

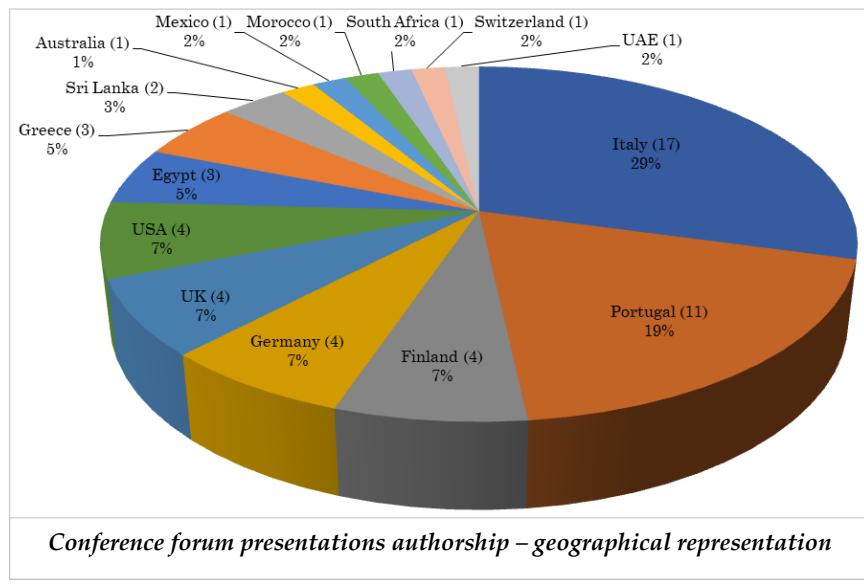
REPORT



International Online Conference
***“CORPORATE GOVERNANCE:
EXAMINING KEY CHALLENGES AND
PERSPECTIVES”***

May 7-9, 2020

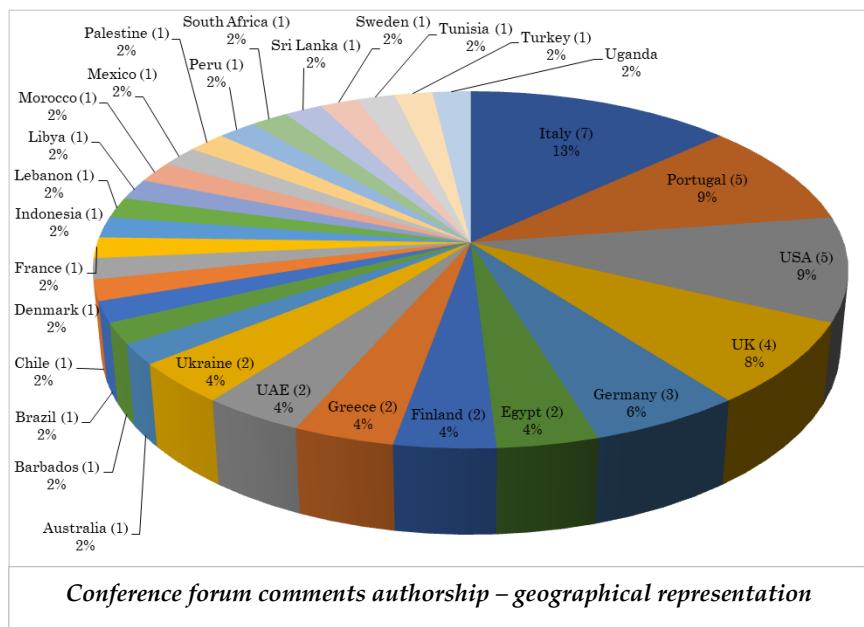
Corporate governance research is grounded on scholarly communications. Scholarly conferences represent one of the methods of scholarly communications and become valuable both at the initial and final stage of scholarly research. Discussing an idea of the research or the final results publicly increases the relevance and impact of the research remarkably.



