EDITORIAL: Corporate governance and regulation: Trends and outlooks

Dear readers!

Notwithstanding the difficulties due to the spread of the Covid-19 pandemic, the editorial team is proud to present a new issue of the *Journal of Governance and Regulation*. In particular, the latest 2020 issue 2 of volume 9 includes contributions from various authors who focus on a number of interesting topics in the field of governance and regulation, including the development and penetration of new technologies in corporate governance, the protection of stakeholders and the role of regulators and policy makers in such respect.

The new issue opens with “Corporate governance and the environment in the health sector: Systematic literature review” by Isabel Cristina Panziera Marques, Zélia Maria da Silva Serrasqueiro, and Fernanda Maria Duarte Nogueira, who explore the different forms of corporate governance in the health sector and analyse the emerging research trend through a systematic literature review contributing to Moro Visconti and Martiniello (2019), Moosa, Al-Hares, Ramiah, and Saleem (2019), Baridam and Govender (2016) and Papachristou and Papachristou (2014). The work is original and the circumstance that it focuses on the impact of corporate governance on health care makes this contribution particularly interesting in the context of the Covid-19 pandemic.

Karen M. Hogan follows with “A global comparison of corporate value adjustments to news of cyber-attacks”, which deals with the growing threat of cyber breach for companies around the world. More specifically, through an empirical analysis conducted on companies incorporated both in US and non-US countries, the study focuses on the long-term and short-term effects of cyber breaches on the stock price of the companies whose cybersecurity systems were violated. The results highlight the differences in how news of a cyber breach affect the market and help explain certain companies’ approach to cyber insurance. This is an excellent contribution to the previous research by Arcuri, Brogi, and Gandolfi (2018) and Dzomira (2014).

Amrie Firmansyah, Wiwik Utami, Haryono Umar, and Susi Dwi Mulyani present “The role of derivative instruments on risk relevance from emerging market non-financial companies”. The study, contributed to the previous research by Ghosh (2017), Dixon and Bhandari (1997), stresses the difference between “systematic risks” and “unsystematic risks” (or “idiosyncratic volatility”). In this perspective, the authors investigate the effect of net income volatility, other comprehensive income volatility, and comprehensive income volatility on idiosyncratic volatility and conclude that the interaction between derivative transactions and comprehensive income volatility, net income volatility, as well as other comprehensive income volatility, have a positive effect on idiosyncratic volatility.

Hugh Grove, Mac Clouse, and Tracy Xu discuss the “New risks related to emerging technologies and reputation for corporate governance” and suggest that boards of directors and executives need to recognize and understand the new risks associated with emerging technologies and the related reputational risks. In this perspective, the major research question of the paper is how boards of directors and executives can deal with both risk challenges and opportunities to strengthen corporate governance. This paper provided a solid contribution to the previous research by Grove, Clouse, Schaffner, and Xu (2020), Ulrich and Fibitz (2020), Grove, Clouse, and Xu (2019), Dedeic (2009), Huse (2005).

The issue continues with the contribution by Vjollca Istrefi on “Corporate governance in Islamic financial institutions”, which analyses the traditional corporate governance models and the Islamic one by highlighting the differences between them continuing a discussion initiated by Gelminti (2017), Li, Hassan, Abdirashid, Zeller, and Du (2012), Garas and Pierce (2010). The study concludes that the most important divergence between such models derives from the fact that, in the Islamic model, corporate governance is based on religious principles and that this is in contrast with the traditional paradigm which focuses on the main objective to create and increase shareholders’ value throughout the time.

Badar Mohammed Almeajel Alanazi presents “Company incorporation regimes in the UK, the US and Australia – In search of the golden mean”, which summarizes the academical debate between those who argue that company law should empower business owners to arrange their affairs in
a manner that best suits their purposes at the same time as minimising any interference from the state and, on the other side, those who argue that company law should impose on the world of commerce strong regulatory measures to prevent such abuses. Then, the paper contributed to the papers by Phiri (2020) and Rodriguez (2008), and examines the extent to which the incorporation regimes in the UK, the US, and Australia can be said to be “enabling” or “regulatory” in nature, through a detailed analysis of the law on company incorporation, ownership structure and the protection provided to the relevant stakeholders through the principles of separate legal personality.

Malsha K. P. P. H. G. N., A Anton Arulrajah, and Samithamby Senthilnathan discuss “Mediating role of employee green behaviour towards sustainability performance of banks”. The study focuses on the emerging trend to update the traditional banking system with green banking strategies in the modern banking system and suggests that bank employees are directed to play a vital behavioural role to keep better banking practices, more environmentally friendly, to have bank sustainability performance. Therefore, this study critically examines the relationships between Green banking practices (GBP), Employee green behaviour (EGB), and Sustainability performance of banks (SPB) in the Sri Lankan context. This paper contributes to the previous research by Adel and Alqatan (2019) and Nwafor (2014).

Salman Saleem presents “Consequences of cultural practices on advertising: Rethinking the role of individual’s values versus social norms for cross-cultural research”. The paper contributes to the current debate on the significance of cultural referenced practices over self-reported values in the identification of culture by using a survey method and asking a number of respondents to report masculinity and power distance in their individual behavioural preference, in their social context and the manifestation of masculinity and power distance in advertising.

“Economic and sociological determinants of well-being in Italy: A regional perspective” by Marco Vulpiani, Elena Croci, and Marco Caiffa analyses the determinants of well-being by considering economic and sociological perspectives. The study is based on data that are collected starting from a dataset realized by ISTAT (Italian National Institute of Statistics) for the period 2005-2016 and considering a sample of 130 indicators (12 relevant domains) collected by Italian regions, updated annually in the so-called BES (Benessere equo e sostenibile) 2017 report. The study contributes to the existing literature by Banasik (2015) on the theme of individual well-being and its main determinants, also highlighting possible practical implications in terms of corporate governance and human resource management.

Ali A. Alnodel, Naser Khlaifah, and Hussein M. Elnaafi close the issue with their “Evaluating the quality of services provided by the financial controller in governmental organizations: Using the SERVPERF model”. The research aims to measure the quality of the level of services provided by the financial controller (FC) in Saudi governmental units. The SERVPERF model was employed to measure the quality of the level of services of FCs. The results show significant differences in the levels of assurance, sympathy, and tangibility, suggesting that recipients receive a lower level of services than what they desire.

We hope that all readers may enjoy this issue and find the ideas contained therein stimulating. We are grateful to our authors, readers, reviewers, the editorial team and the support team of Virtus Interpress.

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REFERENCES


