

EDITORIAL: Corporate governance trends in emerging and developing countries

Dear readers!

We are glad to share with you recent studies from the *Journal of Governance and Regulation*.

At the beginning of the 21st century, the topic of corporate governance (CG), in particular after Enron, Tyco, WorldCom and other corporate scandals, grew in importance. We know that good, well-defined CG is key to managing and leading organizations well. CG, in fact, is the system of rules and mechanisms through which companies are directed and controlled, the result of norms, traditions, behaviors developed by economic and legal systems. In recent decades, the importance of the role played by CG has emerged in several studies (Demb & Neubauer, 1992; Shleifer & Vishny, 1997; Huse, 2007; Monks & Minow, 2011; Asensio-López, Cabeza-García, & González-Álvarez, 2019). Initially limited to the development of the role and functioning of the board of directors, mainly in listed companies, in recent years, the concept of CG has been further extended to include not only the duties of the board of directors and its composition but also ownership as well as mandatory and voluntary regulation (Magli, Nobolo, & Ogliari, 2014; Magli, Nobolo, & Vallone, 2013).

In order to explore the latest trends on this topic, we would like to investigate the changes in CG in emerging and developing countries.

Many studies on CG focus on the possible link between governance and performance (Kostyuk & Barros, 2018; De Luca, Migliori, Muhammad, & Rapposelli, 2021; Lagasio, 2021), in particular on the relationship between certain governance mechanisms and their impact on performance. Governance mechanisms involved regarding ownership structure (Demstev & Villalonga, 2001; Weich, 2003), type of shareholder (Anderson & Reeb, 2003; Jaskiewicz, González, Menéndez, & Schiereck, 2005; Danes, Stafford, & Teik-Cheok Loy, 2007), size and composition of the board (Eisenberg, Sundgren, & Wells, 1998; Coles, McWilliams, & Sen, 2001; De Andres, Azafora, & Lopez, 2005; Abbadi, Abuaddous, & Alwashah, 2021), presence of independent directors on the board (Bhagat & Black, 2002; Giovannini, 2010; Mirone, Sancetta, Sardanelli, & Mele, 2021) and duality (Lazarides, 2009; Aguinis et al., 2011; Debnath et al., 2021).

With regard to this category of analysis, several specific sub-topics that have been analyzed are particularly important in developing and emerging countries; some linked to the evergreens such as what characteristics must the members of the board have, for example, their foreign experience and their ownership share, in particular within the CEOs, the experience and age of the board member or more current such as the identification of a rating system for assess governance (Berthelot, Morris, & Morril, 2010; Magli et al., 2014; Magli & Nobolo, 2022). CG's rating is useful for investor decisions, such as institutional investors who are playing an increasingly significant role in the capital market, and because leaving a company at the lower end of the rating scale can become an incentive for managers to pay more attention to the various issues related to the CG (Khanchel, 2007).

In term of novelty, the literature indicates that bookkeeping, financial reporting, and the budgeting system (accounting information system) have a positive impact on the CG level (Uyar, Gungormus, & Kuzey, 2017; Fatima, Ishtiaq, & Javed, 2021). In addition, the analysis of the accounting information system as an important tool for managing the company's CG can help us define the level of performance. Some studies argue that the accounting information system is a crucial element of organizational mechanisms for effective and efficient decision-making and control in business organizations; it also reduces costs, facilitates operations and increases employee productivity (Sajady, Dastgir, & Hashem Nejad, 2008).

Another important open debate concerns diversity (Di Biase & Onorato, 2021; Doan & Iskandar-Datta, 2018; Magnanelli, Paolucci, & Pirolo, 2021; Qian, Waheduzzaman, & Khandaker, 2021). Many governments and organizations want to reduce disproportionality within corporate boards. It seems that there is a clear trend of improvement in gender representation in the board of directors and insider positions for firms, for example, in the insurance industry (Hogan & Vesneski, 2021). However, there are other types of "diversity" possible to investigate besides

gender. Another study analysed the tenure and educational level of the board members. The outcomes highlight a significant and positive relationship between tenure diversity on corporate boards and firm performance. In terms of the impact of educational diversity, no evidence indicating a positive effect on firm performance is found (Magnanelli et al., 2021).

The pandemic of COVID-19 has led, in addition, the reexamination of some practices on CG, for example, the importance of surveillance and privacy regulation or, as we have already said, in term of the influence of accounting information system on firms' performance.

Furthermore, as the title itself says, the analysis of new trends in CG has extended to all countries of the world, also reaching the main emerging and developing countries. The main papers presented for this issue concern these countries and in particular with regard to Asia: Jordan, India, Indonesia, the United Arab Emirates, as regards Africa: South Africa, and Zimbabwe, and as regards Europe, Kosovo and the Balkan countries.

Francesca Magli,
University of Milan, Italy,
Editorial Board Member of the Journal of Governance and Regulation

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