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Advanced technology underpins the corporate governance: A study

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Abstract
Technological advancements have helped businesses and organizations save time and cost of production, which has been an advantage to all business, they manage these advancements to gain competitive advantage. This paper discusses the importance and need of technology and innovation strategy into business strategy to achieve overall competitive advantage for the company. The use of technology in value creation system is highlighted in a way that it plays a pivotal role in productivity, economic growth, increasing wealth in socioeconomic environment, and evolution of entire industries. In the globalised business, companies require technology and only by evolving new advanced technology they can become technically competitive. Further we need to formulate the strategy and execute it in the context of technology is discussed that technology strategy should be aligned to corporate strategy competitiveness for the company. Moreover, what benefits companies can get from these are highlighted and discussed in relation to corporate management. So that the MNCs becoming a market leader using technology strategy has also been discussed in this paper.

Keywords: Technology, strategy, competitive advantage, corporate governance and business strategy

Introduction

A revolutionary paradigm shift is well under way on how we think about business structures and governance as a consequence of disruptive technology and innovations (DTI). Technological advances such as artificial intelligence (AI), the Internet of Things (IoT), and distributed ledger systems such as blockchains, have led to unprecedented changes, often disrupting the way goods and services have traditionally been produced and consumed (Arnold, 2018; Christensen, Raynor, and McDonald, 2015) [19, 6]. Technology plays a pivotal role in managing environment for better productivity, innovation and business model development. Companies do struggle in adapting to new technological trends, and investments optimization process to cater for new opportunities in the market place. Technology offers corporations a new dimension of tools that enhance their ability to conduct business efficiently. Good governance is in a state of vast transformation. Technology has played a major role in the evolution of what constitutes good governance. Therefore, fundamental need for companies is to be capable of creating and executing business and technology level strategies side by side to achieve sustained completeness and value creation. In order to achieve high return on investments and better performance as a whole, enterprises need to have strategic management capabilities. The term 'strategic' in relation to technology management emphasizes the linkage of strategic management with technology management. Furthermore, strategic refers to strategic technology management as being separate own disciple itself apart from other managements like innovation management and R&D management which surrounds technology management activities. Thus, strategic technology management is placed or considered apart from other types of management in practice.

Corporate governance

The amorphous nature of corporate governance is what makes it simultaneously defies definition, but many commentators have attempted to definitively account for corporate governance. In 1992, the now world-famous Cadbury Report took a simple approach, proposing that corporate governance is 'the system by which companies are directed and controlled'. In Australia, the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations,* third edition adopted the following definition, 'The phrase "corporate governance" describes "the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations. It encompasses the mechanisms by which companies, and those in control, are held to account." Good corporate governance promotes investor confidence, which is crucial to the ability of entities listed on the ASX to compete for capital.' The fourth edition is currently under consultation and flagged to publish in 2019.

Our preferred academic definition is found in Cochran and Wartick's 1988 publication *Corporate Governance:* A Review of the Literature, which suggest that corporate governance is "an umbrella term that includes specific issues arising from interactions amount senior management, shareholders, boards of directors and other corporate stakeholders". There are numerous studies as to the benefits of corporate governance for global entities, whether they be the transnational corporations or the more traditional multinational companies. Around the globe, by far the majority of business entities are privately owned, with a small percentage being quoted on a local stock exchange, in a single legal jurisdiction.

Corporate governance has many elements, including risk management, due diligence and compliance. They are not terms of art, but certainly three distinct, yet inextricably fused elements of corporate governance. With an overlay of information governance, it is easy to see how confusion can arise.

Areas Where Technology Makes a Significant Contribution to Good Governance

It's possible to classify the positive effects of technology on governance in four major areas:

1. Technology increases transparency, information and accountability.
2. Technology increases public participation.
3. Technology promotes efficient delivery of public goods and services.
4. Technology offers a level of security to combat cyber risks.

