

A new corporate governance

~ Ph. D. **Ion Bucur** (Faculty of Business and Administration, University of Bucharest, Romania)

Abstract: *The issue of corporate governance has become increasingly important as globalisation has begun to accelerate and the economic and financial turmoil have intensified. Post-crisis context has imposed the need to expand the prospects for analysis over governance and companies, as well as the need to identify new ways of administration and resource management. From this perspective, the author aims to highlight the conditions, factors and events that have generated profound changes within the business environment, while the analysis is focusing on contemporary changes in the systems of corporate governance and economic mutations, especially in terms of the companies.*

The establishment of new governance rules is demanding a theoretical approach based on new methodological requirements which are needed to reform theoretical foundations and to promote creative and effective shapes and governance systems.

Key words: shareholder governance, governance failures, institutional investors, financialization.

1.A new context

The debates dedicated to corporate governance after the 80s, which dominated business world and many theoretical fields, were dedicated to the relations between shareholders, on the one hand, and the heads of companies, on the other hand, being largely centred on the issue of control of the heads of companies by the minority shareholders. This new paradigm that prioritized the methods and mechanisms of practical action, has influenced the relationship between growth, profitability and financial structures, as well as models for the production of wealth, revenue sharing, financing the economic growth and the management methods.

Corporate governance is presented as a management and control system and indicates the priority given to methods and mechanisms of transforming the action of companies, as well as methods to adapt management. The central aim is represented by the more efficient management of the shareholders-investors' interests so as to ensure maximization of their profits. In this view, only the interests of shareholders seem to be taken into consideration.

In an economic system where companies with dispersed ownership used to occupy an important place and where institutional investors, particularly pension funds, played an important essential role, the main aim was a stricter enclosing of the heads of companies power so they do not wear their prerogatives detrimental to the investors' interests. The heads of companies' action was essential and they were omnipotent within the organizations that held power and also benefitted from all information so that to represent the best interests of investors. A veritable touchstone of companies' regime was

represented by the relationship between the heads of companies and shareholders, namely the holders of other interests within large companies, mostly held in listed companies.

The Anglo-Saxon doctrine of corporate governance had to be "acclimated" to the continental specificities, thus exceeding the mere transposition of prescriptions born in a profoundly different economic and legal environment and favouring the enthroning of an optimal system, by reference to certain values and objectives. (Thiriou N., 2007, p. 141).

Contemporary debates on the governance of the companies have highlighted the complex and multidimensional character, its interdisciplinary nature, as well as the difficulty of the analysis from the perspective of a conceptual system, mechanisms and instruments specific to a single disciplinary area. Consequently it was felt the need for the intake of some connected and related scientific fields (the corporate law, finance, ethics and responsibility in business, etc.).

The multitude of financial and economic, legal and ethical-moral precepts and laws expresses the preferences of various authors for one category or another. The multiple approaching perspectives, the theoretical-methodological debates and controversies specific to the economic and finance science enhance the difficulties of the reform endeavour of the companies' governance and their adaptation to the new modalities imposed by the post-crisis situation.

Comparable assessments and approaches have distinguish the persistence of multiple and distinct forms, as well as the vulnerabilities and dynamism of corporate governance systems, complied with a complex process and interrelated by changes aiming to bring

new codes of best practice for companies. (G. Morgan, R. Whitley, E. Moen 2005, p.80).

Business systems have permanently been subject to variation in time and space (between economies) and they reflect the complexity of the process of corporate decision making. Specific factors and conditions marked the persistence of distinct systems of coordination and control in developed market economies. The characteristics of the national business systems are determined by the stages, transitions and various versions of the capitalism, by the ideological and intellectual context, by the features of the economic systems, the development of the property and power relations, the concepts of management, and others. Models of capitalism coexist with divergent models of governance companies.

