Incoming Editorial

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It is an honor and a privilege for us to take on this new role and responsibility as editors-in-chief (EICs) of *Corporate Governance: An International Review*. After twenty-years of existence, the journal is in good shape: it is now considered the premier outlet for corporate governance research. We celebrated the twenty years anniversary with a conference at the Judge Business School on corporate governance bundles few months ago, where we met all the previous EICs of the journal (i.e. Bob Tricker, Chris Mallin, and Bill Judge). We learned a lot from them, through their speeches and through personal conversations with them. Bob Tricker explained why he decided to launch a journal on corporate governance; Chris described how she moved the journal forward; and, Bill provided us with a lot of suggestions and insights on how to lead the journal and take it to the next level.

CGIR has improved considerably both in term of rigor and relevance under Bill Judge leadership. He created a strong and well-reputed editorial board that includes six associate editors, 33 editorial review board members, 24 advisory board members, and two screening editors. The results from this strong editorial board under Bill's leadership have been very impressive. Just to mention few: (i) the number of submissions is now steady over 400 per year; (ii) the impact factor of the journal is around 2.0 (it was 2.8 in 2011, and it is 1.89 in 2012); (iii) the turnaround cycle is under 2 months; (iv) the journal has been recently listed among finance journals.

The articles published in this issue are an example of the style and the quality of the journal. In the first article, Jansson explores the Swedish media as governance mechanisms using an institutional and symbolic perspective. The author uses a qualitative analysis of articles published in Swedish press covering two governance scandals involving Skandia and

ABB. The study contributes to the governance literature by showing that the prevailing institutional logic of the media is an important variable for understanding their functioning as governance mechanisms. The study also indicates that the media support different sets of norms in different governance environments.

In the second paper, Elsilä, Kallunki, Juha-Pekka, Nilsson, and Sahlström use unique data on the personal wealth of CEOs of Swedish listed firms to address a major gap in the large literature on the incentive effects of CEO compensation. While theoretically, performance incentives of CEO compensation should depend on the proportion of compensation to the CEOs' total wealth, the paucity of data on CEO wealth has limited the empirical tests of one of the most important issues in corporate governance. This paper provides novel evidence and insights on this issue.

In the third paper, Ilon examines the implications of the widespread adoption of the International Financial Reporting Standards (IFRS), which is an important aspect of the effort to bring uniformity in corporate governance standards, on organizations in transitioning or emerging economies; the adoption of IFRS can engender institutional complexity in these countries because of conflicts with existing institutional structures and logic. Focusing on the specific institutional context of Russia, and using a unique dataset, the paper emphasizes that new standards co-existed with existing standards, and analyzes factors that allow firms to deal with the co-existence of "dual" institutions.

In the fourth paper, McNulty, Florackis and Ormrod explore a timely and relevant topic, i.e. the relationship between board processes and firm financial risk. The article uses primary data collected through a questionnaire survey directed to company chairs of UK nonfinancial companies. By investigating social-psychological dynamics of collective board behavior, the authors provide a theoretical and empirical contribution to the understanding of board processes and effectiveness in controlling financial risks.

In the fifth paper, Liao and Hsu examine an important issue regarding board structure and performance that has received relatively little attention, namely, the determinants and performance consequences of common membership of directors across committees (such as the audit and compensation committees). Using archival data from the U.S., the paper finds that common memberships are more likely in firms with poor governance and limited expertise, but not driven by demand for higher coordination across committees.

In the last article Aerts, Cheng and Tarca analyze the relationship between earnings management and management's use of earnings explanations. The study is based on archival data from listed companies in four countries characterized by different regulatory environments for management commentary. The results indicate that the type of explanation significantly affects the relationship between performance explanation and earnings management, and that this effect is more pronounced in a mandatory institutional regime where regulatory and litigation costs are higher. Taken together these articles represent clear examples of the value of the journal for corporate governance scholars and practitioners. The authors come from several disciplines and research traditions (i.e. management, accounting, finance, sociology), build their studies on different theoretical frameworks (i.e. institutional, social-psychology, agency), use different methods (i.e. qualitative, quantitative and mixed methods), explore different phenomena (i.e. media, board processes, earnings management) in different national contexts (Sweden, UK, US, Canada, Australia, Russia). This international and interdisciplinary conversation, based on rigorous methods and applied to relevant governance issues, is the main asset of the journal that we want to preserve and nurture.

