ABSTRACT

Since the 1990s, corporate governance has been one of the most debated issues about the firm management. This concept, as a form of management that is based on principles and rules, is far from arbitrariness. It provides those, whose interests might be effected by the decisions the managers make, with the opportunity to channel the managers always to make the right decisions by means of inspecting them. Briefly, corporate governance comprises a series of relations between a company's board of directors, shareholders and other interest holders.

The recent scandals and bankruptcies occuring in most of the developed markets, especially in the USA, have brought to light the need for the revision of the application strategies of corporate governance in the capital markets. A managerial approach shaped by certain principles has been regarded as the way to overcome the trust issues concerning the capital markets. As a result of the global competition, the principles and the care taken in the process of protecting the rights of the investors, have become the most significant indicatives of prestige; hence counrties and companies have begun to seek the most appropriate form of corporate governance for themselves. The main internationally acclaimed regulations are: The Cadbury Comitee Report in England, The OECD Principles of Corporate Governance, The Sarbanes Oxley Act in the United States, and The Australian Corporate Governance Principles. The cultural diversity of each counrty has incresed the variety of the regulations concerning the issue. The overall condition of the country, the level of development, and the regulations formed according to the practices of the management have proven that corporate governance is not restricted to a single model. On the other hand, transparency, accountability, responsibility, and fair management are deemed indispensable in corporate governance regulations.

All over the world, the concept of corporate governance is percieved within the frame of two basic models. The first is “The Anglo-Saxon Model”, also referred to as the shareholder approach, which is applied mainly in the USA and England; the other is “The Continental European Model” (stakeholder approach) that is generally practiced in Japan and Europe, particularly by Germany and France. According to the Anglo-Saxon System adopting a shareholder-oriented viewpoint and claiming that the management should serve the interests and ends of shareholders, the fundamental goal of the management is to increase the profit per share; since profitability is considered the most prominent expectation of the shareholder. The Continental European System, on the other hand, is stakeholder-centered. Unlike the opportunist company practices that aim at a short-term satisfaction of the shareholder, this system requires that the contribution of all the other stakeholders, who, in the long run, would create value for the company, be taken into account.

Today, extensive and integrated practises are carried out in the field of corporate governance. The World Bank, OECD, and the Global Corporate Governance Forum (established by the World Bank and the OECD, together with the representatives from the private sector) are considered pioneering organizations in this field. Also, in Turkey, a study is undertaken by TÜSİAD, moreover, “The Principles of Corporate Governance” is published by SPK.

In this study, the sufficiency of the current judicial regulations in Turkey is analyzed in relation to the principles of corporate governance, and to what extent the companies whose shares are processed in İMKB apprehend and practice corporate governance is discussed. In this context, the corporate governance questionaire of SPK and the joint studies of The Boston Consulting Group and TKYD are evaluated.