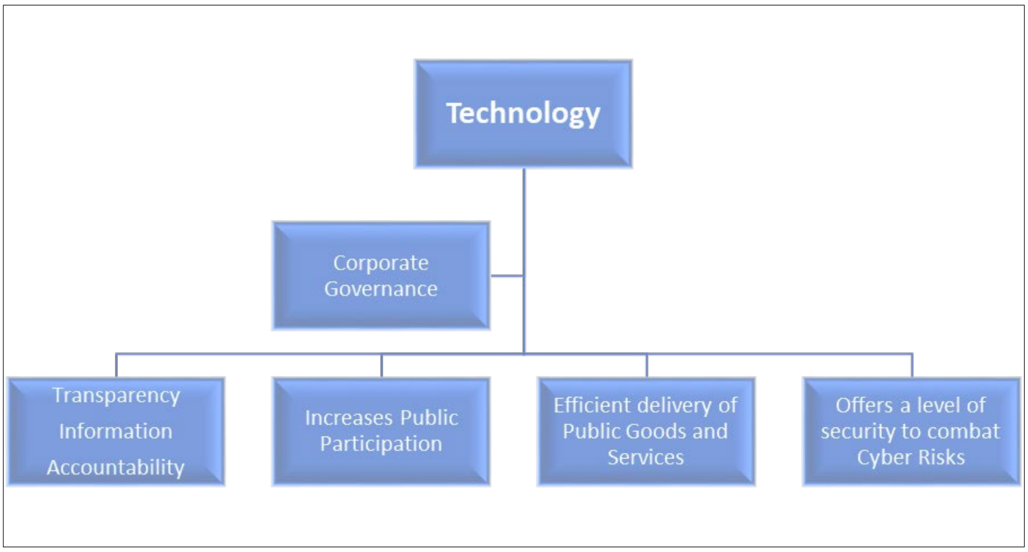

Fig 1

Utilizing technology to improve governance requires innovation and technical expertise combined with a corporate culture that fosters and supports best practices for good governance.

Corporate Governance

In essence, corporate governance is the standard of rules that allows organizations to ensure that they are serving the needs of their shareholders, stakeholders, management team and customers effectively and responsibly. However, included in this is that they are running the company in a way that meets the company's short and long-term goals.

For each type of organization, corporate governance strategies and policies will vary as each business has different objectives, customers and overall goals; however, board governance is generally associated with certain standard principles, such as Honesty, Transparency, Accountability, Responsibility, Independence, Fairness and Social responsibility as stated by the Price Water Cooper House.

The Purpose of Corporate Governance

Corporate governance puts these principles into practice by making improvements to operational procedure and internal controls. A well-aligned board will make sure that their governance goals are well aligned and are clearly followed to avoid any issues at the organizational level. In fact, the board develops these overall goals, which then trickle down to management teams and align how the organization is run. According to PWC, corporate governance applies to the following areas of focus:

- The company's performance
- The relationship between the board of directors and the company's president/CEO
- Recruiting new board members
- The performance and conduct of the board's directors
- How transparent the company is about its behaviour and its actions
- Managing corporate risk and compliance
- Communication between the board and company management
- Communication among the board, the company, and the shareholders
- Assigning individual responsibilities to the board and the management team
- Internal and external financial reporting

This list only scratches the surface of what's involved in corporate governance, which also extends to increasingly urgent issues like cyber security, ensuring diversity on the board to facilitate more efficient and secure board activities and communications. In general, the place to begin with board governance is to appreciate that it is about more than just enforcing a series of laws in the name of compliance. Board governance is a state of mind, in which those who hold the power commit to doing all they can for the good of the company.

Most corporations have caught on to how technology helps to address and to solve individual problems. They are starting to look first to technology to find action-oriented solutions for business needs. In looking toward, the future of good governance, technological innovation is starting to develop comprehensive business solutions. Technology developers are starting to look for answers to questions like how programs should work together and interconnect with each other to fill the gaps in solutions. The future of technological innovation will also work towards enhancing good governance principles.

The Marketplace Demands Transparency, Accuracy and Expediency

The financial crisis of 2008 was a devastating blow to Wall Street that our nation has yet to recover from fully. As with any major tragedy, some good things have emerged from the fallout. The crisis forced the marketplace to look beyond the ups and downs in the final numbers and to take a deeper look at what drives change. One of the most positive things that arose from the rubble was a newfound eagerness for transparency, accuracy and expediency in financial business dealings.