In this context the recent conference "**CORPORATE GOVERNANCE: EXAMINING KEY CHALLENGES AND PERSPECTIVES**" allows scholars discussing the recent trends in scholarly research and test the most interesting ideas and research results though discussing with experts in corporate governance. Moreover, taking into account the COVID-19 pandemic spreading throughout the world, the remote (online) mode of the recent conference allows all participating scholars still feel tuned to the

network discussion that is a major value of the scholarly research. As one of this conference participants stated that during the time of COVID pandemic and quarantine this online scholarly conference is an "intellectual illumination" allowing the scholarly networks overcome an isolation.

Recently, we had 32 accepted full-text or extended abstracts coauthored by scholars from more than 20 countries of the world. It is a great success for our conference because this is a proof that the world pandemic will not destruct scholarly communications.



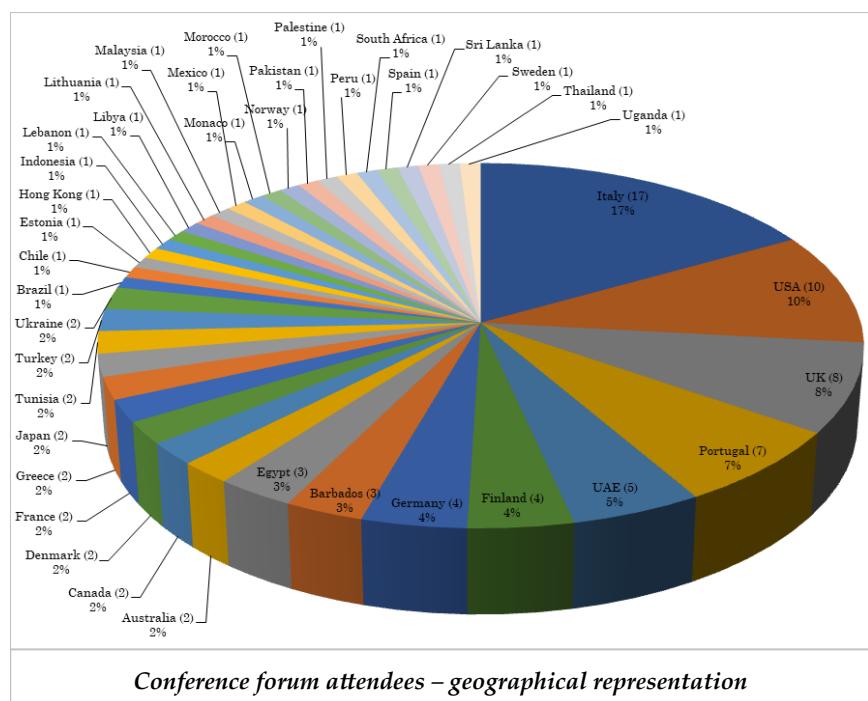
Authors of the papers considered both traditional issues of corporate governance and those that are challenging recently. The most popular issues of corporate governance presented and discussed by the conference participants are below.

The nature of the state ownership and family ownership has been considered by the following conference participants: *Alina Bari, Brian Bolton, Ermanno Celeste Tortia, Ghada Gaballa, Joana Andrade Vicente and Mbako Mbo*.

Board of directors as a classical issue of corporate governance research has been considered by *Alfredo Celentano, Brian Bolton, Dean Blomson, Guadalupe del Carmen Briano Turrent, Lucrezia Fattobene, Maria João Guedes, Mehtap Eklund, Pantelis Papanastasiou, Shab Hundal and Victor Barros* from various insights such as board leadership, director turnover, board independence, board committees, gender diversity, CEO compensation and CEO turnover.

Andrea Vacca, Bashar H. Malkawi and Mario Daniele introduced the interesting ideas in the field of accounting and auditing. Corporate tax issues, family firm specifics and internal audit in the cross-country context have been successfully explored by the scholars.

