

## **Abstract**

The rising white-collar criminality as well as the financial and economic crisis cause discussions around Corporate Governance regularly. Most importantly, the opportunistic behavior of company bodies is said not to be curbed. This paper will show that opportunism can be reduced by an improved Corporate Governance Code (CGC). However, the effects are temporal. Because of the unique nature of every company, only common standards can be passed. Therefore, room for maneuver to continue opportunistic behavior will remain. Suggestions for improvement concerning external interference were determined in the areas of financial incentives and sanctions, control and information systems and disclosure requirement. Analysis was done by adopting the principal-agent theory, the game theory, the transaction cost theory and the public choice theory.

Due to the fact that people adapt permanently to new regulations and show opportunistic behavior within given boundaries, apart from external interference and rules of the CGC, it has to be tried to increase intrinsic motivation. Only this kind of motivation will bring people not to show opportunistic behavior of their own accord. However, intrinsic motivation cannot replace extrinsic motivation. As for intrinsic motivation in companies, further research is needed.

Intrinsic motivation can be built by mutual trust. This can be done by establishing a trust boosting company culture. Business principles, which encourage mutual support and an open atmosphere for communication and discussion, can be implemented. Furthermore, the company identity as well as the lived ethical values can be strengthened.

Due to the regular adaption of people to new rules, further improvements of the CGC will still be needed. Besides the new embodiment of the CGC, changes in the law have to be made to enable a binding effect which puts the suggested improvements into practice. This shows that the CGC of a country is tied closely with its existing laws. Therefore, both cannot be analyzed separately.