

EDITORIAL: New guidelines in corporate governance studies – Initial signs of reducing the limits of the agency's theory

Dear readers!

In the past, the international literature on Corporate Governance identified inconclusive solutions, to outline an "almost" ideal business model, in which conflicting interests converge; all trying to preserve the profit for the shareholder and for all its investors. In this logic, best practices have been developed to ensure the creation of mainly economic value; specifically, they are structuralism, behaviorist and experiential theoretical trends.

The structuralism trend analyzes the structure of the board, which produces high performance. Many authors have studied the characteristics of the Board in terms of the age of its members, background, gender, etc. (Elbahar, 2019; Vieira & Neiva, 2019; Alanazi, 2019; Kostyuk, 2003). The work of *Sandra Damijan and Jože P. Damijan* is in line with this approach. *Sandra Damijan and Jože P. Damijan* highlighted how the incorrect practice of corporate governance is usually linked to small shareholders and results in sub-optimal company performance.

The behaviorist trend studies the influence of managerial behavior on firm performance (social relationships of directors, links with other businesses, personal relationships with managers, etc.); finally, the experiential vein analyzes the relationship between the firm's performance and the level of management's knowledge and specialist expertise. These theoretical lines have represented, for many years, the theoretical background of the studies on Corporate Governance (Gupta, Kennedy, & Weaver, 2009; Hutchinson & Zain, 2009; Huse, 2005; Useem, 2004; Alshimmiri, 2004).

More recently, however, new trends have been developed, no longer based on the residual right, but on the sustainability, over time, of the company. The aim is looking for the equilibrium between conflicting interests. In the same direction are the contributions of *Viwe Mrwebi and Yongama Cici* who consider human resources as determinants for sustainable development, as well as *Grace Oluwafunmilayo Obalade and Kayode Kingsley Arogundade*, who study the sustainability of the firm and the influence of the organizational context on the behavior of economic actors. It is, therefore, a form of utilitarian sustainability, where the pursuit of profit and the interests of the proprietary system are achieved through a respectful behavior towards the context and the firm.

In the past, in fact, Corporate Governance was distinguished in restricted and enlarged, depending on whether the protection system was addressed within the ownership system, or in the relationship between the business and the other systems, external to it. Indeed, the work of *Ali R. Almutairi and Majdi A. Quttainah* is focused on the development of internal and external corporate governance mechanisms that contributes to the previous research by Drigo (2019), dela Rama and Kostyuk (2019), Lemennicier, Hermet, and Palanigounder (2019), Abdulsamad, Yusoff, and Lasyoud (2018).

The current situation, on the other hand, seems to have reduced the distinction between internal and external by creating a grey area in which, on the one hand, the proprietary system is increasingly extended to new investors, and the external context is increasingly restricted and pressing on the company. An example of this is the new legislative guidelines established by the Shareholders Rights Directive (amended by Directive 2017/828 – SRD II), which encourage the adoption of firm policies aimed at encouraging the direct involvement of all shareholders in the action of government, inducing behaviors oriented towards sustainability, understood as the ability to adopt respectful attitudes towards all stakeholders.

The new challenge is to review the behavior of the proprietary system and its relationship with the company; the objective is to fill the great void left by the agency's theory, giving greater consideration to the interests of the company itself, as the bearer of its own expectations and needs, even independent of the ownership system.

The possible considerations that arise from it, therefore, must not be limited to studying the relationship between Principal and Agent, but between Principal-Agent-Firms. In this new perspective, research on Corporate Governance must more consider the interest of the firm.

In this issue of *Corporate Governance and Organizational Behavior Review*, the trends highlighted welcome these new considerations. The debate is still on the basic stage, but hopefully, it can contribute to the start of a change of mind.

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