Other topics devoted to the general issues of corporate governance were analyzed by Ahmad Almeile, Christos Kallandranis, Iliana Haro, José Campino, Karen Hogan, Nadia Cipullo, Oumaima Sadqi, Pedro B. Agua, Philipp Prigge, Pierluigi Santosuosso, Rangana Madusanka, Salman Saleem and Teresa Turzo.

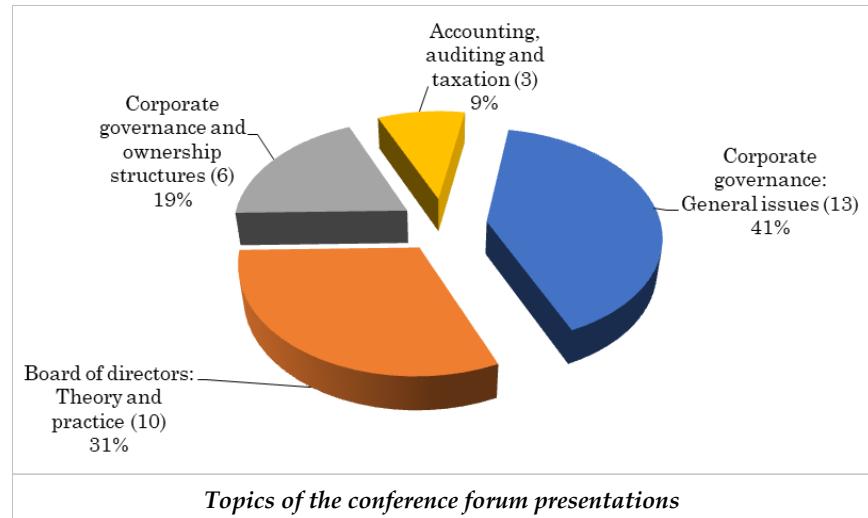


A previously mentioned standing by our commitment to keep the safety of our participants and partners as our top priority – we have decided to transition this conference to an online format. We are committed to providing a robust conference experience online that is accessible to people regardless of concerns surrounding travel and health.

Online conference forum lasted during three days from *May 7* to *May 9*, 2020.

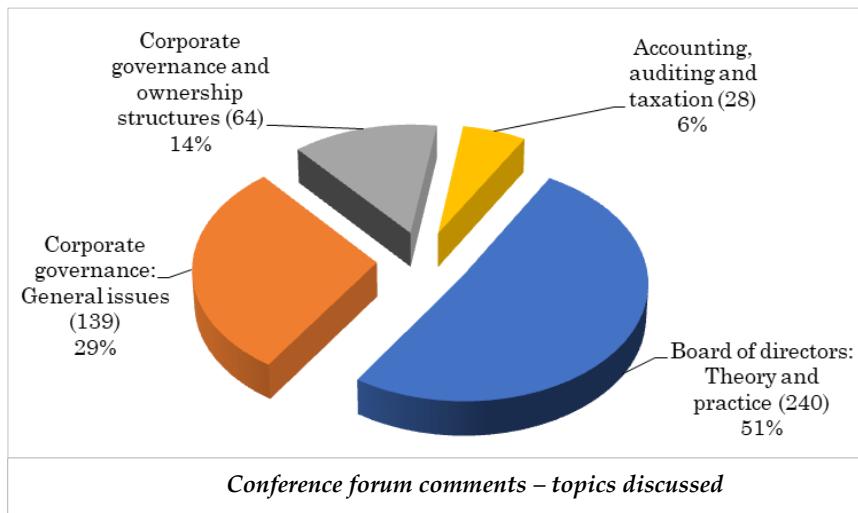
The conference organizing committee encouraged the participants to use instant messaging (text messages) during the conference communication for commenting and discussing. At the same time, the participants could use video communication by mutual agreement.

Each participant could comment on any material (within the sessional day) at any time. The number of comments for one participant was not limited. However, to make the online discussion more convenient, the participants were requested to be mutually respectful and to leave relevant and laconic comments.

