

EDITORIAL: Fundamental pillars of corporate governance research

Dear readers!

Corporate governance is a system designed to improve corporate performance through supervision of management performance to ensure accountability to stakeholders based on a regulatory framework (Gouiaa & Kostyuk, 2020). Board of directors as a field of research becomes a major point for intersection of many other issues of corporate governance, such as financial reporting, firm performance, earnings management, stock market, and reaching even well-established fields of research such as accounting and finance. Most of the papers published in this issue of the journal are linked to the board of directors' issues directly or indirectly.

An aspect that is gaining increasing attention from scholars of corporate governance concerns the study of the characteristics that the board of directors should possess to ensure efficient management control and valuable support in the decision-making process (Eklund, 2020; Stiles & Taylor, 2001; Zattoni, 2006). The appropriate achievement of these major tasks can affect corporate governance, protecting the rights of all shareholders (Rubino, Tenuta, & Cambrea, 2017).

Corporate board issue is a wide topic analyzed in different aspects previously (Di Biase & Onorato, 2020; Akanmidu, 2017; Marchini, Medioli, Tibiletti, & Triani, 2017). The studies on corporate governance have focused their attention on the analysis of the structure of the board (Kostyuk, 2003; Zattoni, 2006; Eklund, Palmberg, & Wiberg, 2009). Nevertheless, the empirical evidence on the relationship between board structure and corporate financial performance is still uncertain (Dalton, Daily, Johnson, & Ellstrand, 1999; Minichilli, Zattoni, & Zona, 2009). Numerous studies have been conducted on the effect of corporate governance on firm value with very different results (Maury, 2006; Guest, 2009; Adams & Ferreira, 2009). Dissimilar results are found, especially within family firm studies, depending on the variable used to study, sampling techniques, econometric methodologies, study periods, and institutional settings that different scholars consider (Park & Bolton, 2020; Sacristán-Navarro, Gómez-Ansón, & Cabeza-García, 2011). These conflicting empirical findings are also confirmed for family firms. As demonstrated by O'Boyle, Pollack, and Rutherford (2012) in their meta-analysis, the comparison between performance in family and non-family firms depends on many aspects.

If the role of the board of directors in influencing company performance in non-financial companies has been the subject of particular in-depth analysis (Vaz Ferreira, 2019; Rubino, et al., 2017; Minichilli et al., 2009; Di Pietra, Grambovas, Raonic, & Riccaboni, 2008), the same cannot be said for studies that analyze the board in financial companies, such as banks and insurance companies (Arouri, Hossain, & Muttakin, 2011; Kostyuk, Takeda, & Hosono, 2010; Cambrea, 2018; Barako & Tower, 2007).

Researchers have been focusing their interest on the topic of gender diversity on the board of directors and top management (Chebri & Bahoussa, 2020; Briano-Turrent, 2019; Cambrea, Lussana, Quarato, & Varacca Capello, 2017; Velte, 2017; Giovinco, 2014). Many studies have investigated whether gender diversity can enhance board effectiveness (Sicoli, Bronzetti, Ippolito, & Leonetti, 2020; Manzanque-Lizano, 2020; Adams & Ferreira, 2009), can improve firm performance (Jaber, 2020; Amore, Garofalo, & Minichilli, 2014; Liu, Wei, & Xie, 2014; Santen & Donker, 2009) and make different corporate decisions (Nielsen & Huse, 2010), such as corporate social responsibility (CSR) initiatives (Celentano, Lepore, Pisano, D'Amore, & Alvino, 2020), risk financial policies (Adusei, 2020; Bekiaris & Papanastasiou, 2020; Bernile, Bhagwat, & Yonker, 2018; Faccio, Marchica, & Mura, 2016) and liquidity stock (Atif, Liu, & Huang, 2019). Other empirical research analyzes the alternative aspects of management, such as the payment of dividends (Briano-Turrent, 2020; Chen, Leung, & Goergen, 2017) and the link to accounting quality (García-Sánchez, Martínez-Ferrero, & García-Meca, 2017). While there is considerable evidence that investigates the role of women directors (i.e., independent or executive) affecting dividend payouts (Al-Amarneh, Yaseen, & Iskandrani, 2017; Chen et al., 2017), earnings management practice (García Lara, García Osma, Mora, & Scapin, 2017), and cash holdings policies (Cambrea, Tenuta, & Vastola, 2019), empirical studies that examine how different types of women directors can affect corporate performance are scarce.