The fallout from the financial crisis left shareholders and other stakeholders with a desire to better understand financial reports. The calls from the trenches rang loud and clear with requests for data that was easier to read and to understand. Benefactors of the marketplace suddenly became eager to gain assurance that the reports they were getting were highly accurate. They were looking for affirmation that current reports correlated to earlier reports without containing information gaps. Delays in releasing information often equated to suspicions of cover-ups, leading to the loss of trust. The emphasis on expediency requires corporations to be flexible, responsive and efficient by providing shareholders with swift responses to planned and unplanned events.

Electronic Board Portals and Management Systems Support Strong Corporate Governance

With all of the demands on today's corporations, there's a lofty trend toward corporate boards enlisting the help of technology as much as possible. Electronic board portals are becoming staple tools for board directors in much the same way that electronic management systems have become standard tools for manufacturing and operations.

Good Governance Incorporates Technological Solutions for Strong Security

Along with cyber technology comes security risk, which remains one of the top priorities for corporations. Concern over security is a very good reason to transfer some of the mechanics for communication and storage to third-party technical partners. Board technology service providers focus solely on helping boards and corporations perform functions with increased efficiency and accuracy, so that board members and managers can focus on the most pressing needs of the business.

Security is robust among the electronic products and programs that board portal service providers and agency management systems provide because it's the whole focus of what they do. They have the time, technical expertise and resources to maintain systems in a manner of the utmost safety and security. Technological service providers give board directors and senior executives the confidence and assurance that their corporation's data is secure from hackers. In addition, technological solutions also provide board directors with the ability to conduct board business securely from their mobile devices anywhere in the world and at any time of day or night. Technological service providers have the expertise to create passwords, user authentications, encryption and secure workflows faster and easier than most corporations can do on their own. Rigorous security measures protect communications between board members and managers, protect stored documents and other data, and ultimately limit the probability of a data breach.

Good Governance Incorporates Technological Solutions That Promote Efficiency

Technological solutions have streamlined many of the cumbersome board duties of the past. Board directors are now able to get their board packets in seconds rather than waiting for them to arrive in the mail. Faster delivery means that board directors will have more time to review the agenda, financial reports and committee reports. Having more time to prepare for meetings means they'll consider the decisions they need to make before the meeting date, alleviating last-minute changes to the agenda. Boards can save money on travel and other expenses because technology provides them with the opportunity to attend meetings and place votes via teleconferences and videoconferences.

Good Governance Incorporates Technological Solutions That Enhance Accountability

Automated solutions enhance accountability because they reduce human error. Software solutions can track changes in discussions that will clearly demonstrate how boards arrived at their decisions. Most software programs record who revised documents and when they made them. A board portal archives previous board packets, past meeting minutes and other documents, and board directors can retrieve them at any time.

Technological solutions like board portals simplify processes for auditing and compliance because they create a permanent record for regulators, shareholders and others to review as needed.

Conclusion

Companies would have to take technology and innovation as a strategic objective of the company to sustain their competitive advantage. Organizations do have to undergo technological developments and innovations to cater for economically complex and dynamically changing social environments. In order to achieve such objectives, need for strategic technological and innovation management becomes inevitable. Technology strategy in being a key ingredient in technology management has become a primary factor in devising business strategy and to sustain a competitive advantage, so companies do need to connect and align technology strategy with business strategy. Companies have to plan, define, and execute strategy in a way to develop required capabilities to meet customer and stakeholders' desires. This would allow companies to better understand concepts and intermediary steps, required to formulate a technology and innovation framework for them to develop and sustain technological capabilities. With this, organizations will be able to benefit from their internal strengths, overcome their weaknesses, exploit external opportunities and minimize their external threats. The paper gives an overview of the current state and trends of technology. Practical systems are involved in real time tracking and monitoring of events. The system performs appropriate actions in response to events based on certain conditions.

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