firm value is significantly affected by the corporate governance variables for manufacturing firms.

4. RESEARCH METHODOLOGY

4. 1. Objectives of the Study

- To study the systems, policies, rules and working procedures at PNB MetLife.
- To analyze how corporate governance has created a brand for PNB MetLife.
- To study the effectiveness of the corporate governance and the application of it on the management and control aspects of PNB MetLife.
- To analyze the overall benefits that PNB MetLife has achieved by working as per the company's corporate governance policies.

4. 2. Hypothesis of the Study

In this study, the following hypotheses are to be thoroughly tested.

- PNB MetLife has established corporate governance in its working and it is also included in the company's mission, vision and goals.
- Working as per the corporate governance has created a brand name for the company.

- The effectiveness of the business performance at PNB MetLife has increased manifold after its application of corporate governance in day to day activities.
- The overall business performance and benefits at PNB MetLife has increased and developed with the application of corporate governance.

4. 3. Sampling Plan

- Target Group (Employees of PNB MetLife Bhopal Region)
- Sample Size: 80 employees of PNB MetLife.
- Research Approach: Survey (Primary data is collected through self-structured questionnaire)

5. QUESTIONNAIRE FOR EMPLOYEES

1. Are you aware of the term "Corporate Governance"?

Sr. No.	Opinion	Respondents	%
1	Strongly agree	51	64
2	Agree	19	24
3	Not sure	4	5
4	Disagree	4	5
5	Strongly disagree	2	2
Total		80	100

χ 2 = 107.37 **df = 4** **χ 2 (.01) = 7.78**

<u>Interpretation:</u>

In reply to a question regarding the awareness about the term corporate governance in employees, they have come up with different viewpoints. Around 88 % of the employees are aware of the term, out of which 24% of employees were agree but not strongly agree as other 64% of employees responded to the question. Around 07 % of the employees answer in against of the statement. Only 05% of the employees are not sure whether they are aware of the term corporate governance or not. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 107.37)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

2. Working as per the standards of corporate governance is a part of company's mission, vision and goals?

Sr. No.	Opinion	Respondents	%
1	Strongly agree	21	26
2	Agree	32	40
3	Not sure	18	22

4	Disagree	7	9
5	Strongly disagree	2	3
Total		80	100

χ 2 = 35.12 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the working procedures as per the corporate governance standards; the employees have come up with different viewpoints. Around 66 % of the employees opines that the company works as per corporate governance, out of which 40% of employees were agree but not strongly agree as other 26% of employees responded to the question. Around 12 % of the employees answer in against of the statement. And 22% of the employees are not sure whether the company works as per the corporate governance standards or not. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 35.12)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

3. Compulsion to work as per the standards of corporate governance is appropriate.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	51	64
2	Agree	19	24
3	Not sure	4	5
4	Disagree	4	5
5	Strongly disagree	2	2
Total		80	100

χ 2 = 107.37 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the compulsion of working as per corporate governance standards is appropriate or not, they have come up with different viewpoints. Around 88 % of the employees are aware of the term CSR, out of which 24% of employees were agree but not strongly agree as other 64% of employees responded to the question. Around 07 % of the employees answer in against of the statement. Only 05% of the employees are not sure whether the compulsion is appropriate or not. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 107.37)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

4. Company is really serious about the application of corporate governance standards.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	21	26
2	Agree	32	40

3	Not sure	18	22
4	Disagree	7	9
5	Strongly disagree	2	3
Total		80	100

χ 2 = 35.12 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the company's seriousness about the application of corporate governance; the employees have come up with different viewpoints. Around 66 % of the employees opine that the company is serious, out of which 40% of employees were agree but not strongly agree as other 26% of employees responded to the question. Around 12 % of the employees answer in against of the statement. And 22% of the employees are not sure whether the company is really serious or not. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 35.12)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

6. Application of corporate governance standards is undertaken religiously.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	27	34
2	Agree	31	39
3	Not sure	14	17
4	Disagree	4	5
5	Strongly disagree	4	5
Total		80	100

χ 2 = 39.87 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the application of corporate governance religiously; employees have come up with different viewpoints. Around 73% employees opines that company applies corporate governance religiously, out of which 39% of employees agree but not strongly agree as other 34% of employees responded to the question. Around 10 % of the employees answer in against of the statement. And 17% of the employees are not sure whether company religiously follows corporate governance or not. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 39.87)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

