PREFACE

In recent decades, the duties and functioning of boards of directors have become embedded in the continuous debate on corporate governance systems by a combination of theoretical perspectives and empirical research. Consequently, areas of growing interest for scholars and operators are the relationship between boards and strategy, corporate social responsibility, performance stability, and risk disclosure. This research field appears extremely interesting and the book provides a careful analysis of key effects related to a corporate board, board diversity, corporate governance practices, and firm performance. Specifically, the book is organized into ten chapters. This work uses qualitative and quantitative research methods. The literature review uses books, articles, and supervisor reports.

Chapter 1 examines the influence of board size, the presence of an audit committee, and CEO duality on the level of CSR reporting of non-financial publicly listed companies in the context of Jordan. In general, large boards and the presence of an audit committee on the board has an influence on CSR reporting levels and the decision-making by controlling and monitoring the disclosure process in the companies.

The topic of diversity has attracted more interest from academic scholars and investors in the particular field of corporate governance. Chapter 2 analyzes the effect of diversity in the control system for non-financial companies listed on the Milan Stock Exchange, through the analyses of the Board of Statutory Auditor, emphasizing its central role in the corporate governance structure. In particular, this research considering the particular characteristics of diversity as the level of education and the degree of experience.

From the perspective of the theory of the firm, Chapter 3 make a contribution to verifying if family firms listed on the Italian Stock Exchange use board governance to lower significant deviations from the performance trajectory and ensure the company's long-term survival. Specifically, this chapter covers the gap in family firm literature in this field and suggests that family firm owner-managers are likely to choose as board members those outsiders who are able to help the firm overcome problems of performance stability over time. Firms in general use the board to resolve their strategic problems.

The impact of board characteristics and firm-specific features on CRD is investigated in Chapter 4. The results of this study for Saudi non-financial companies have important implications for regulatory bodies regarding the appropriate board structure to enhance corporate disclosure. Saudi Arabia is ranked as one of the largest capital markets in the world for its market capitalization and the Saudi government has initiated several far-reaching reforms at the Saudi Stock Exchange to mobilize savings and attract foreign capital investment.

Chapter 5 examines how the busyness of directors impacts firm performance in India in the light of the two alternative theoretical perspectives, that is, agency theory and resource dependence theory, and the relationship between the intensity of busyness for director of a firm, for example when a director accepts a certain number of multiple directorships in other firms as member of specialized committees and firm performance.

After the financial scandals in the US economy, the relationship between corporate governance and firm performance has recently received significant attention. Chapter 6 provides empirical evidence concerning the board of directors' characteristics effects on firm performance for the 341 Malaysian listed companies throughout the period ranging from 2003 to 2013. Board's characteristics are measured by CEO duality, the number of independent directors, the board size, and the frequency of board meetings while the firms' performance is measured by return on assets and earnings per share.

In addition, Chapter 7 examines the relationship between remuneration received by members of the board and firm performance of listed companies in Spain. The Spanish context is a scenario ideal to study this relationship because the companies present concentrated shareholding with control exercised by the board of directors and controlling shareholders. In this context, there is a high risk of expropriation of wealth from minority shareholders through high directors' remuneration (principal-principal conflict of interests). In order to control this problem, different reforms have been developed. Particularly, some recommendations on the remuneration to directors have been incorporated into the Spanish Company Law.

Chapter 8 analyzed the phenomenon of the separation between control and management within business groups, referring to the parent-subsidiary relationship and to the parent-listed sub-holding relationship. Specifically, this study gives some suggestions on the interpretation of the ownership structure, board composition, and the financial performances of the Italian listed companies.

The characteristics of board members in the field of higher education are examined in Chapter 9. In particular, the research examines the governance structure of Italian universities and what combinations of conditions, such as the level of independence, time availability, level of expertise, and international orientation, have an effect on the performance of boards of directors.

Finally, Chapter 10 presents the best practices that guide the structural design of role responsibilities and dictate policy decisions for separating the chairman and the CEO role.

The book offers an original approach and serves academics, practitioners, and policymakers. Indeed, we hope that this book inspires more discussion and more literature to develop the discussion and the studies of corporate governance and board composition.

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It was a pleasure to accept the invitation to write a preface to this important book *"Board of directors: A review of practices and empirical research"*. This book collects papers capturing the diversity of corporate governance practices and consequences.

