

EDITORIAL: NEW CHALLENGES IN THEORY AND PRACTICE OF CORPORATE GOVERNANCE

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Interest in corporate governance continues to increase, both inside and outside academia, together with recognition of its importance. Despite advances in research on corporate governance, many questions remain regarding good governance and factors contributing to good decision-making.

In this context, we think that it is important to deal with the governance issues not just in a strict approach of theories, instruments and policies, but also from the point of view of how shareholders, managers, employees, directors and other key stakeholders are engaged in the governance process and how their behavior influences the governance processes (Esposito De Falco, 2018; Kostyuk et al., 2017).

One of the new challenges of corporate governance is the renovated debate on stakeholder value vs shareholder value creation. As said by Larry Fink (2019), for example, “companies that fulfill their purpose and responsibilities to stakeholders reap rewards over the long-term. Companies that ignore them stumble and fail”. Therefore, recently, we assist a shifting role of the corporation in line with the idea of a reorientation of business strategy in order “to reflect the fact that what is good for society does not necessarily have to be bad for the firm, and what is good for the firm does not necessarily have to come at a cost to society” (Moran & Ghoshal, 1996, p. 45).

The aim of international conference “New Challenges in Corporate Governance: Theory And Practice” is to move the field closer to a global

theory by advancing our understanding of corporate governance, which combines insights from the literature on firm governance bundles with insights from the national governance systems literature, investigating new perspectives and challenges for corporate governance and outlining possible scenarios of its development.

A conference is one of the most effective ways of scholarly communications (Kostyuk & Tutino, 2019). This way of communication brings together experts, both scholars and practitioners, in corporate governance from many continents and countries of the world. The conference program includes presentations of research by experts from the USA, Australia, France, Germany, the UK, Sweden, Italy, South Africa, Jordan, Mexico, etc. Some scholars presented the research investigating the national issues of corporate governance and contributed to the previous research of national corporate governance by Rossi, Nerino, and Capasso (2015), Zeitun (2009), Colarossi, Giorgino, Steri, and Viviani (2008), Rigamonti (2008). Others approached to investigate international practices of corporate governance and succeeded to contribute to the previous research by Bowerman and Sharma (2016), Castrillo, Marcos, and San Martín (2010), Mintz (2006), de Miguel, Pindado, and de la Torre (2005).

The conference calls for more attention to ESG factors and voluntary disclosure and calls to explore how good governance can help boards enhance their decision making and improve performance. Additionally, there is a growing body of research indicating that firms are concerned about more active engagement and communication among directors, board members and shareholders, which contributed to the research by Alanazi (2019), Drogalas, Karagiorgos, Pazarskis, and Vagenas (2019), Atkins, Zakari, and Elshahoubi (2018), Esposito De Falco, Cucari, and Di Franco (2018). Decision-making is not just an activity of individuals, it is a matter of creating the right conditions so decision-makers can make balanced choices. Since a misaligned CEO incentive compensation is a common theme underpinning the recent corporate scandals (Bhagat & Bolton, 2019), one of new challenges will concern the growing role of the compensation committee (Lemennicier, Hermet, & Duraisamy, 2019; Beavers, 2018; Ponnu, Soo, & Abidin, 2008). Several transformational forces including engaged institutional and activist investors, new regulation and more diverse boards drive this change. They need to be more proactive with a long-term strategy.

The articles in the Conference are dealing with timely subjects which have become extremely important in the last few years, but where the debate on the issue is still ongoing and unresolved. Hopefully, our conference will help to advance scholarly research on boards of directors, generating new ideas and calling for new emerging studies.

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