EDITORIAL: Fundamental pillars of corporate governance research

Dear readers!

Corporate governance is a system designed to improve corporate performance through supervision of management performance to ensure accountability to stakeholders based on a regulatory framework (Gouiaa & Kostyuk, 2020). Board of directors as a field of research becomes a major point for intersection of many other issues of corporate governance, such as financial reporting, firm performance, earnings management, stock market, and reaching even well-established fields of research such as accounting and finance. Most of the papers published in this issue of the journal are linked to the board of directors’ issues directly or indirectly.

An aspect that is gaining increasing attention from scholars of corporate governance concerns the study of the characteristics that the board of directors should possess to ensure efficient management control and valuable support in the decision-making process (Eklund, 2020; Stiles & Taylor, 2001; Zattoni, 2006). The appropriate achievement of these major tasks can affect corporate governance, protecting the rights of all shareholders (Rubino, Tenuta, & Cambrea, 2017).

Corporate board issue is a wide topic analyzed in different aspects previously (Di Biase & Onorato, 2020; Akammidu, 2017; Marchini, Medioli, Tibiletti, & Triani, 2017). The studies on corporate governance have focused their attention on the analysis of the structure of the board (Kostyuk, 2003; Zattoni, 2006; Eklund, Palmberg, & Wiberg, 2009). Nevertheless, the empirical evidence on the relationship between board structure and corporate financial performance is still uncertain (Dalton, Daily, Johnson, & Ellstrand, 1999; Minichilli, Zattoni, & Zona, 2009). Numerous studies have been conducted on the effect of corporate governance on firm value with very different results (Maury, 2006; Guest, 2009; Adams & Ferreira, 2009). Dissimilar results are found, especially within family firm studies, depending on the variable used to study, sampling techniques, econometric methodologies, study periods, and institutional settings that different scholars consider (Park & Bolton, 2020; Sacristán-Navarro, Gómez-Anson, & Cabeza-Garcia, 2011). These conflicting empirical findings are also confirmed for family firms. As demonstrated by O’Boyle, Pollack, and Rutherford (2012) in their meta-analysis, the comparison between performance in family and non-family firms depends on many aspects.

If the role of the board of directors in influencing company performance in non-financial companies has been the subject of particular in-depth analysis (Vaz Ferreira, 2019; Rubino, et al., 2017; Minichilli et al., 2009; Di Pietra, Grambovas, Raonic, & Riccaboni, 2008), the same cannot be said for studies that analyze the board in financial companies, such as banks and insurance companies (Arouiri, Hossain, & Muttakin, 2011; Kostyuk, Takeda, & Hosono, 2010; Cambrea, 2018; Barako & Tower, 2007).

Researchers have been focusing their interest on the topic of gender diversity on the board of directors and top management (Chebri & Bahouss, 2020; Brian-Turrent, 2019; Cambrea, Lussana, Quarato, & Varacca Capello, 2017; Velte, 2017; Giovinco, 2014). Many studies have investigated whether gender diversity can enhance board effectiveness (Sicioli, Bronzetti, Ippolito, & Leonetti, 2020; Manzaneque-Lizano, 2020; Adams & Ferreira, 2009), can improve firm performance (Jaber, 2020; Amore, Garofalo, & Minichilli, 2014; Liu, Wei, & Xie, 2014; Santen & Donker, 2009) and make different corporate decisions (Nielsen & Huse, 2010), such as corporate social responsibility (CSR) initiatives (Calemano, Lepore, Pisano, D’Amore, & Alvino, 2020), risk financial policies (Adussei, 2020; Bekiaris & Papanastasiou, 2020; Bernile, Bhagwat, & Yonger, 2018; Faccio, Marchica, & Mura, 2016) and liquidity stock (Atif, Liu, & Huang, 2019). Other empirical research analyzes the alternative aspects of management, such as the payment of dividends (Brian-Turrent, 2020; Chen, Leung, & Goergen, 2017) and the link to accounting quality (García-Sánchez, Martínez-Ferrero, & García-Meca, 2017). While there is considerable evidence that investigates the role of women directors (i.e., independent or executive) affecting dividend payouts (Al-Amamneh, Yaseen, & Iskandarani, 2017; Chen et al., 2017), earnings management practice (Garcia Lara, Garcia Osma, Mora, & Scapin, 2017), and cash holdings policies (Cambrea, Tenuta, & Vastola, 2019), empirical studies that examine how different types of women directors can affect corporate performance are scarce.

In the last few years, several scholars have focused on the relationship between gender diversity, environmental disclosure and corporate social responsibility (Sylos Labini, Kostyuk, & Govorun, 2020; Furlotti, Mazza, Tibiletti, & Triani, 2019). Despite the extensive research on female directors, there is scant literature that investigates the impact of female directors on management decisions concerning liquidity. Precisely, the previous research has so far only investigated the role of female executives on corporate reserves (Adhikari, 2018). Moreover, after the last financial crisis, several studies have underlined the importance of internal cash resources (Chang, Benson, & Faff, 2017; Nason & Patel, 2016) and the need to have effective corporate governance to better manage cash flows (Deb, David, & O’Brien, 2017). Considering the consistent gender differences apparent in economic behavior (Kostyuk, Guedes, & Govorun, 2020; Croson & Gneezy, 2009), and, in particular, women’s preferences in governance for more stringent monitoring (Adams & Ferreira, 2009) and higher risk aversion (Bernile et al., 2018; Faccio et al., 2016), it is appropriate to investigate the relationship between female
directors and cash holdings. Although previous research suggests that the contribution of women depends on their functions (Liu et al., 2014; Esposito De Falco, Alvino, & Kostyk, 2019), we lack an understanding of how roles fulfilled by female directors’ influence cash policies.

When reading the papers published in this issue of the journal it easy to fix the content related to corporate governance either from the point of view of the fundamental origin or the point of view of the accompanying concept. We hope that you will enjoy reading the papers and extract a lot of interesting ideas for your further research in corporate governance.

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REFERENCES