In the last few decades, and particularly from the collapse in the early 2000s, corporate governance has been a topic permanently analyzed, consolidating a growing political and academic perspective. Despite such prolific advances, nowadays still exist a growing recognition of corporate governance literature and practitioners of the board of directors' role in agency cost reduction. The main aim is to prevent opportunistic behavior by shareholders and by controlling shareholders against minority shareholders. In fact, the board is named "the heart of corporate governance". In this regard, new perspectives have arisen around the robustness, independence, diversity, remuneration, and alignment of incentives structure, directors' skills and qualification, and balance on the representativeness of interest on the board. These topics are of interest to many stakeholders in order to support investment, financial stability, and sustainable economic growth. In addition, the effectiveness of the board is strongly affected by the social and institutional environment.

This book addresses the impact of board of directors' practices in several different settings. In doing so, provides a strong insight into the issue from different empirical testing for national contexts. Scholars contributed to this book, provide insight into the issue board of directors' impact on disclosure practices, payout policies, the sustainability of the firm and firm performance.

Chapter 1 contributes to the discourse on the board of directors' role in voluntary disclosure practices in developing countries. Corporate board characteristics influence the effective corporate governance practice and corporate social responsibility (CSR) reporting level. In fact, companies with an effective and active board of directors are expected to disclose more information to satisfy the stakeholders' group demands. From the legitimacy theory point of view, companies follow strategies base on CSR reporting seeking legitimation and a positive image of their operations.

Scholarly literature on the subject highlight that certain board characteristics such as board size, audit committee, and CEO duality influence the level and quality of CSR reporting and corporate governance efficiency. The purpose of this chapter is empirically testing the relationship between corporate governance practices and the level of CSR reporting in Jordan, based on a content analysis method and panel data statistic methodology. In doing so, it extends the empirical evidence of this issue offering new insights about board characteristics' influence on CSR reporting. In addition, this chapter discusses the impact of the legislative reforms enhancing disclosure on the board behavior in that respect.

Chapter 2 addresses two interesting themes on board diversity and earnings management. The role of board diversity has been highlighted as a driver of greater or lower board effectiveness to discipline controlling managers. Starting from this premise, the work focuses on gender, education, expertise diversity of the board of directors (BoD), and gender, diligence, and expertise diversity of the board of statutory auditor (BSA) to test their impact on earning management.

Using a panel of 223 observations of non-financial firms for the BoD and 224 observations for the BSA for years 2008, 2011, and 2016, the authors find that the higher expertise of BoD is associated with a higher earning of management. The authors also find that the presence of female and expertise on BSA is negatively related to earnings management. Authors believe that those findings are relevant for investors, controlling and minority shareholders to determine the specific characteristics of managers in order to reduce agency problems.

Chapter 3 analyzes whether or not family ownership and management affect profit variability and sustainability. Initially, the work describes the theoretical framework paying specific attention to agency theory and dependence resource perspective. Starting from the premise that family firms' action aims at achieving their long-term sustainability, the authors posit that corporate governance is used by families to reduce the performance variability ensuring the company's long-term survival. How the incorporation of independent and interlocks directors affects performance variability in family firms? Two hypotheses are developed to give an answer to this research question. The analysis addresses attention to the balance of shareholders' interests on the board decisions. The results are not consistent with the notion of a higher number of independent directors; however, they give support to the appointment of interlocks onto family firms to reduce performance variability.

Chapter 4 provides empirical testing on corporate risk disclosure and its determinants from the corporate governance perspective in the Kingdom of Saudi Arabia. From the corporate collapse in the early 2000s, the role of transparency and disclosure on increasing confidence and investors' greater willingness to invest in firms has been researched by the literature. This issue is particularly important for transition and emerging markets such as Saudi Arabia which is characterized by the influence of the royal family on the board of directors. The chapter presents empirical testing on tribal and social factors influencing the relation between the board and corporate governance characteristics and the corporate risk disclosure. Using a sample of 307 non-financial companies the authors analyze the impact of board size, board independence, the proportion of executive directors, the percentage of royal family members on the board, and the board meeting frequency on corporate risk disclosure level.

The authors of Chapter 5 argue that the impact of busyness directors on performance is related to the nature and intensity of the multiple directorships. They test their hypotheses on an unbalanced panel of 3733 firm-years on the Bombay Stock Exchange (BSE) over the period 2004-2012. Authors find differences in the relationship between busyness directorship in foreign and local firms. In addition, the levels of intensity in directorship which enhance firm performance, also differ. It is suggested that efficient limits to busyness directorship depend on the ownership groups.

Chapter 6 deals with Malaysian specific board characteristics and their relationship with firm performance.