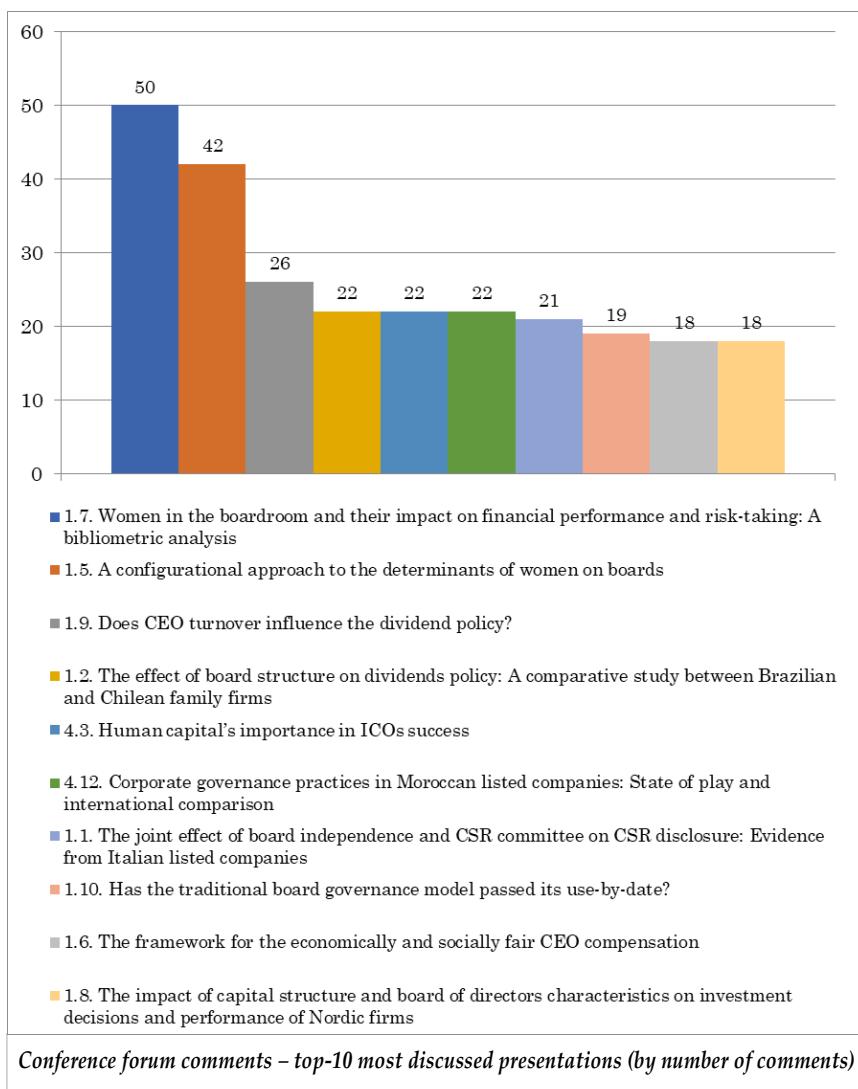


The materials that have been uploaded to the conference platform had been accepted by the conference organizing committee on the basis of two requirements: correspondence of the material to the thematic concept of the conference and relevance of the material for the current global scientific investigations in the sphere of corporate governance.

More than **50 scholars** from more than **20 countries** of the world and all continents took active part in the conference forum discussions and provided more than **450 comments** related to the conference presentations. These comments are very valuable both for the authors of the presentations and other scholars with a research expertise in corporate governance, accounting and finance.



more medical doctors could we have foreseen this sanitary crisis? We need to rethink what we expect from boards, at least the advisory boards that need to be more diverse".