In the last few years, several scholars have focused on the relationship between gender diversity, environmental disclosure and corporate social responsibility (Sylos Labini, Kostyuk, & Govorun, 2020; Furlotti, Mazza, Tibiletti, & Triani, 2019). Despite the extensive research on female directors, there is scant literature that investigates the impact of female directors on management decisions concerning liquidity. Precisely, the previous research has so far only investigated the role of female executives on corporate reserves (Adhikari, 2018). Moreover, after the last financial crisis, several studies have underlined the importance of internal cash resources (Chang, Benson, & Faff, 2017; Nason & Patel, 2016) and the need to have effective corporate governance to better manage cash flows (Deb, David, & O'Brien, 2017). Considering the consistent gender differences apparent in economic behavior (Kostyuk, Guedes, & Govorun, 2020; Croson & Gneezy, 2009), and, in particular, women's preferences in governance for more stringent monitoring (Adams & Ferreira, 2009) and higher risk aversion (Bernile et al., 2018; Faccio et al., 2016), it is appropriate to investigate the relationship between female

directors and cash holdings. Although previous research suggests that the contribution of women depends on their functions (Liu et al., 2014; Esposito De Falco, Alvino, & Kostyuk, 2019), we lack an understanding of how roles fulfilled by female directors' influence cash policies.

When reading the papers published in this issue of the journal it easy to fix the content related to corporate governance either from the point of view of the fundamental origin or the point of view of the accompanying concept. We hope that you will enjoy reading the papers and extract a lot of interesting ideas for your further research in corporate governance.

Paolo Tenuta, Ph.D., Professor,
University of Calabria, Italy, Editorial Board member of the journal
Alexander Kostyuk, Dr., Professor, Director,
Virtus Global Center for Corporate Governance, Ukraine, Co-Editor-in-Chief of the journal