The new developments in the world economy, globalization and financialisation of the economy, the virulence of the economic and financial crises have imposed further clarification on corporate governance, management, organization and control over company management. The comments and analyses aimed primarily to the diversification of the forms of expressing the governance, the new management methods and also the modification of the objectives as a result of the repositioning of the actors involves. A distinct remark aims at the issue of the "historical" role of finance within the contemporary capitalism, namely its role in the new growth regime established in the 90s. The emergence of the finance-driven economy and finance-driven capitalism imposes the objective of creating shareholder value detrimental to the group of actors involved in the activity of the companies.

Financialisation and corporate governance concepts refer to phenomena that

occur inside companies, directly related to the new shareholders represented by institutional investors. Financialisation creates a new image of capitalism where financial markets have become privileged places of action and the expression of the shareholders relation. The new actors of the financialised capitalism have the ability to participate in the construction of the companies' strategy.

Growth trajectories of large enterprises were affected by the economic environment changes. Focusing on contemporary changes in corporate governance systems and the analysis of the economic changes, especially in terms of companies, become priority axis for sustainable development and economic performance. A good corporate governance is important not only for an individual company, but for the whole economy, becoming an important factor for economic growth.

2.A new compromise

The issue of corporate governance has become increasingly important following the current global crisis, which imposed new perspectives and requirements on the operation of companies, in the top of the agenda being the economic growth and profit, as well as a new form of management to ensure a more efficient use of resources. The debate regarding the governance reform aims at both academia and the business world and includes both the requirements and criteria that should govern this process, as well as the identification of the areas and directions for action.

The important elements of reflection, which are susceptible of offering tracks for improving the governance system refer to the following: the government can and should

play an important role in ensuring the welfare of companies. The profoundly composed governance should ensure sustainability of companies, which represent the central players of capitalism and the process of economic and social changes; the development of governance reform in the context of debates regarding the economic performance. The improvement of the governance system is part of the strategy to increase the overall performance of the companies. The effects of renovation the governance refers not only to companies, but also to the economy as a whole; the congruence of the governance model with the capitalism type. The reform of the framework of the corporate governance unfolds within the context of shaping the capitalist system; the flexible nature of the practices, rules and governance mechanisms, to respond to the requirements of the new realities which are continuously changing; the amplification of the difficulties in achieving the governance reform, held amid the global crisis, the complexity of the process, which involves both approaches to reform theoretical and ideological and legal and institutional foundations and the practices and rules used.

To a great extent, the comments regarding the new governance refer to the directions and measures which ensure the accomplishment of such desiderate.

3.Conclusions

Reconsidering the governance framework is manifested within the context of the third major crises and capitalism, the crisis of liberalism, as well as the invalidation of its theoretical and ideological foundations. The current global financial and economic crisis has revealed the excesses and failures of

shareholders governance and has placed its issue in the middle of the debate.

The hegemony of finances has led to the crisis in the centre of which lay the financialised capitalisms. Together with this, the era of financial stabilization has set. The return of depression on economics, emphasizing the instability and vulnerability of corporate governance highlighted the need for a new unified theory of the economics of the crisis and a new insight and perspectives on such. A new conception of the nature and role of generalized crisis offers opportunities for reassessing the financialised capitalism to identify new creative and effective forms of governance and for another finance subject to the way of durable development.

The force of arguments which support the idea that new forms of governance must be invented in line with the reformed model of capitalism that will follow increases. A long and uncertain period of reconfiguration of capitalism is opened, and capitalism is being transformed by the finance and design of a legitimate and credible governance, whose quality and efficiency is important for sustainable development not only for each company, but for the whole economy.

Recreating new forms of governance and capitalism claim new ways of thinking, the disembarrassment from the existent doctrinaire blockage, the rethinking of the theoretical framework which imposed harmful visions and ideologies, which represented real obstacles in the way of economic performance and prosperity. A new governance implies a new great transformation to allow not only the reconfiguration of exit strategies from the crisis, but also the identification of new directions of economic and social development.

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