

## EDITORIAL: Promulgating innovative ideas in corporate governance

*Dear readers!*

This issue keeps the Journal's tradition of promulgating innovative ideas on a broad range of questions related to corporate governance. By its nature, governance is inseparable from the existence, operation, and evolution of economic entities. As such, gaining understanding of its characteristics informs the spectrum of social science disciplines. Compensation contracts, a board of directors' composition, stakeholder interactions, and the role of mandatory and voluntary disclosure of entities that are searching for or have acquired capital, serve as some of its many manifestations. Limited by data availability, extant research often favors public, for-profit entities. Understanding the role of governance in non-for-profit entities, private enterprises, and individuals, however, is just as important, and offers a fertile ground for future research.

The extant research yields rich evidence on the pros and cons of a variety of governance mechanisms. On the surface, this richness offers comfort in that a verified, easy-to-access, best-practices toolbox exists. A higher-level view, however, suggests one-size-fits-all governance is a chimera. This should not come as a surprise – each setting is associated with unique challenges, as tools that benefit one stakeholder often harm another. As a case in point, *Sung Kwon's* study in this issue highlights that although regulatory intervention could improve the informativeness of financial reports, equity investors could perceive the intervention as too costly and offset the potential positive effects. Should researchers and practitioners, then, disregard the literature and develop solutions for each new case from scratch? Quite the opposite – the idiosyncratic aspects of each additional setting help complementing the mosaic, adding much needed flexibility to deriving the notion of “conditional good governance.” This, however, requires a systematic classification of best practices across dimensions, offering interesting research opportunities. De Falco (2018), De Luca (2018), and Kostyuk, Mozghovyi, and Govorun (2018), among others, make important inroads on the issue, offering informative discussions and analyses.

The articles in this issue add to the mosaic, extending the analysis along multiple dimensions. Acknowledging a brief note cannot give due to the extensive contribution of each study, the issue offers insights on a spectrum of domiciles (France, Italy, Malaysia, and Pakistan, among others), settings (financial institutions to football clubs to SMEs), and research methods.

As an example, *Abdlazez et al.* analyze the link between capital structure and governance among publicly traded companies in Malaysia, emphasizing the importance of firm size and contributing to previous research and the notes by dela Rama and Kostyuk (2019); Ahmad, Ahmed, and Badar (2017); Nerantzidis, Filos, and Lazarides (2012); Guerra, Fischmann, and Machado Filho (2008). Moreover, *Angelini et al.* speak to the role of mini-bonds in Italian SMEs' capital structure, and *Muhammad et al.* discuss the effect of M&A on bank performance in Pakistan, extending the work in Harada (2018) and Le (2017).

As another example, adding to the work of Cucari (2018) and Toudas (2018), *Pietro Fera's* study offers a glimpse into the workings of private companies by examining changes in the revenue-expense matching dynamic, a core attribute of financial accounting, among a sample of Italian firms. And, *Farauddello et al.* provide an insight into the governance practices of football clubs, offering an informative insight into the ownership structure of the members of the Italian “Serie A.” Although this interesting issue has received attention by Acero, Serrano, and Dimitropoulos (2017), Dimitropoulos (2011), Nauright and Ramfjord (2010), Michie and Oughton (2005), the study by *Farauddello et al.* introduces the readers to the Italian setting, offering innovative insights.

The rest of the issue line-up offers similarly informative evidence and analyses. We hope you enjoy this issue of the journal!

Kalin Kolev  
Zicklin School of Business, Baruch College,  
The City University of New York, the USA

---

## REFERENCES

1. Acero, I., Serrano, R., Dimitropoulos, P. (2017) Ownership structure and financial performance in European football. *Corporate Governance: The International Journal of Business in Society*, 17(3), 511-523. <https://doi.org/10.1108/CG-07-2016-0146>
2. Ahmad, M., Ahmed, B., & Badar, M. (2017). Determinants of capital structure and its impact on corporate governance: An emerging market empirical study. *Corporate Governance and Sustainability Review*, 1(1), 17-32. <http://doi.org/10.22495/cgsrv1i1p2>
3. Cucari, N. (2018). Editorial: New challenges and opportunities in corporate governance. *Corporate Governance and Organizational Behavior Review*, 2(2), 4-5. [http://doi.org/10.22495/cgobr\\_v2\\_i2\\_editorial](http://doi.org/10.22495/cgobr_v2_i2_editorial)
4. De Falco, S. E. (2018). Editorial: A vision from the different perspectives. *Corporate Governance and Organizational Behavior Review*, 3(1), 4-6. [http://doi.org/10.22495/cgobr\\_v3\\_i1\\_editorial](http://doi.org/10.22495/cgobr_v3_i1_editorial)
5. dela Rama, M., & Kostyuk, A. (2019). Editorial: Adapting Anglo-American corporate governance concepts in non-Anglo-American environments. *Corporate Governance and Sustainability Review*, 3(1), 4-6. [http://doi.org/10.22495/cgsrv3i1\\_editorial](http://doi.org/10.22495/cgsrv3i1_editorial)
6. De Luca, F. (2018). Editorial: The intertwined play of governance, regulation, financial information and disclosure - Suggestions for further research. *Journal of Governance and Regulation*, 8(1), 4-6. [http://doi.org/10.22495/jgr\\_v8\\_i1\\_editorial](http://doi.org/10.22495/jgr_v8_i1_editorial)
7. Dimitropoulos, P. (2011). Corporate governance and earnings management in the European football industry. *European Sport Management Quarterly*, 11(5), 495-523. <https://doi.org/10.1080/16184742.2011.624108>
8. Guerra, S., Fischmann, A., & Machado Filho, C. A. P. (2008). An agenda for board research. *Corporate Board: Role, Duties and Composition*, 4(1), 50-56. <http://doi.org/10.22495/cbv4i1art4>
9. Harada, K. (2018). Pre- and post-merger performances of Shinkin banks in Japan. *Corporate Governance and Sustainability Review*, 2(2), 13-29. <http://doi.org/10.22495/cgsrv2i2p2>
10. Kostyuk, A., Mozghovyi, Y., & Govorun, D. (2018). Corporate governance, ownership and control: A review of recent scholarly research. *Corporate Board: Role, Duties and Composition*, 14(1), 50-56. <http://doi.org/10.22495/cbv14i1art4>
11. Le, T. (2017). The efficiency effects of bank mergers: An analysis of case studies in Vietnam. *Risk Governance & Control: Financial Markets & Institutions*, 7(1), 61-70. <http://dx.doi.org/10.22495/rgcv7i1art8>
12. Michie, J., & Oughton, C. (2005). The corporate governance of professional football clubs in England. *Corporate Governance: An International Review*, 13(4), 517-531. <https://doi.org/10.1111/j.1467-8683.2005.00446.x>
13. Nauright, J., & Ramfjord, J. (2010). Who owns England's game? American professional sporting influences and foreign ownership in the Premier League. *Soccer & Society*, 11(4), 428-441. <https://doi.org/10.1080/14660971003780321>
14. Nerantzidis, M., Filos, J., & Lazarides, T. (2012). The puzzle of corporate governance definition(s): A content analysis. *Corporate Board: Role, Duties and Composition*, 8(2), 15-23. <http://doi.org/10.22495/cbv8i2art2>
15. Toudas, K. (2018). International accounting frameworks: The convergence of corporate financial statements. *Journal of Governance & Regulation*, 7(3), 47-52. [http://doi.org/10.22495/jgr\\_v7\\_i3\\_p6](http://doi.org/10.22495/jgr_v7_i3_p6)