REFERENCES

1. Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics*, 94(2), 291-309. <https://doi.org/10.1016/j.jfineco.2008.10.007>
2. Adhikari, B. K. (2018). Female executives and corporate cash holding. *Applied Economics Letters*, 25(13), 958-963. <https://doi.org/10.1080/13504851.2017.1388904>
3. Adusei, M. (2020). Female on boards and the risk-taking of microfinance institutions: The moderating role of outreach. *Corporate Board: Role, Duties and Composition*, 16(2), 19-34. <https://doi.org/10.22495/cbv16i2art2>
4. Akanmidu, O. (2017). The deterrence theory: A case for enhanced enforcement of directors' duties. *Corporate Governance and Organizational Behavior Review*, 1(1), 25-31. https://doi.org/10.22495/cgobr_v1_i1_p3
5. Al-Amarneh, A., Yaseen, H., & Iskandrani, M. (2017). Board gender diversity and dividend policy: Case of Jordanian commercial banks. *Corporate Board: Role, Duties and Composition*, 13(3), 33-41. <https://doi.org/10.22495/cbv13i3art4>
6. Amore, M. D., Garofalo, O., & Minichilli, A. (2014). Gender interactions within the family firm. *Management Science*, 60(5), 1083-1097. <https://doi.org/10.1287/mnsc.2013.1824>
7. Arouri, H., Hossain, M., & Muttakin, M. B. (2011). Ownership structure, corporate governance and bank performance: Evidence from GCC countries. *Corporate Ownership & Control*, 8(4-3), 365-372. <https://doi.org/10.22495/cocv8i4c3art5>
8. Atif, M., Liu, B., & Huang, A. (2019). Does board gender diversity affect corporate cash holdings? *Journal of Business Finance & Accounting*, 46(7-8), 1003-1029. <https://doi.org/10.1111/jbfa.12397>
9. Barako, D. G., & Tower, G. (2007). Corporate governance and bank performance: Does ownership matter? Evidence from the Kenyan banking sector. *Corporate Ownership & Control*, 4(2), 133-144. <https://doi.org/10.22495/cocv4i2p13>
10. Bekiaris, M., & Papanastasiou, P. (2020). Women in the boardroom and their impact on financial performance and risk-taking: A bibliometric analysis. In A. Kostyuk, M. J. C. Guedes, & D. Govorun (Eds.), *Corporate Governance: Examining Key Challenges and Perspectives* (pp. 57-59). <https://doi.org/10.22495/cgekcp>
11. Bernile, G., Bhagwat, V., & Yonker, S. (2018). Board diversity, firm risk, and corporate policies. *Journal of Financial Economics*, 127(3), 588-612. <https://doi.org/10.1016/j.jfineco.2017.12.009>
12. Briano-Turrent, G. C. (2019). Women on the board and the ethical behaviour: The case of Latin American listed companies. In S. Esposito De Falco, F. Alvino, & A. Kostyuk (Eds.), *New Challenges in Corporate Governance: Theory and Practice* (pp. 81-84). https://doi.org/10.22495/ncpr_22
13. Briano-Turrent, G. D. C. (2020). The effect of board structure on dividends policy: A comparative study between Brazilian and Chilean family firms. In A. Kostyuk, M. J. C. Guedes, & D. Govorun (Eds.), *Corporate Governance: Examining Key Challenges and Perspectives* (pp. 22-26). <https://doi.org/10.22495/cgekcp>
14. Cambrea, D. R. (2018). Challenging issues and fundamental concepts of corporate governance. *Corporate Ownership and Control*, 16(1-1), 110-111. https://doi.org/10.22495/cocv16i1c1_editorial
15. Cambrea, D. R., Lussana, G., Quarato, F., & Varacca Capello, P. V. (2017). Top management team diversity and firm performance: Empirical evidence from the fashion and luxury industry. *Corporate Ownership & Control*, 15(1-2), 325-340. <https://doi.org/10.22495/cocv15i1c2p2>
16. Cambrea, D. R., Tenuta, P., & Vastola, V. (2019). Female directors and corporate cash holdings: Monitoring vs executive roles. *Management Decision*, 58(2), 295-312. <https://doi.org/10.1108/MD-11-2018-1289>
17. Celentano, A., Lepore, L., Pisano, S., D'Amore, G., & Alvino, F. (2020). The joint effect of board independence and CSR committee on CSR disclosure: Evidence from Italian listed companies. In A. Kostyuk, M. J. C. Guedes, & D. Govorun (Eds.), *Corporate Governance: Examining Key Challenges and Perspectives* (pp. 13-19). <https://doi.org/10.22495/cgekcp>
18. Chang, Y., Benson, K., & Faff, R. (2017). Are excess cash holdings more valuable to firms in times of crisis? Financial constraints and governance matters. *Pacific-Basin Finance Journal*, 45, 157-173. <https://doi.org/10.1016/j.pacfin.2016.05.007>
19. Chebri, M., & Bahoussa, A. (2020). Impact of gender and nationality diversity on financial performance: A study of listed banks in Morocco. *Corporate Ownership & Control*, 18(1), 56-68. <https://doi.org/10.22495/cocv18i1art5>
20. Chen, J., Leung, W. S., & Goergen, M. (2017). The impact of board gender composition on dividend payouts. *Journal of Corporate Finance*, 43, 86-105. <https://doi.org/10.1016/j.jcorpfin.2017.01.001>
21. Croson, R., & Gneezy, U. (2009). Gender differences in preferences. *Journal of Economic Literature*, 47(2), 448-474. <https://doi.org/10.1257/jel.47.2.448>
22. Dalton, D. R., Daily, C. M., Johnson, J. L., & Ellstrand, A. E. (1999). Number of directors and financial performance: A meta-analysis. *Academy of Management Journal*, 42(6), 674-686. <https://doi.org/10.5465/256988>
23. Deb, P., David, P., & O'Brien, J. (2017). When is cash good or bad for firm performance? *Strategic Management Journal*, 38(2), 436-454. <https://doi.org/10.1002/smj.2486>

