CORPORATE GOVERNANCE: FUTURE AVENUES AND PERSPECTIVES

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Corporate governance refers to the systems, structures, and institutions that determine how power and resource management are distributed among stakeholders within organizations (Davis, 2005). It encompasses a flexible framework of tools intended to serve as a dynamic system of guidelines, practices, and developing processes that empower management and the board to tackle the difficulties of managing an entity more efficiently (Becht et al., 2003). Corporate governance encompasses the methods through which an entity's goals are established and pursued within the framework of its social, regulatory, and market contexts.

It focuses on practices and procedures aimed at ensuring that an entity operates in a manner that meets its objectives while providing stakeholders with confidence that their investment in the company is justified (Koutoupis et al., 2019). Corporate governance pertains to how entities are directed and the purposes behind that direction (Herrera-Echeverri, et al., 2025). It guarantees that organizations have suitable decision-making frameworks and controls to balance the interests of all stakeholders, including shareholders, employees, suppliers, customers, and the community, even in different business environments and conditions (Elshandidy et al., 2025).

Good and effective corporate governance guarantees that an organization's board of directors convenes frequently, maintains oversight of the company, and has well-defined roles, without disappointing surprises (Bebchuk et al., 2009). It also establishes a strong risk management framework (Handayati et al., 2025). Corporate governance comprises four key components: people, purpose, process, and performance. These four Ps form the essential principles underpinning both the formation and function of governance. Nevertheless, the primary challenge is that these elements are a going concern and are not stable, providing several differences and special characteristics among entities such as family businesses (Lv et al., in press).

The influence of artificial intelligence (AI) technology on organizations' financial performance reinforces the significance of corporate governance and business processes (Cheng et al., in press). Theoretical and empirical studies on the primary mechanisms of corporate governance, which examine the key legal and regulatory frameworks in various nations, may encounter new situations not already recognized in the comparative corporate governance literature (Shleifer & Vishny, 1997). Also, regarding the adoption of corporate governance from the private sector to the public sector within the framework of the New Public Management, new fields of research are emerging (Giovanis & Chasiotou, 2024).

Corporate governance encompasses the methods through which a firm's objectives are defined and pursued within the framework of the social, regulatory, and market context (Davis, 2005). A key dilemma in corporate governance arises from this perspective: while regulations governing large shareholder involvement might offer enhanced protection for small shareholders, such regulations could also lead to increased managerial freedom and potential for misuse (Becht et al., 2003). Corporate governance at an international level of multinational entities may provide continuously new challenges on corporate mechanisms for international companies (Ho, 2005).

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