Our objective is to continue to develop the journal along the lines developed by our predecessors and take it to the next level. In a nutshell, we want to continue to develop the reputation of the journal as the premier outlet for publishing rigorous and relevant corporate governance research, while also seeking to enhance its visibility in the business research and policy communities. With this editorial, we want to present our view of the future of the journal.

Aims and scope

We believe that the current “Aims and Scope” of the journal provides a good description of the future positioning of the journal as it:

(i) Emphasizes that the ultimate goal of the journal is to develop “a rigorous and relevant global theory of corporate governance” (*CGIR* website). We think both objectives (rigorous and relevance – i.e. relevant questions or providing actionable ideas for practitioners) should be pursued also by the new editorial team. Moreover, we encourage the submission of both comparative studies and single country studies exploring corporate governance issues at individual, group, firm, network and societal level.

(ii) Defines corporate governance broadly “as the exercise of power over corporate entities so as to increase the value provided to the organization's various stakeholders, as well as making those stakeholders accountable for acting responsibly with regard to the protection, generation, and distribution of wealth invested in the firm” (*CGIR* website). We agree with this approach and we think the journal should be open to accept contributions on several topics related to this definition, including issues like CSR, ethics, regulation and law, economics of corporate governance, and so forth.

(iii) Emphasizes that the journal is open to a wide variety of academic disciplines and invites scholars to develop interdisciplinary frameworks and methodologies by starting an interdisciplinary conversation. The journal and the field of corporate governance studies will both prosper if scholars who submit to our journal create a dialogue which the develops into more organized and powerful frameworks. To this purpose, we welcome articles from any disciplinary field, but we ask submitters to make their works understandable for scholars from other disciplines. For example, pure theoretical papers based on mathematics and no relevant implications or purely descriptive articles with no rigor should not have a place in the journal.

(iv) Encourages the rigorous use of several theories and methods. The journal welcomes articles exploring corporate governance from all theoretical perspectives, e.g. agency, resource dependence, institutional theory, and so on. Moreover, it welcomes the submission of articles using all rigorous methods, i.e. quantitative and qualitative methods and mixed methods studies.

Editorial board

The editorial board of the journal will consist of scholars with a demonstrated commitment to corporate governance research and with either extensive editorial experience in comparable journals or demonstrated excellence in the review of articles for *CGIR*. In addition, we seek disciplinary and geographic diversity on our ERB: no one country or discipline should dominate the board.

We are aware that the editorial board for an interdisciplinary journal like *CGIR* is very important as it can greatly help the editors to keep contacts with several audiences. A good contact with submitters and readers from several countries and disciplines can help the journal to receive more papers and to have a better link with the local academies. For this reason, we will provide a lot of attention to the continuous updating and development of the editorial team.

The first decision in this direction is to have two EICs with a common passion to corporate governance research and practice, but also with national and disciplinary differences. We were born in two different continents (Asia and Europe), we work in institutions located in different countries (United States and Italy), and we have been trained in different disciplines (finance and management).

Review process

The review process of the journal has improved substantially in recent years and the relatively low turnaround times and the time taken for decisions are impressive. We will work hard to maintain these performance trends. This will mean, however, that:

(i) We have two reviewers (i.e. one from ERB, one with a research focus on the topic) so that we can provide very good and timely reviews.

(ii) We keep the initial cycle time relatively small (i.e. below two months), allowing some flexibility to authors in case they need more than 90 days for the revision.

(iii) We try to take a decision (i.e. acceptance, conditional acceptance or rejection) after two rounds of reviews. Currently (and likely also in the future) some manuscripts can require a third review. In any case, also after conditional acceptance, the EIC can ask for more edits in order to comply with journal house style.

(iv) We keep a nurturing and positive tone in the review process in order to help authors to develop their ideas and to bring their paper to their full potential.

(v) We have an interdisciplinary review process. For example, both EICs will read and provide comments to all articles accepted by the AEs.

(vi) We continue to give recognition of the reviewers assigning best reviewer awards, and to acknowledge (list) ad hoc reviewers in issue 2 each year for previous year.

We have many other ideas on how to contribute to the development of the journal, but we do not want to anticipate all of them now as some of them are still preliminary and we want to nurture and develop them some more, in consultation with the ERB and other major stakeholders of the journal, before presenting to you. Moreover, we welcome and thank for any comments or suggestions you want to share with us on how to improve the journal. We feel fortunate to take the leadership of such a rigorous and relevant journal from the hands of Bill Judge, and we look forward to our new duties with enthusiasm and passion. Our primary goal for the next three years is to move the journal towards an even higher recognition and reputation in the various communities of governance scholars, policy makers and practitioners.