24. Di Biase, P., & Onorato, G. (2020). The impact of board characteristics on financial performance: International evidence from insurance industry. In S. Sylos Labini, A. Kostyuk, & D. Govorun (Eds.), *Corporate Governance: An Interdisciplinary Outlook in the Wake of Pandemic* (pp. 18-22). <https://doi.org/10.22495/cgiowp>
25. Di Pietra, R., Grambovas, C. A., Raonic, I., & Riccaboni, A. (2008). The effects of board size and 'busy' directors on the market value of Italian companies. *Journal of Management & Governance*, 12(1), 73-91. <https://doi.org/10.1007/s10997-008-9044-y>
26. Eklund, J. E., Palmberg, J., & Wiberg, D. (2009). Ownership structure, board composition and investment performance. *Corporate Ownership & Control*, 7(1), 120-130. <https://doi.org/10.22495/cocv7i1p11>
27. Eklund, M. A. (2020). The predictors of corporate social responsibility (CSR) committee. In S. Sylos Labini, A. Kostyuk, & D. Govorun (Eds.), *Corporate Governance: An Interdisciplinary Outlook in the Wake of Pandemic* (pp. 25-31). <https://doi.org/10.22495/cgiowp>
28. Esposito De Falco, S., Alvino, F., & Kostyuk, A. (Eds.). (2019). *New challenges in corporate governance: Theory and practice*. Sumy, Ukraine: Virtus Interpress.
29. Faccio, M., Marchica, M.-T., & Mura, R. (2016). CEO gender, corporate risk-taking, and the efficiency of capital allocation. *Journal of Corporate Finance*, 39, 193-209. <https://doi.org/10.1016/j.jcorpfin.2016.02.008>
30. Furlotti, K., Mazza, T., Tibiletti, V., & Triani, S. (2019). Women in top positions on boards of directors: Gender policies disclosed in Italian sustainability reporting. *Corporate Social Responsibility and Environmental Management*, 26(1), 57-70. <https://doi.org/10.1002/csr.1657>
31. García Lara, J. M., García Osmá, B., Mora, A., & Scapin, M. (2017). The monitoring role of female directors over accounting quality. *Journal of Corporate Finance*, 45, 651-668. <https://doi.org/10.1016/j.jcorpfin.2017.05.016>
32. García-Sánchez, I.-M., Martínez-Ferrero, J., & García-Meca, E. (2017). Gender diversity, financial expertise and its effects on accounting quality. *Management Decision*, 55(2), 347-382. <https://doi.org/10.1108/MD-02-2016-0090>
33. Giovinco, A. (2014). Gender diversity in the boardroom: Context and Spanish case. *Corporate Board: Role, Duties and Composition*, 10(3), 60-76. <https://doi.org/10.22495/cbv10i3art5>
34. Gouiaa, R., & Kostyuk, A. (2020). Editorial: An international outlook of corporate governance research. *Corporate Ownership and Control*, 17(4), 4-6. <https://doi.org/10.22495/cocv17i4editorial>
35. Guest, P. M. (2009). The impact of board size on firm performance: Evidence from the UK. *The European Journal of Finance*, 15(4), 385-404. <https://doi.org/10.1080/13518470802466121>
36. Jaber, Y. (2020). Gender diversity and financial performance of the stock exchange listed companies [Special issue]. *Corporate Ownership & Control*, 17(4), 257-267. <https://doi.org/10.22495/cocv17i4siart4>
37. Kostyuk, A. (2003). Board practices: An international review. *Corporate Ownership & Control*, 1(1), 102-111. <https://doi.org/10.22495/cocv1i1p7>
38. Kostyuk, A. N., Takeda, F., & Hosono, K. (2010). *Anti-crisis paradigms of corporate governance in banks: A new institutional outlook*. Sumy, Ukraine: Virtus Interpress.
39. Kostyuk, A., Guedes, M. J. C., & Govorun, D. (Eds.). (2020). *Corporate governance: Examining key challenges and perspectives*. <https://doi.org/10.22495/cgekcp>
40. Liu, Y., Wei, Z., & Xie, F. (2014). Do women directors improve firm performance in China? *Journal of Corporate Finance*, 28, 169-184. <https://doi.org/10.1016/j.jcorpfin.2013.11.016>
