Editorial

Michail Nerantzidis*

School of Social Sciences,
Hellenic Open University,
Parodos Aristotelous 18, 26-335, Patra, Greece
Email: nerantzidis.michail@ac.eap.gr
Email: nerantzidismike@yahoo.gr
*Corresponding author

Themistokles Lazarides

Department of Accounting and Finance,
University of Applied Sciences of Thessaly,
Larissa, 411-10, Greece
Email: themis@themis.gr
Email: tlazarides@teilar.gr

Kiymet Tunca Caliyurt

Fakultesi Isletme Bolumu,
Trakya Universitesi Balkan Yerleskesi
Iktisadi ve Idari Bilimler,
Edirne, 22030 Turkey
Email: kiymet1442@yahoo.com

Biographical notes: Michail Nerantzidis is a Visiting Lecturer at the Hellenic Open University and works at the Ministry of Finance in Greece. He is an Associate Editor in *Corporate Governance: An International Journal of Business in Society*. His current research interests include corporate governance, financial reporting, impression management and mergers and acquisitions. His work has appeared in academic journals such as: *Managerial Auditing Journal*, *Journal of Management and Governance*, *Corporate Governance: The International Journal of Business in Society*, *International Journal of Learning and Intellectual Capital* and *International Journal of Law and Management* and in various conferences.

Themistokles Lazarides is an economist and his research interests focus on corporate governance, corporate collapses, crisis, ethics, regulation, auditing, merger and acquisitions and ES systems design and implementation. His work has appeared in the *Corporate Governance: The International Journal of Business in Society*, *Information Management & Computer Security*, *Corporate Ownership & Control*, *International Review of Applied Economic Research*, *Journal of European Economy*, *International Journal of Business Excellence*, *Journal of Financial Regulation and Compliance*, *Journal of Corporate and Securities Law*, *The John Marshall Journal of Computer & Information Law*, *International Journal of Law and Management* and in various conferences.

Kiymet Tunca Caliyurt is an economist and her research interests are in accounting, auditing, fraud, social responsibility, corporate governance, finance and business ethics, with a special interest in aviation management, women rights in business. She has published papers, book chapters, and books both nationally and internationally on fraud, social responsibility, ethics in accounting/finance/aviation disciplines and NGOs in Springer and Taylor Francis Routledge. Some titles are *Emerging Fraud* (with Sam Idowu), *Corporate Governance: An International Perspective* (with Sam Idowu), *Women and Sustainability in Business: A Global Perspective*, *Sustainability and Management: An International Perspective* (with Ulku Yuksel), and *Globalization and Social Responsibility* (with David Crowther). She is a member in the editorial board of *Social Responsibility Journal*, *Journal of Financial Crime*, and *International Journal of Law and Management*.

1 Introduction

> "Social historian sees the 21st century as the era of corporate governance, just as the 20th had been that of management" [Tricker, (2009), p.4].

This special issue is intended to contribute to comparative corporate governance (CG) dynamics and mechanisms by exploring contemporary research questions on the relationship between management and governance of the firm. Conceptually this intersection encompasses a vast variety of issues that could be investigated. For instance, CG literature suggests that good CG may act as an effective mechanism to alleviate the opportunistic behaviours of management (Chen et al., 2009; O'Connor et al., 2014), to improve corporate strategy (Brunninge et al., 2007) and in general to improve financial performance (Haniffa and Hudaib, 2006; Bhagat and Bolton, 2008). Based on this argumentation this special issue tries to shed more light on this complicate relationship between governance and management and to provide new paths for future investigation (for more, see, Denis, 2001; Hambrick et al., 2008; Boyd et al., 2017).

The manuscripts submitted in response to the call for papers for this special issue cover a wide diversity of themes motivated by theoretical underpinnings such as governance, management, network theory, and accounting and finance. More specifically, the five papers cover ongoing issues such as: CG mechanisms, strategic management, earnings management, international financial institutions and income smoothing.

In the first paper, Warin and Sanger analyse the connectivity and closeness between financial institutions through the lens of the boards of directors. Using network theory and a large sample of 43,399 individuals and 2,209 institutions across 52 countries they find that corporate interlocks show – to some degree – the level of concentration within the financial system. This result is quite interesting since it provides some insights about the small-world properties of the international financial system. Generally, this pioneering study shows how much and how deeply financial institutions are connected and sometimes integrated in 'clubs' ('small-world' in network theory) within certain countries; a central element for better understanding the 'real' connections between governance and management.

In the second general review paper, Apostolakis and Margaritou provide an overview of the strategic entrepreneurial and innovative nature of the Eurasian Economic Union

(EAEU) and describe the effectiveness of the Eurasian Governance on its institutional dimension as well as on policies for entrepreneurship and innovation. More specifically, the authors significantly add to our knowledge of the effectiveness of EAEU by illustrating the interaction between the strategic expediency of the Eurasian integration venture and the theories of entrepreneurship and innovation

In the third paper, Shanmuganathan discusses the relationship between CG and strategic management and analyses the effectiveness of CG and strategic management. Using retrospective research strategy based on a variety of sources she investigates the evolution of the relationship between CG and strategic management with respect to RELX Group (Elsevier). The results show that the relationship between these two can be described as complex and it cannot be dealt with by a deterministic approach. Moreover, results reveal either firm specific characteristics or environmental conditions that influence the company's conduct. This illustrates that an explanatory framework can provide some vital features that can explain the relationship between these two and the critical phases of changing from the prevalence of CG to strategic management and vice versa such as good or bad practices.

In the fourth paper, Vasilakopoulos, Tzovas and Ballas investigate whether CG mechanisms have an impact upon EU banks' accounting policy decisions. Using a sample of 98 banks from 23 EU countries for the period 2010 to 2013, the authors show that there is a positive relation between loan loss provisions (LLPs) and earnings before taxes and provisions, and that managers of two-tier banks are more likely to use LLPs for earnings management purposes. Their findings have important implications for the improvement of both regulatory and accounting regime to eliminate stakeholders' concerns about the strength and transparency of financial institutions: Regulators may reconsider the adequacy of the existing principle of 'comply or explain' in limiting managers' opportunistic behaviour, since it does not predict legal repercussions for firms that systematically avoid compliance with the CG framework

Finally, in the fifth paper Smaraidos, Thanasas and Filiou investigate a major CG issue that continues to be of substantial interest: the impact of CG mechanisms on earnings management. Using a sample of 46 Greek listed firms for the years 2011–2015, the authors show that companies with a strong and independent board of directors combined with an active audit committee, as long as with financial soundness and the presence of a large audit firm are deterred from practices related earnings management. This finding is important for countries that adopt characteristics of the traditional European-Continental model (e.g., family members running firms and participating on boards) since it illustrates that legislators and policymakers should continue to promote the adoption of 'best practices', such as independency of boards, that address the potential failures of CG mechanisms in place (for more, see Cuomo et al., 2016).

2 Directions for future research

Taking into account the argumentation that boundaries of CG and management are not hard and fast (IEG World Bank Group, 2007), we believe that there is still lot to learn by further challenging the complicated relationship between these two separate fields.

Thus, it is highly important for researchers to go one step further and address this complexity using new theoretical insights (i.e., by combining different theoretical lenses or by combining recent developments into a new theory) as well as new approaches (such as multi-methodologies). All in all, this perspective could pave the way for new directions in understanding in depth not only the way companies and organisations are governed and managed but also the interrelationship of these two disciplines.

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