Maria Guedes highlighted the recent trend in gender research related to the board of directors: "The board configuration are still quite static. The typical board has not changed that much, only in the aftermath of gender quotas. We have seen an increase in the number of women, but mainly to NED positions. Women are still not getting to the decision positions, to exec positions and boards are still not open to other nationalities or even qualifications. For example, what if the board had

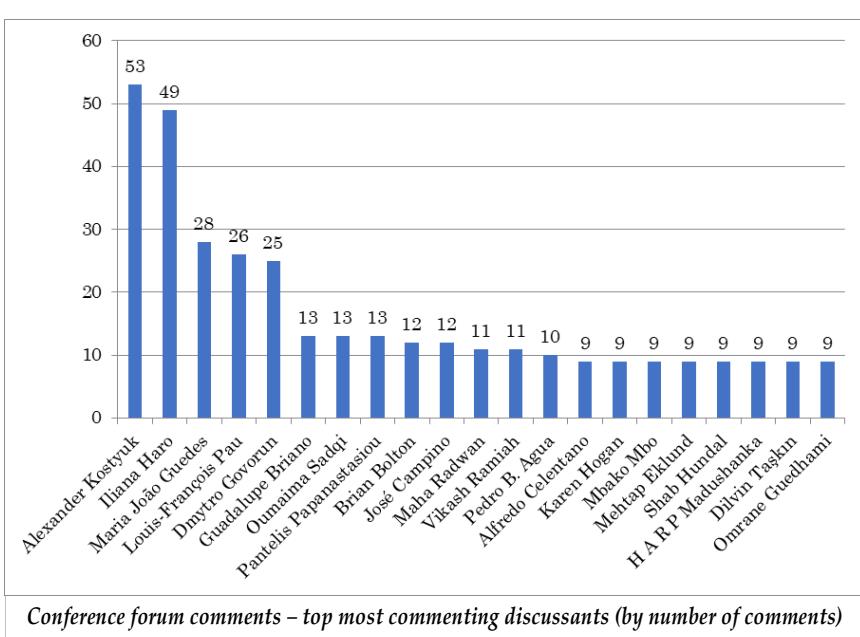
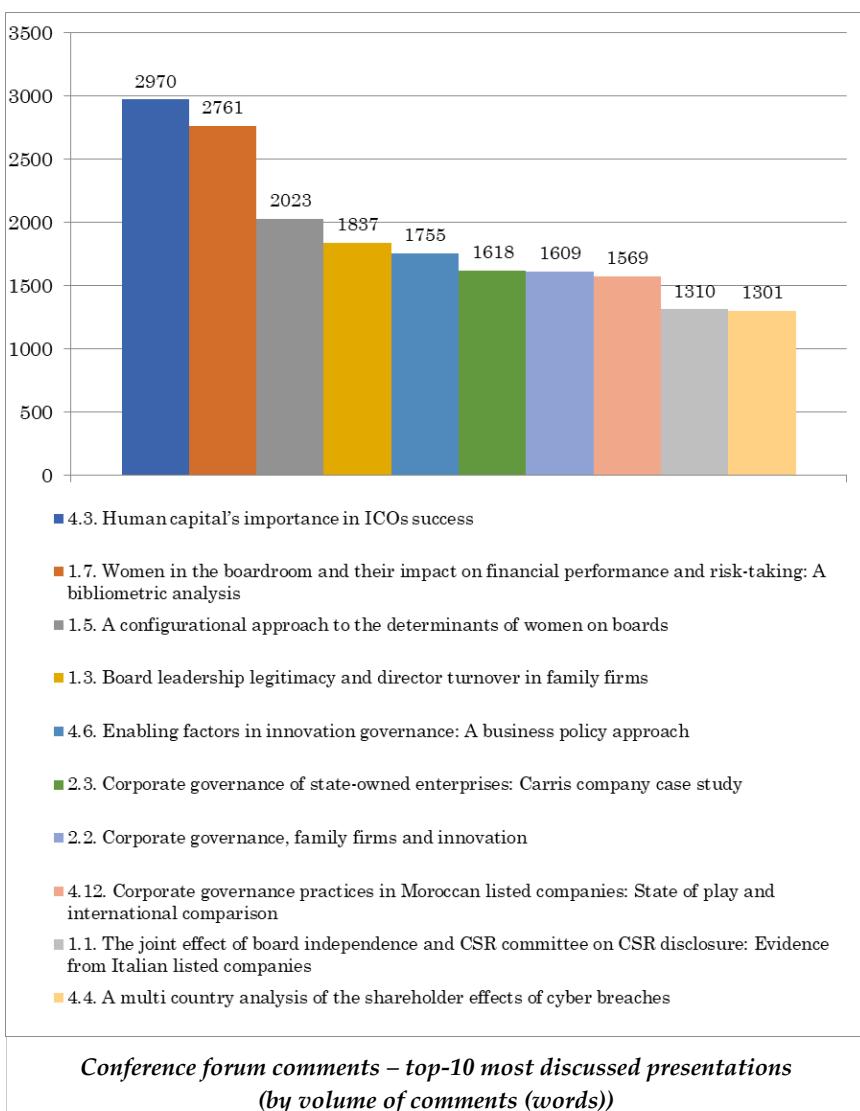
Alex Kostyuk issued a more accurate vision toward the research of the board of directors: "My idea is that probably we, researchers, need to start finally divide your research for "executive directors" and "non-executive directors" from the point of view of different criteria of their selection and functions they perform on the Board (in practice)... NEDs are products of networks. Executive directors are the products of the profession and recently achieved performance....This is the major question, that is still missed in the scholalry research worldwide. We got used to divide the board for NEDs and EDs. It is too simple now. Challenges are very strong for CG worldwide. So, we need to get inside of the board issue and start configuring the board dividing even the board molecules (its groups, like NEDs) for atoms (with exectuvie experience and NEDs without this experience). This sort, so called "board atomic level" research is a furture of CG research for the next decade at least".