41. Manzaneque-Lizano, M. (2020). Editorial: Cross-disciplinary research of board of directors practices. *Corporate Board: Role, Duties and Composition*, 16(1), 4-6. https://doi.org/10.22495/cbv16i1_editorial
42. Marchini, P. L., Medioli, A., Tibiletti, V., & Triani, S. (2017). Board of directors and board of statutory auditors' diversity and earnings management: Evidence from Italy. *Corporate Board: Role, Duties and Composition*, 13(3), 42-51. <https://doi.org/10.22495/cbv13i3art5>
43. Maury, B. (2006). Family ownership and firm performance: Empirical evidence from Western European corporations. *Journal of Corporate Finance*, 12(2), 321-341. <https://doi.org/10.1016/j.jcorpfin.2005.02.002>
44. Minichilli, A., Zattoni, A., & Zona, F. (2009). Making boards effective: An empirical examination of board task performance. *British Journal of Management*, 20(1), 55-74. <https://doi.org/10.1111/j.1467-8551.2008.00591.x>
45. Nason, R. S., & Patel, P. C. (2016). Is cash king? Market performance and cash during a recession. *Journal of Business Research*, 69(10), 4242-4248. <https://doi.org/10.1016/j.jbusres.2016.03.001>
46. Nielsen, S., & Huse, M. (2010). Women directors' contribution to board decision-making and strategic involvement: The role of equality perception. *European Management Review*, 7(1), 16-29. <https://doi.org/10.1057/emr.2009.27>
47. O'Boyle, E. H., Pollack, J. M., & Rutherford, M. W. (2012). Exploring the relation between family involvement and firms' financial performance: A meta-analysis of main and moderator effects. *Journal of Business Venturing*, 27(1), 1-18. <https://doi.org/10.1016/j.jbusvent.2011.09.002>
48. Park, J.-E., & Bolton, B. (2020). Board leadership legitimacy and director turnover in family firms. In A. Kostyuk, M. J. C. Guedes, & D. Govorun (Eds.), *Corporate Governance: Examining Key Challenges and Perspectives* (pp. 29-36). <https://doi.org/10.22495/cgekcp>
49. Rubino, F. E., Tenuta, P., & Cambrea, D. R. (2017). Board characteristics effects on performance in family and non-family business: A multi-theoretical approach. *Journal of Management & Governance*, 21(3), 623-658. <https://doi.org/10.1007/s10997-016-9363-3>
50. Sacristán-Navarro, M., Gómez-Ansón, S., & Cabeza-García, L. (2011). Large shareholders' combinations in family firms: Prevalence and performance effects. *Journal of Family Business Strategy*, 2(2), 101-112. <https://doi.org/10.1016/j.jfbs.2011.03.001>
51. Santen, B., & Donker, H. (2009). Board diversity in the perspective of financial distress: Empirical evidence from the Netherlands. *Corporate Board: Role, Duties and Composition*, 5(2), 23-35. <https://doi.org/10.22495/cbv5i2art3>
52. Sicoli, G., Bronzetti, G., Ippolito, D., & Leonetti, G. (2020). Gender diversity and governance: Analysis of Italian listed companies [Special issue]. *Corporate Ownership & Control*, 17(4), 329-338. <https://doi.org/10.22495/cocv17i4siart10>
53. Stiles, P., & Taylor, B. (2001). *Boards at work: How directors view their roles and responsibilities*. Oxford, the UK: Oxford University Press.
54. Sylos Labini, S., Kostyuk, A., & Govorun, D. (Eds.). (2020). *Corporate governance: An interdisciplinary outlook in the wake of pandemic*. <https://doi.org/10.22495/cgiowp>
55. Vaz Ferreira, J. M. B. (2019). Corporate governance structures in the context of cooperative banking. *Corporate Governance and Sustainability Review*, 3(1), 25-41. <https://doi.org/10.22495/cgsrv3i1p3>
56. Velte, P. (2017). Do women on management board increase fair value relevance? *Corporate Governance and Sustainability Review*, 1(1), 6-16. <https://doi.org/10.22495/cgsrv1i1p1>
57. Zattoni, A. (2006). *Assetti proprietari e corporate governance*. Milan, Italy: EGEA.