

EDITORIAL: Corporate governance and ownership: Changing towards an accountable, sustainable, responsible but profitable corporation

Dear readers!

In recent years, corporate governance has been a popular topic of research, especially in the aftermath of corporate scandals and financial crisis. These events highlighted the effects that weak corporate governance may have in corporations, resulting in poor management decisions and financial performance, and even ending in the collapse of some corporations.

Academics and practitioners from all over the world have been discussing how good governance can help to ensure that the corporation's strategic decisions are made in the best interests of those that invested their wealth in the corporation (Refakar & Ravaonorohanta, 2020; Rao & Juma, 2020; dela Rama & Kostyuk, 2019; Rossi, Nerino, & Capasso, 2015).

But the debate has added new economic and social purpose perspectives when looking at the corporation. Now, corporations need to behave responsibly and are also accountable to society for all their actions (Al Fadli, 2020; Grove & Clouse, 2018; Grove & Clouse, 2017; Cranmer, 2017).

In the last issue of the *Ownership and Corporate Control*, Gouiaa and Kostyuk (2020) pointed out that corporations are paying more attention to “environmental, social, and governance factors, including diversity and climate change” as a response to the new trends and concerns of all actors in society.

This shift in corporate governance orientation, from a shareholder-dominated approach to a stakeholder-dominated approach, was particularly marked when, as a result of a business roundtable at the end of 2019, a group of 181 CEOs decided to sign a joint commitment letter where they clearly stated: “*Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country*”. But are these views shared by both CEOs and shareholders? The non-binding statement was signed by the individual CEOs, without consulting the boards. And little do we know if shareholders truly shared this commitment despite the previous work by Matozza and D’Amico (2020), Mills and Hogan (2020), Rashid (2011), Chouaibi, Boujelbene, and Affes (2009).

Nevertheless, this joint statement serves as a strong and important reflection on the purpose of the corporation and what could be the new directions of corporate governance. To do so, it is pivotal not to forget the basics. Who are the owners of the corporations? As Aguilera and Crespí-Cladera (2016) claim, “no firm exists without owners” (p. 50). To that end, it is critical to understand not only the types of ownership that are present in corporations, from individual investors to institutional investors, from family to governments, but also how willing they are to actively participate in the corporation, either by actively expressing their voice and propose resolutions or simply by exiting the corporation if they do not share the same purposes as the management and corporation as a whole.

Only strong and effective corporate governance can improve the corporation's accountability to both shareholders and non-shareholding stakeholders. Corporations must understand if and how to incorporate the (sometimes divergent) claims and interests of all stakeholders and how to continue to add value and wealth for those that,

after all, supplied the finance and expect a return on that investment (Shleifer & Vishny, 1997).

This issue of the journal *Corporate Ownership and Control* contains an interesting selection of articles, with contributions on the role of different types of ownership (e.g., family and state-owned enterprises) and corporate governance mechanism, from internal control to new forms of socially responsible accountability in order to enable the corporations to ensure a commitment to all stakeholders and a safe global environment for the future.

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