6. Company takes initiatives and focuses in working as per the standards of corporate governance.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	35	44
2	Agree	14	17
3	Not sure	12	15
4	Disagree	12	15
5	Strongly disagree	7	9
Total		80	100

χ 2 = 29.87 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the insurance company is taking initiatives in following corporate governance; the employees have come up with different viewpoints. Around 61 % of the employees opine that their insurance company is active in following corporate governance, out of which 17% of employees were agree but not strongly agree as other 44% of employees responded to the question. Around 24 % of the employees answer in against of the statement. And 15% of the employees are not sure whether the company takes initiatives on corporate governance or not. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 29.87)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

7. Are you aware of the term “Brand Building”?

Sr. No.	Opinion	Respondents	%
1	Strongly agree	51	64
2	Agree	19	24
3	Not sure	4	5
4	Disagree	4	5
5	Strongly disagree	2	2
Total		80	100

χ 2 = 107.37 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the awareness about the term brand building in employees, they have come up with different viewpoints. Around 88 % of the employees are aware of the term, out of which 24% of employees were agree but not strongly agree as other 64% of employees responded to the question. Around 07 % of the employees answer in against of the statement. Only 05% of the employees are not sure whether they are aware of the term brand building or not. **Qui square test** is applied to check the reliability of data at df

= 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 107.37)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

8. There is a linkage between Corporate Governance and Brand Building of the company.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	21	26
2	Agree	32	40
3	Not sure	18	22
4	Disagree	7	9
5	Strongly disagree	2	3
Total		80	100

χ 2 = 35.12 **df = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the linkage between corporate governance and Brand Building; the employees have come up with different viewpoints. Around 66 % of the employees opines that there is a linkage between corporate governance and brand building, out of which 40% of employees were agree but not strongly agree as other 26% of employees responded to the question. Around 12 % of the employees answer in against of the statement. And 22% of the employees are not sure whether there is a linkage between the both. **Qui square test** is applied to check the reliability of data at df=4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 35.12)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

9. Corporate Governance helps to create brand image of a company.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	33	41
2	Agree	27	34
3	Not sure	5	6
4	Disagree	3	4
5	Strongly disagree	12	15
Total		80	100

χ 2 = 44.75 **df = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the creation of the brand image through corporate governance; the employees have come up with different viewpoints. Around 75 % of the employees opine that it is a good source to build a brand, out of which 34% of employees agree but not strongly agree as other 41% of employees responded to the question. Around 19

% of the employees answer in against of the statement. And 06% of the employees are not sure. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 44.75)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

10. Corporate governance and its application affect the popularity level of the company.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	27	34
2	Agree	31	39
3	Not sure	14	17
4	Disagree	4	5
5	Strongly disagree	4	5
Total		80	100

χ 2 = 39.87 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the popularity of the company by the application of corporate governance; employees have come up with different viewpoints. Around 73% employees opines that corporate governance increases popularity, out of which 39% of employees agree but not strongly agree as other 34% of employees responded to the question. Around 10 % of the employees answer in against of the statement. And 17% of the employees are not sure. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 39.87)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

11. The overall business performance of the company has taken a new outlook after working as per the standards of corporate governance.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	26	32
2	Agree	17	21
3	Not sure	14	17
4	Disagree	13	17
5	Strongly disagree	10	13
Total		80	100

χ 2 = 9.37 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the new outlook of the business performance after applying corporate governance; they have come up with different viewpoints. Around 53%

employees opines that there has been new outlook resulted through corporate governance, out of which 21% of employees agree but not strongly agree as other 32% of employees responded to the question. Around 30 % of the employees answer in against of the statement. And 17% of the customers are not sure. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 9.37)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

12. A company can take an edge to boost their business by adopting corporate governance.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	18	22
2	Agree	24	30
3	Not sure	15	19
4	Disagree	13	17
5	Strongly disagree	10	12
Total		80	100

χ 2 = 7.12 **_df_ = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the company's taking edge boosting towards its success with the application of corporate governance; employees have come up with different viewpoints. Around 52% employees opines that there is a boost in the business performance, out of which 30% of employees agree but not strongly agree as other 22% of employees responded to the question. Around 29 % of the employees answer in against of the statement. And 19% of the employees are not sure whether there has been a boost or not. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is more than the calculated value **(χ 2 = 7.12)** so it is significantly similar from the responses given by the employees, hence the hypothesis taken for this question is accepted.

