Chapter 7
Research on Corporate Governance:
Bibliometric Analysis

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ABSTRACT

This chapter intends to contribute to the analysis of corporate governance (CG) practices through a bibliometric review of the existent literature in order to understand the current state of CG, providing an overview of the main trends in this field of research. Although there is extensive research on CG, no recent studies try to update the current state of the art on this topic. It is conducted a bibliometric analysis. The study describes the evolutional research studies published in the digital library Scopus between 2010 and 2019 and compares the results obtained in evolutionary terms. The bibliometric analysis is based in the Scopus database, leading to a total database of 4,430 documents. Regarding the most recent articles published, the study focuses on the period between 2018 and July 2020, ending with a final sample of 887 articles. Finally, a bibliometric analysis on the 16 scientific articles that were more cited in the more recent period is made. Research avenues are provided based on these results and on more recent published articles regarding the CG subject.

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INTRODUCTION

The debate on best practices in Corporate Governance (CG) to protect investors, remains one of the most fascinating research topics, especially after several international firms' financial scandals related to CG, the audit committee, and the role of the board on firms' performance (Soltani & Maupetit, 2015).

The CG system consists of a set of principles and rules that firms must follow in their activity to ensure that the board of directors' decisions go to the meeting of the different stakeholder's interests. Indeed, the Organization for Economic Co-operation and Development (OECD) considers the CG as a system through which organizations are controlled.

Although the variety of CG definitions, all of them are concerned with the alignment of interests between managers and shareholders.

For example, Shleifer and Vishny (1997) define CG as a framework to safeguard the interests of corporate claim holders, managerial share ownership, and block ownership, which can be considered as instruments of CG. Vaz (2013) considers that CG is a system to manage and supervise firms from a legal perspective, intending to mediate the interests of ownership and management of firms. Although the existence of many other definitions, CG proposes a set of practices to reduce the conflicts between managers and shareholders (Vieira & Neiva, 2019).

Crowther and Sefi (2011) argue that CG consists of a model that enforces the board of director's mission to protect the interests of shareholders, inducing an environment of ethics, confidence, and morality and, simultaneously, maximizing the firm's value. Indeed, Happ and Schiereck (2017) analyze a sample of firms from 12 European countries, concluding that a structure of concentrated ownership may be beneficial due to managerial incentive alignment and active monitoring by block holders, which may align managerial incentives and, consequently, maximize shareholder value.

The board of directors has a key position in CG since they are responsible for the strategy and development of firms. The simplest and most concise definition of CG was provided by the Cadbury Report in 1992. Here it is written that "Corporate governance is the system by which companies are directed and controlled", and all the responsibility is placed over their leaders. For most companies, those leaders are the directors, responsible for the decision of the long-term strategy of the company, to serve the best interests of the owners and, more broadly, all the stakeholders.

In what concerns the CG systems in Europe, the Western Continental European firms are known for higher levels of ownership concentration and the dominance of family owners (Aganin & Volpin, 2002; Högfeldt, 2003), while the Central European countries are presently in the stage of economic development, consolidating their CG systems and trying to improve investor protection and transparency (Svejnar, 2002). Eastern Europe reveals far different CG characteristics with strong ownership concentration and poor investor protection. According to the study results of Aluchna (2016), Continental European firms are often controlled by families as well as by institutional investors, and the United Kingdom (UK) characteristics relating to ownership concentration and shareholder identity remains closer to the American characteristics, providing strong investor protection, public information, and supervision over the capital market. More specifically, the UK is categorized by dispersed ownership, strong capital market, transparency, and high investors' protection (Aluchna, 2016). Finally, France, Germany, and Italy made extensive efforts to improve the stock market efficiency, investor protection, as well as best practice codes (Aluchna, 2016).

Several studies analyze the impact of the crisis on CG practices, and some of them report significant changes in CG practices because of the global financial crisis. Some of them find evidence that firms

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