Ethics & Morality · GS - IV

What do you understand by ‘moral integrity’ and ‘professional efficiency’ in the context of corporate governance in India? Illustrate with suitable examples.

EXAM YEAR	PAPER	SUBJECT
2023	GS - IV	Ethics & Morality

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Moral integrity refers to honesty, transparency, consistency between values and conduct, and commitment to ethical principles, while professional efficiency refers to competence, diligence, accountability and effective performance. Good corporate governance requires their combination so that companies remain both ethically trustworthy and professionally effective.

Model Answer

Introduction:

Corporate governance is not merely about compliance with laws but about ensuring that corporate power is exercised responsibly. In this context, moral integrity provides the ethical foundation, while professional efficiency ensures competent execution.

Moral Integrity:

Moral integrity means adherence to ethical principles even when unethical conduct may offer personal or corporate gains. It includes honesty, transparency, fairness and avoidance of conflicts of interest. For example, a company director refusing to manipulate financial statements despite pressure from promoters demonstrates moral integrity.

Professional Efficiency:

Professional efficiency refers to the ability to perform assigned responsibilities competently, objectively and diligently. It involves sound decision-making, expertise, timely action and accountability. For instance, an

independent director who carefully scrutinises a major related-party transaction demonstrates professional efficiency.

Importance in Corporate Governance:

Their combination prevents fraud, protects shareholders, builds investor confidence and promotes long-term sustainability. The failure of integrity can lead to scandals, while lack of efficiency can produce poor governance despite good intentions.

Conclusion:

Thus, moral integrity answers the question **“what ought to be done?”**, while professional efficiency determines **“how effectively it should be done.”** Ethical corporate governance requires both.

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