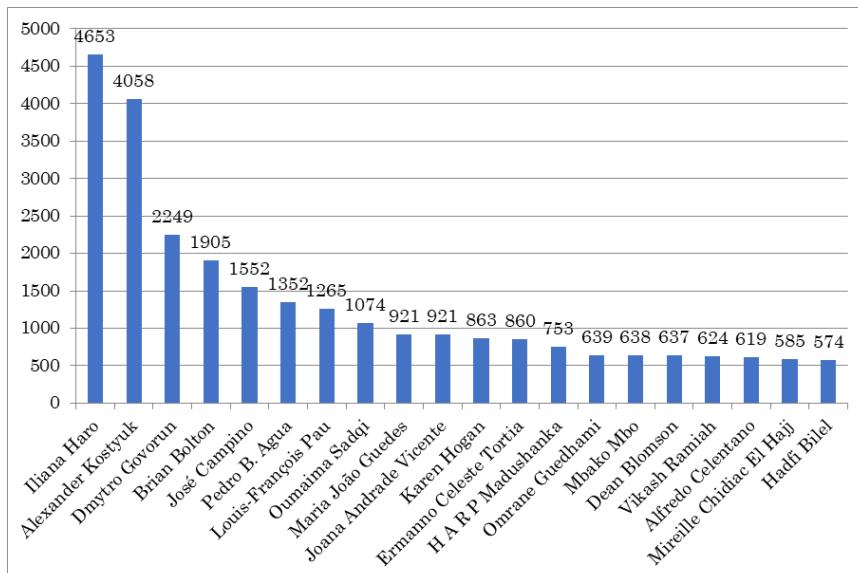
Iliana Haro discovered a very interesting issue about the board of directors dynamics and structure: "Great discussion!! So now we have come to the eternal question of why do organizations keep appointing ED from outside the industry? It is say that because it is a best business practice and that it brings fresh air to the company, but are best practices the best practice?". Later Iliana addressed a resulting comment in the board issue: "We need to clarify our discourse: are we "fighting" for gender equality just for the sake of gender presence, or are we aiming for talent in the benefit of the organizations and their stakeholders not only the shareholders' interests? I think the case here is not how many women are in the board, as far as the board, its committees and any other bodies be integrated by the talent they need".