Chapter 7 deals with the problem of remuneration to directors and firm performance. One of the challenges on board effectiveness issue is their remuneration. Due to the remuneration system, problems such as "capture by the first executive" or “risk of collusion with other executives” arise, compromising the effectiveness of the board. In avoiding these types of problems, regulators recommend linking the variable compensation to performance. Authors provide empirical testing of that question on a sample of 123 firms in the period from 2008 to 2018. They note that still have a long way to linking directors’ remuneration to the company profitability in this context.

Chapter 8 addresses the issue of subsidiary boards. Agency problems are study from the power exercise for parent-subsidiary relationship.

Chapter 9 deals with the examination of the characteristic of the board members and performance in higher education institutions. Using a fuzzy set quantitative comparative analysis, authors study 18 state universities’ board of directors’ performance and their determinants (independence, time availability, expertise, and international orientation). Their results show that high time availability, high expertise, and low international orientation conduct to lower board performance.

Finally, Chapter 10 includes a pivotal analysis of the separation of chairman and CEO roles.

I hope readers will find in this book information relevant to their research and their practice. As a summary of the themes of the book, it provides insights into board and effectiveness in corporate governance. There are central aspects to the corporate governance regulators, researchers, and practitioners; the progress reflected in this book reinforce the dynamism and relevance of this field going forward.

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Corporate governance represents an ecosystem that entails, on the one hand, the power that can be exercised over corporate entities to increase the value of stakeholders of organizations and the accountability of these stakeholders, on the other hand.

The discipline of corporate governance has evolved in line with business dynamics and global economic developments. The researchers in the corporate governance discipline have been constantly striving to produce, promote, and publish cutting-edge research. A very heartening phenomenon observed in the development process of corporate governance research has been that it has become more rigorous and relevant by encompassing a diversity of research topics, new theories, and new issues within the existing theories, and relatively sophisticated methodological dimensions.

Over time, the scope of corporate governance research has broadened, thanks to the continuous traverse beyond a few theoretical underpinnings and limited methodological paradigms. With the inclusion of diverse academic disciplines, along with the traditional ones, the debate within the corporate governance discipline has attained new heights, depths, and breadths. Consequently, the theoretical and practical contributions of corporate governance have increased and diversified significantly.

The boards of directors have probably been the most important institution of corporate governance. A wide range of theoretical and empirical research within the domain of corporate governance is directly related to the corporate boards of directors and this is inclusive of monitoring, control, accountability, regulation, leadership, disclosures, firm performance dynamics, ownership structure, capital structure, corporate restructuring, earnings management, managerial incentives, payout policy and shareholders' rights/activism, among others.

However, the role of corporate boards of directors has expanded manifold in recent times. It will not be an understatement that modern-day directors function in an unprecedentedly challenging environment. Board leaderships have already, been struggling to combat the severe onslaught of technological disruptions, economic downswings, and increased regulatory requirements, and then comes the COVID-19 pandemic, which has exposed business enterprises to a streak of challenges and nearly stalled business activities across the world. Corporate leadership is constantly struggling against such major disruptions and threats.

With the fast-changing business and societal landscape, there is not only the need to bring new narratives in the discourse of corporate governance but, at the same time, to bring new perspectives to the existing narratives. The researchers are endeavoring to discuss traditional topics in the corporate governance ambit such as corporate governance-role, duties and composition, directors' remuneration, risk management, and disclosure in the light of a multitude of changes occurring in the modern-day business environment and macro-economic milieu and their effects on the quality of board leadership, business planning, organizational structure, control mechanism, and firm performance, among others.

The researchers are also exploring more theoretical, and empirical research themes highlighting the association of boards of directors dynamics explicitly with the varying political spectrum of board leadership, changing discourse of business and society, multi-stakeholder practices (inter- and- intra, stakeholders conflicts), interactions between political institutions and corporate leadership, family-owned businesses and their internationalization, technological developments, sustainability, and many more.

The book *"Board of directors: A review of practices and empirical research"* is a collection of papers, which attempt to fill in several research gaps existing in the extant literature. For example, modern-day corporate boards not only acknowledge the importance of CSR but its reporting too. Similarly, board diversity, busyness, and other characteristics have their impact on corporate payout policy, disclosure, and performance of firms. Furthermore, issues such as directors' remuneration, interpretation of performance measures, and corporate governance of listed subsidiaries have been discussed from unique perspectives. Another important aspect of the book is that many articles, included in it, have been researched in the context of the emerging countries.

The book *"Board of directors: A review of practices and empirical research"* is a serious attempt to encourage researchers in the discipline of corporate governance to further expand and explore the aforesaid research themes in diverse institutional settings.

I thank all the authors, reviewers, readers, and the publisher.

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