EDITORIAL: Outside the rules and mechanisms of corporate governance

Dear readers!

I am honoured to introduce this second issue of 2020 of the journal Corporate Governance and Sustainability Review.

Somebody may wonder whether corporate governance could still represent an active and innovative area of research and public debate, after many decades with huge amounts of contributions, research and "walk the talk". All companies, organizations, institutions, whatever their importance, size, and whatever the sector or industry in which they operate, are undoubtedly based on a set of rules, processes, and systems. This set of rules, processes, and systems is largely influenced by the environment and the world in which we live every day, which is changing constantly. This environment and this world, as we concretely experienced in this year 2020, have two fundamental characteristics: the ability to change completely and radically in a relatively very short time and the so-called VUCA, i.e., volatility, uncertainty, complexity, and ambiguity.

In this context, and even more in the “new normal” that we will face after the COVID-19 crisis, everyone is required not only to develop a new way of thinking, a new mindset but also (and mainly) a new way of being, which necessarily include the relationship with the others, with the environment and the community around us, developing a systemic mindset. It is then fundamental to develop new leadership and organizational models through which people can manage the complexity in their organization and, ultimately, in their lives (“good management always starts with good self-management”). In this line, also corporate governance approaches and research must evolve from a set of rules, principles, and mechanism to a systemic mindset needed by managers to improve their performances and by companies to survive and prosper.

The issue today is no longer to further investigate the “rules and mechanisms” of corporate governance, that have already been largely examined. It is more on reading through the lenses of corporate governance the new important issues that are challenging our world.

The ten papers included in this issue discuss many different and interesting topics related to corporate governance and sustainability. I see some common elements that certainly represent three emerging and relevant trends that characterize our contemporary world.

The first one is obviously fundamental for our journal and is represented by the evolution of sustainability trends.

Paul Polman (former CEO of Unilever) in a recent interview for The New York Times pointed out that “there are no C.E.O.s who want more unemployment, or more people going to bed hungry, or more air pollution. But then why collectively do we behave so miserably? It’s because we spend too much time on dealing with the impacts and not with the underlying causes” (Gelles, 2019). Basically, we are all pretty much good people and we are also convinced that we are doing the right thing in the right way. We definitely need a new approach, that helps to investigate sustainability issues from a different perspective, more integrated into the different fields, with a systemic approach, more interdisciplinary, included corporate governance. Four of the paper in this issue provides new insights or investigate sustainability-related topics contributing to the previous research by Bauknecht, Bischoff, Bizer, Führ, Gaulhofer, Heyen, Proeger, and von der Leyen (2020), Yeung, Ko, and Leung (2018).

For example, Venugopal Pingali, in his paper “Framework for responsible (sustainable) marketing” proposes a framework that identifies the organisational values and the responsible marketer’s role for responsible marketing that ensures responsible consumer behaviour for all the different stages of the marketing planning process. In another paper, entitled “Determinants of sustainability assurance levels: The case of French firms”, Emna Klibi, Salma Damak-Ayadi, Sinda Dridi, and Bouchra M’Zali analysed the determinants of the level of sustainability assurance and the content of the disclosed sustainability reports. Finally, Sunita Rao and Norma Juma, in their paper “Influence of firms’ financial performance on disclosure of sustainability initiatives and assurance of sustainability reports” analysed the possible influence of firms’ financial performance on the disclosure of sustainability initiatives and assurance of sustainability reports.

The second common element that can be recognised in some papers of this issue is related to a global perspective approach and globalization. We live in a world where a systemic, global perspective has
become absolutely necessary. Countries could benefit one from the other and much can be learned even from what is happening in the so-called developing countries or less developed countries. Assuming a truly world-wide global systemic perspective should become the “common trait” of each business approach. In this issue, we present papers that analyse companies and markets distributed all over the world: from the EU to emerging economies, from Ghana to India, from Lebanon to Greece, from Nepal to France.

A third element that connects various papers of this issue and which constitutes an absolutely crucial and strategic trend for our world is represented by digital innovation and ICT. In the second paper of this issue, Patrick Balian, Assaad Farah, and Udo C. Braendle examined the effect of human capital on organizational performance through the analysis of sustainability issues in an e-commerce firm. In the paper titled “E-governance: A study of the concept and implementation in the emerging economy”, Dhruba Lal Pandey and Nischal Risal examine the role of economic governance on e-governance practices. These papers succeeded to contribute to the previous literature by Shimizu (2020), Ali (2020), Firmansyah and Estutik (2020), and Atzori (2017).

In addition to the previous items, two papers are focused on the banking system (Sankar Prudhvi, Mousumi Bhattacharya, “Shadow banking in India” and S. Sandhya and Neha Parashar, “An index to study corporate governance in banks in India”), confirming the central role of the financial system in the modern world, while two others are concentrated on accounting and accountability metrics. These papers provided a serious contribution to the previous research by Kostyuk, Pizzo, and Mizuno (2012), Arouri, Hossain, and Muttakin (2011), Kostyuk, Takeda, and Hosono (2010), Maingot and Zeghal (2008), Kyereboah-Coleman and Biekpe (2006) and more recent literature (Sylos Labini & Donofrio, 2020; Dell’Atti, D’Apolito, Galletta, & Iannuzzi, 2020; Malsha, Arulrajah, & Senthilnathan, 2020).

I am sure that anybody interested in a better understanding of our world, under the perspective of corporate governance and sustainability, could find in these papers some food for thought.

Enjoy the reading!  
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REFERENCES