13. There is scope for improvement in the corporate governance undertaken by the company.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	24	30
2	Agree	15	19
3	Not sure	16	20
4	Disagree	17	21
5	Strongly disagree	8	10
Total		80	100

χ 2 = 8.12 **_df_ =4** **χ 2 (.01) =7.78**

Interpretation:

In reply to a question regarding the scope of improvement in the corporate governance application; employees have come up with different viewpoints. Around 49% employees opines that there is a scope for improvement, out of which 19% of employees agree but not strongly agree as other 30% of employees responded to the question. Around 31 % of the employees answer in against of the statement. And 20% of the employees are not sure about this. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 8.12)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

14. Corporate governance has a positive impact on overall business performance of your company.

Sr. No.	Opinion	Respondents	%
1	Strongly agree	28	34
2	Agree	23	29
3	Not sure	13	17
4	Disagree	8	10
5	Strongly disagree	8	10
Total		80	100

χ 2 = 20.62 ***df* = 4** **χ 2 (.01) = 7.78**

Interpretation:

In reply to a question regarding the scope of generating positive impact on overall business performance after the application of corporate governance, employees have come up with different viewpoints. Around 63% employees opines that there is a scope of generating positive impact on the business performance, out of which 29% of employees agree but not strongly agree as other 34% of employees responded to the question. Around 20 % of the employees answer in against of the statement. And 17% of the employees are not sure whether there is scope for improvement or not. **Qui square test** is applied to check the reliability of data at df = 4, the table value **(χ 2 (.01) = 7.78)** is less than the calculated value **(χ 2 = 20.62)** so it is significantly different from the responses given by the employees, hence the hypothesis taken for this question is rejected.

6. FINDINGS

- Corporate governance is the term that the employees are really aware of and they look forward towards the application of it in their roles and responsibilities.
- As per the opinion of the employees, their company should get indulged in the application of corporate governance systems, procedures, rules and regulations..
- Employees carry a very positive attitude towards their company when it works as per the corporate governance rules and standards.

- It is deeply opined by most of the employees that corporate governance and brand building are interconnected.
- Brand image of the company is very much affected by the application of corporate governance in its daily operations.
- Also a large number of employees reacts positively when their company religiously follows standards of corporate governance.

7. CONCLUSIONS

This research study aims to find out about the application of corporate governance (CG) by one of the leading insurance providers ONB MetLife limited to Bhopal region which has build its brand and increased its positive image. The data that has been collected through primary and secondary sources revealed the following conclusions.

Employees of PNB MetLife are really aware of the term Corporate Governance (CG). This term is not new and its awareness is up to date in the minds of the customers. From the number of samples taken for the study purpose, nearly half of them opine that compulsion to conduct business as per the standards of Corporate Governance is appropriate and there should be a binding for companies to perform their business functions as per rules and codes of corporate governance.

Employees of PNB MetLife reveal that their company is really serious about corporate governance and applies it in the business operations. Nearly half of the employees agree that there is a linkage between corporate governance and brand building of the insurance company.

Employees were positive when they were asked about application of corporate governance which helps to create a brand image of the company. A good amount of brand building can be created with the application of corporate governance standards and principles.
Employees have come up with a viewpoint that conduction of business as per the bases of corporate governance can create a good brand image of the company and thus can be a contributing factor towards the success factor of the company.
Thus the employees have opined that there is a scope of improvement in the way company applies corporate governance principles and positive outcome is expected.

8. SUGGESTIONS

- Insurance companies like PNB MetLife should conduct its business as per the rules and principles of corporate governance.
- Brand image of the company PNB MetLife can get an added advantage if it makes its employees aware about the various ways they can work as per the standards of corporate governance.
- A good image and brand name can be built, if PNB MetLife conducts its business as per the corporate governance and thus directs for the welfare and development of the society and nation as a whole.

- Popularity and attraction of new business prospects is possible if PNB MetLife genuinely and religiously adopts the standards of corporate governance while performing its business functions.
- Employees react very positively when the insurance company follows corporate governance, thus PNB MetLife should continue its relationship with corporate governance and ensure the growth of the company.
- Research study has found that there is a scope for improvement in the conduction of corporate governance standards in PNB MetLife. Thus the company should adopt more effective ways of business performances that matches with corporate governance.

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