Dmitriy Govorun outlined a much promising question related to the board research agenda: "Which combination (or order) among researched gender equality, masculinity, education and happiness should countries/policy makers focus on when reaching higher performance in terms of more presence of women on boards?".

Dilvin Taskin resulted a large portion of comments with an excellent statement: "I think the reason that we do not find a direct relationship between financing and gender maybe due to the fact that in many countries the percentage of women in the boards are still very low".

Vikash Ramiah commented with a recently important idea: "I must add the behavioral literature that argues females tend to be less risk averse than males. Hence in economic conditions becomes a factor whereby females will deliver best in crisis period as they are better with risk management".



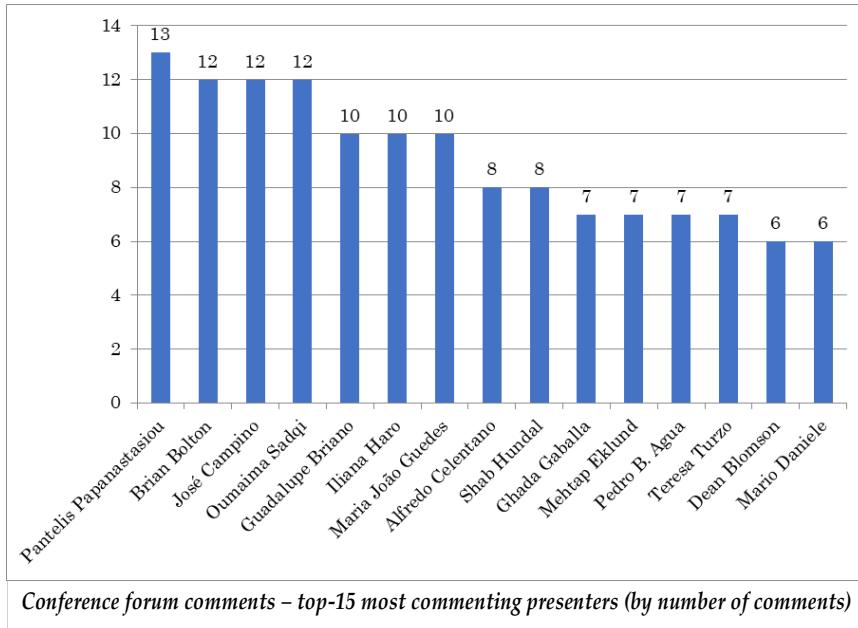


Conference forum comments – top most commenting discussants (by volume of comments (words))

Dean Blomson commented in an excellent manner regarding the board diversity and skills: "Appropriate knowledge, skills and experience are vital: But if you want to insure the oversight of decisions is effective you need independent thinkers who have the ability to bring different lenses/vantage points to bear. Gender diversity is a noble cause – no doubt – but that is a side issue when it comes to having a board that is able to think critically, divergently and in a challenging way. Those skills exist independent of gender, race, culture, religion. Let's not just zero in on gender diversity

because it feels right, and it's easier to measure than cognitive diversity".

José Campino commented with an interesting idea: "Concerning the board, we have been verifying that although there are traditional board positions there are also so many other which we consider as innovative. Besides, the board might not have the traditional composition and strict division of roles and hierarchy".

