

## ABSTRACT

The governance, recently, has been becoming one of the most discussing concept in the management of the public and firm. Especially, Asian crisis and fraudulent corruption occurring in USA made it more critic issue ever. The concept was used firstly by World Bank in 1989. In this period dynamics of the liberal market economy have become discussing issue and the public authority has not been thought as an obstruct factor on running market. Instead, the thought that the government should give hand to regulate devices for market has become widespread. Along with this viewpoint, the emphasis made on that the public authority politics and result of these should be shared with public opinion. This approach required becoming transparent, accountable and fair to all the sides. Participation rule is the other important issue. The governance is not management approach based on only one part participation. It is required, for governance, to link good relationship with the people ruled. With this aspect, governance made new definition of the interactions relationship between the government and public

The need of governance has been increasing in business management, as well as public management. Especially public traded company has fairly complex and versatile relationship. For this reason, accountability, fairness, justifiable, transparency, responsibility etc. rules are the stone of the building company governance.

There are two main systems which are available to apply regarding to corporate governance in the world. The first one is Anglo-Sakson Model whose priority is on the shareholders. Its main objective is to protect shareholders' rights. The other model which is called continental European Model emphasizes stakeholders who are affected by the actions of the organization as well as shareholders. This concept has adopted in principles for social responsibilities to stakeholders who can affect to the business or are affected by a business. With these aspects, this model as a stakeholder approach build firm management model.

Stakeholder approach redefine internal and external frame of the organizations to adopt to changing environment conditions. To survive and make the profit it would be better off to include firm shareholders in the managing process for the firms. With this perspective, stakeholder approach has not unilateral aspect of the corporate governance. Instead, it is the multidirectional and multidimensional management style. The main objective of this approach to provide participation of suppliers, customers, creditors, media, unions, community, general public and the other politics in management process. Managers no matter which positions they hold should have some responsibilities in this matter.

Participation of stakeholders in making decision process is important for groups which are related to the company. Companies in need of the stakeholders' confidence must hold good corporate governance to avoid the risk of the survive. This risk, especially, become more critical issue for publicly held companies which are trading in ISE. The purpose of the study is to reveal degree of corporate governance of these firms. Hence in this study it is worked on to expose difference, if any, among different sector's company. Also, it is analyzed that whether there is a significant relationship between corporate governance performance and market capitalization, man power, operation field, operation time, trading time in ISE, rate of public offering.