EDITORIAL: Trends in corporate governance – vision and future expectations

Dear readers!

We are pleased to present a new issue of the journal "Corporate Law & Governance Review" introduced in 2020.

Nowadays, corporate governance is a classic subject of discussion for policymakers and academic researchers worldwide. The interest of this research topic may be explained for the increased demand for continuous improvement and transparency in the board of directors and contributing to the previous research by Ravaonorohanta (2020), Hassan, Karbhari, Mohamad Isa, and Ab Razak (2017), Bianchi Martini, Corvino, and Rigolini (2012), Kyereboah-Coleman and Biekpe (2006), Davidson and Rowe (2004), and Kostyuk (2003).

The financial crises affected the economies and deficiencies in corporate governance conducted to an instability of the global financial system. Corporate governance failures worldwide caused many insolvencies and unemployment. Because of these tragic events, researchers, policymakers, and the corporate sector recognized the potential long-run effects of weak corporate governance systems. The corporate governance practices are completely different from country to country that is confirmed by the research by Backhouse and Wickham (2020), Yahiaoui and Ezzine (2020), Masmoudi and Makni (2020), Chidiac El Hajj (2018), and Kostyuk and Barros (2018).

Nevertheless, in general, there is a consensus that good corporate governance is a means to create a business environment of transparency, accountability, and trust in order to support economic growth and financial stability. In a global market of business and finance, where money and firm operations permanently cross borders, increasing trust is crucial to success.

Besides the stakeholders' interests, corporate boards should deal fairly with other interests, namely, those of employees, suppliers, creditors, and regional communities that are supported by Calza, Profumo, and Tutore (2017), Ghabayen, Mohamad, and Ahmad (2016), Guerra, Fischmann, and Machado Filho (2008).

They should give more attention towards director independence, taking care of social relationships, jobs for friends or family, supplier or customer relations, and excessive compensation. In addition, regulators are moving towards higher competency rules and they are imposing risk coverage requirements on directors that require internal controls and risk management.

For the next future, I expect an increased shareholder accountability and an increased focus on value creation and long-run strategy. A better information technology governance will create opportunities, since, nowadays, still there is a great technological ignorance of many directors.

The board performance should be evaluated permanently and all the directors should work as a unique team, with similar objectives to be achieved.

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