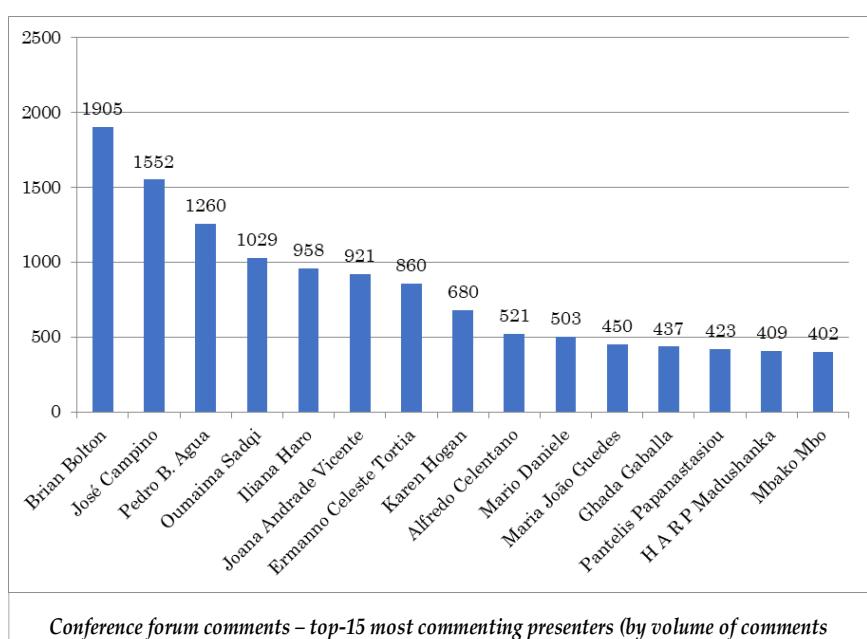


Conference forum comments – top-15 most commenting presenters (by number of comments)

Pedro Agua, participating in the conference forum, answered about a dilemma of the board structure and leadership: "In our perspective the world has got too much of "compliance structures", as it could solve the problems. We shall recall that most of the big corporate scandals happened in the presence of codes & regulations. Compliance codes and regulations ensure the "minimums", but it's "phronesis" and ethics that aspire to the maximums and organization can perform".

Brian Bolton stated about the family firm governance: "The family firm dynamic is unique and introduces relationships among leaders and shareholders that we may not see at non-family firms (even if the CEO is not a family member, she has likely been hired and approved by family members, thus conferring some type of legitimacy)". Later Brian perfectly concluded about the market for directors: "There was a time during the late 2000s when firms were moving away from entrenched directors, bringing in more new and younger directors (in part to comply with new independence rules). That movement has slowed, and I do think we're seeing longer tenures with both CEOs and directors. We can (and should) dig into these trends and see what the implications are".

Karen Hogan linked her solid comment to the results of her research: "The lack of historical demand for a market in cyber insurance in the foreign countries when it existed in the US markets suggests that the breaches which were occurring in those countries were not from a cost/benefit analysis significant to require transfer of the risk. As we have increased the regulations of the companies I believe this will change and I am curious to see if these new return patterns move closer to those seen in the US markets".



Conference forum comments – top-15 most commenting presenters (by volume of comments)

Shab Hundal came with a comment about the busy directors and innovations: "Firms having busy directors invest lesser in the intangible assets, arguable because busy directors do not have time and patience to understand the role and relevance R&D and other innovation activities as they can be engaged in maximizing their 'personal' utility function".

Lucrezia Fattobene fixed an outlook for corporate governance research in Italy: "I think Italy is an ideal setting to study CEO duality because of the weak legal protection of creditors and shareholders, very poor law enforcement, high ownership concentration, and high presence of pyramidal groups".

As one of the main outcomes of the event Virtus Interpress would like to present the conference proceedings titled "Corporate Governance: Examining key Challenges and Perspectives" – a full collection of the papers presented at the conference. We have also enriched this book with the full-list of comments generated by the conference participants during the forum and divided all these comments by each paper presented at the conference. All the comments are authored in a proper manner.

Thus, this event was a platform for sharing ideas on new trends that are currently shaping the concept of modern corporate governance. The conference focused on a variety of crucial issues of corporate governance, i.e. corporate ownership and control, earnings management, audit, corporate social responsibility and compliance, disclosure and transparency issues, financial reporting, board of directors' practices, shareholders' rights, etc.

We would like to THANK everyone for bringing their expertise and experience around the virtual table and engaging in such fruitful, constructive and open exchanges throughout the three conference days.

Hopefully you enjoyed the event and used this opportunity to extend your existing networks!



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