DQ 4: Emerging 21st century trends in business practice have brought to the fore new business governance challenges. Explore these challenges, discussing how they can be handled for organizational good.

Corporate governance is deeply concerned with issues such as what business is for—and who and how businesses should be managed in what interests (Elkington, 2006).

Broader topics such as business ethics across whole supply chains, human rights, bribery and corruption, and climate change are among the great issues of our time that are constantly cutting across the exclusive worlds of corporate boardrooms (Elkington, 2006). To break it down, there are governance challenges in an ever changing world. The need for management and governance is high.

For the developing countries, the biggest challenge to governance is the institutionalized corruption for the halls of government down to the business world. For most of these countries, there is a general lack of knowledge and research into the role of corporate governance as most just copied the practice from their colonial masters (Adekoya, 2014). The lack of this knowledge and how it applies to the developing world was grossly ignored and hence received very little attention. The way forward would be to study what systems best govern the developing world and how can they be fortified. In so doing, it would be a solution tailored for the problem and culture of the prevailing society at the time.

According to Howell and Sorour (2016), Nigeria has a high level of institutionalized corruption, and a culture such that business and political leaders are closely linked and mutually depend on each other to maintain status quo. This poses a big challenge to corporate governance in that regulatory authorities fail to perform their duties in monitoring business enterprises. A possible solution to this is in making a clear distinction between political elites and business owners. This can be achieved through enforcing laws that prohibit politicians and public officers from sitting on the boards of business enterprises and thus having influence in both arenas (Adekoya, 2014).

The other challenge is in the financial sector where there is rampant growing debt. This is due in part to the unique economic and political structures found in developing countries. According to Mensah (2002 as cited in Mulili & Wong, 2011), developing countries are ill-equipped to implement the type of corporate governance seen in developed market economies because developing countries are characterized by state ownership of firms, interlocking relationships between governments and financial sectors, weak legal and judiciary systems, and limited human resources (Mulili & Wong, 2011). Notable recommendations to alleviate this include using equity rather than debt for growth, growing overall investor trust through improved transparency, improving capital market frameworks, and promoting the use of competition to boost domestic firm performance (Malhaupt & Pargendler, 2017).

In general, the governance challenges will keep growing, however, in my opinion, African countries need to delve more into solutions that work for them in their context rather than simply following what the developed world does.

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