CORPORATE GOVERNANCE IN THE EPOCH OF PANDEMIC

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The global pandemic has dramatically shown the concrete application of a stakeholder value model. Employees necessarily first. The health and safety of employees as priorities to be put before even shareholder interests. So, a really route change in corporate governance, a *change of priorities* fixed by practice and previous scholarly literature (Kostyuk, Mozghovyi, & Govorun, 2018; Ho, Tower, & Barako, 2008; Boubaker, 2007; Huse, 2005; Melis, 2003).

In times of global pandemic, boards have been called upon to address employee concerns over sick leave, quarantine and caring responsibilities. The focus is looking after own staff, that means provide protective gear for workers who are exposed to contact with people in their jobs, introduce sick leave provisions and flexible shift work for those not able to work remotely, ensure flexibility and adjustment in expectations for home working staff, emergency funds or salary guarantee for a period of time for staff who are temporarily not required due to business closure or lockdown and last but not least provide mental health support.

The shareholder value gives way to a stakeholder value model appreciated by numerous previous scholarly literature (Ayuso & Argandoña, 2009; Pérez Carrillo, 2009).

In this context, it is appropriate to approve *dividends payments* at a time when employees were being laid off? In the same way, will shareholders look favorably on *executives* receiving generous bonuses following a year where they received no dividends? On these and other crucial issues, the boards are called up to decide, taking into account the *reputational and signaling effects* of maintaining versus suspending or reducing the dividend to shareholders and of cutting or not executive pay. The board decision-making has been complicated by the radical uncertainty about the future that characterized the new environment (Torchia, Calabrò, Huse, & Brogi, 2010; Chouaibi, Boujelbene, & Affes, 2009; Collin, 2008; Guerra, Fischmann, & Machado Filho, 2008). The adequate and healthy articulation of remuneration, together with the presence of independent directors, auditing firms, rating agencies, and the contestability of ownership structures determines the quality of governance system (Almutairi & Quttainah, 2019; Kostyuk & Barros, 2018; Mieli, 2010; Dell'Atti, Intonti, & Iannuzzi, 2013; D'Apolito, Iannuzzi, Sylos Labini, & Sica, 2019). All over the world, many companies announced cuts, or even zeroing, of compensation, even if the modalities are very diversified and the way to report them often deceptive, and well illustrate the opacity that still permeates this world (Awad, Ferreira, Jociene, & Riedweg, 2020). Therefore, make decisions based on *flexibility and ethics* becomes an imperative. Good choices are rewarded, bad choices are hardly condemned by social media. Mismanagement pays for the consumer hostility later.

These are the new priorities. Before the COVID-19 pandemic crisis climate change, biodiversity loss, natural disasters were at the top of the global agenda. The attention of international debate has been oriented on how to manage these 'new risks'. But in the current context, *what happens to sustainability?* Probably, boards have less time to spend on sustainability issues despite previous research supported this idea (Ramiah, 2020; Al Fadli, 2020; Grove & Clouse, 2017). This could be a threat for companies that have worked hard to direct their business towards corporate responsibility, social engagement, corporate citizenship.

The pandemic has accelerated the process of convergence towards *digitalization* more than ever. Within this scenario, boards must envision the types of risks that arise from technology, both the opportunities and perils. So, another crucial issue is the quality of boards: are current boards of directors capable of handling uncertainty? Do the board directors need new skills and professionalism?

All recalled issues are amplified in banking and financial institutions. The banking system represents the main channel to support the economic system and guarantee liquidity to companies in the persistence of the emergency. Rethinking *banking governance* can represent a key strategic element to govern the effects of the crisis and lay the foundations for future growth.

A great contribution could come from the debate between academics and practitioners to resolve all the issues above. The proposal of new ideas, the progress in the understanding and the dissemination of knowledge could prove invaluable in overcoming the current global crisis. Therefore, the conference "*Corporate Governance: An Interdisciplinary Outlook in the Wake of Pandemic*" recently held online, has been attended by more than 40 participants from 14 countries of the world, has contributed to the debate on the mechanisms of advancement of recent corporate governance practices. There were 28 presentations delivered by the participants during the conference. Board of directors as a field of research has been the most discussed issue by the conference participants. The role and functions of the CEO, the board gender diversity, the board of directors' performance, accountability, sustainability and other corporate governance issues have been intensively discussed by the scholars. The role and composition of the board committees such as nomination and corporate social responsibility committees have been reconsidered by participants too.

Also, the conference participants introduced a number of new corporate governance terms and concepts. For example, how to measure the gender board diversity? The participants proposed an index approach to answer the question above. It was interesting to fix a new corporate governance term introduced by presenters at the conference – "sustainability incentives in executive remuneration contracts", as well as a new term called "isomorphism in corporate acquisitions". A phenomenon of "CEO narcissism" comes to be a serious contributor to analyze the CEO decisions from the point of view of organizational behavior and psychology.

During two days of the conference, scholars who participated in the conference forum provided more than 300 comments with a deep analysis of the materials presented at the conference. It was a very transparent process of discussing the research concepts and its results like a process of open review of scholarly research.

With regard to the above, the pandemic becomes a starter to ignite the engine of corporate governance research with a new fuel – corporate governance data, and recently held conference forum has been used by the scholars from all over the world to make their own contribution to the corporate governance progress.

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