

EDITORIAL: Theory and practices of the corporate board in the international context

Dear readers!

I am glad to present the second issue of 2019 of the journal “*Corporate Board: Role, Duties and Composition*”. Nowadays, literature and practitioners, from a theoretical and empirical focus, agree that corporate governance efficiency is essential to achieve the long-term sustainability of firms and institutions. Despite of the initial emphasis on internal mechanisms of control (e.g. board of directors independence, executive incentives, internal audit committee) and shareholders as main interested in corporate governance efficiency (Agency Theory - Shareholders corporate governance focus), the focus appears to take a new direction looking for new insights on the stakeholders and external mechanisms of control (e.g. external blockholders, institutional investors shareholding, market) to dealing with the resolution of conflicts among the participants in organizations (Stakeholder Theory - Stakeholders corporate governance focus) going in the line with the previous research by Alagla (2019), Vargas-Hernández and Teodoro Cruz (2018), Rossi, Nerino, and Capasso (2015), Chung, Firth, and Kim (2005), and Chapelle (2004). This issue of the journal marks another step in this area, providing an interdisciplinary dialogue on diversity in corporate governance practices.

Corporate governance research has been largely guided by the Agency Theory emphasizing the effects of governance mechanism into solve the shareholders-management problem. However, a new concept of stakeholder corporate governance arises since the early 2000s. Under this perspective Daily, Dalton, and Cannella (2003), define corporate governance as “*the determination of the broad uses to which organizational resources will be deployed and the resolution of conflicts among the myriad participants in organization*” (p. 371). According to that perspective, the OECD (2015) recommends addressing the challenges of corporate governance “taking into account de interests of stakeholders”. This means that not only stakeholders should be served by efficient corporate governance but also that they should be involved as part of corporate control. From an academic point of view, García-Torea, Fernández-Feijoo, and De la Cuesta (2016) call for a revision of the traditional corporate governance system in order to evaluate it effectiveness under the stakeholder perspective. Nowadays, an increasing number of researchers have highlighted the growing importance of external mechanisms of control into the corporate governance (Almutairi & Quttainah, 2019; dela Rama & Kostyuk, 2019; McCahery, Sautner, & Starks, 2018; Shi, Connelly, & Hoskisson, 2017; Aguilera, Dessender, Bednar, & Lee, 2015) such as institutional investors (Goranova, Dharwadkar, & Brandes, 2010), market (Humphery-Jenner, 2014) or external auditors (Al-Mamun, Yasser, Rahman, Wickramasinghe, & Nathan, 2014; Lin & Hwang, 2010) among others. This issue includes articles examining this new reality, providing insights on the role of corporate governance on corporate performance and long-term survival.

In particularly, *Ahmad Alqatan, Imad Chbib* and *Khaled Hussainey* examine board size, independence and remuneration impact on firm performance using a sample of UK FTSE 100 non-financial companies for the period 2012 to 2015. *Hugh Grove* and *Mac Clouse* analyze the shareholders activism by discussing a case study for a U.S. from a financial, operational and corporate governance perspective of the actions recommended for a specific activist investor. *Andreas G. Koutoupis, Michael Pazarskis, Grigorios Lazos* and *Ioannis Ploumpis* examine the role of internal audit in corporate governance on a sample of 192 listed companies on the Athens

Stock Exchange documenting its impact on corporate governance during the financial crisis in Greece. *Alkiviadis Karagiorgos, Stamatis Stamatis, Paschalia Plioska and Olga Koutri* aim to extend the analysis of corporate governance to the public sector, analyzing the influence of internal and external audit on the effectiveness of local authorities' revenue attestation. *Michail Pazarskis, George Drogalas, Alkiviadis Karagiorgos and Efhelia Tabouratzi* study the changes in the stability of some Greek banks after 2008 as a result of M&As.

It is my sincere hope that the articles we've assembled in this volume will inspire new lines of progress in academic community and also open lines of cooperation between academics and practitioners in order to face the new challenges that corporate governance poses.

We hope that you will enjoy reading this issue of our journal!

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