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Introduction Special Issue Journal of Corporate Finance

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Since the Cadbury Report was published in 1992 in the UK, there has been increasing emphasis not just by UK regulators but also by regulators from other countries, including the USA and Continental Europe, on the role of boards of directors in corporate governance. However, more than 20 years down the line it is still uncertain whether boards of directors are able to fulfil the important role they have been assigned by regulators. For example, the academic literature on the impact of board composition, in particular the proportion of outside, non-executive directors, is as yet inconclusive as very few studies have found a link between the two. In addition, the financial crises that started in 2007 suggest that boards of directors have failed in their role of monitoring the executives and managing risk across the organization. For example, when Barclays Bank was fined US$450m as a result of the LIBOR-fixing scandal the non-executive chairman of the board, Marcus Agius, decided to resign, willing to take all the blame while CEO Bob Diamond refused to resign. At the time Agius resigned, some of Barclays' shareholders were said to have stated that "[Agius] he was not tough enough to stand up to the headstrong Mr Diamond". This example suggests that all too often relations between various members of the board of directors are too cosy. More generally, the recent events suggest that there is still a lot we do not know about board dynamics as well as other issues relating to the functioning, the effectiveness and efficiency of corporate boards. This special issue comprises studies on the managerial labor market, including CEO successions, the gender balance on the board, directors' independence, corporate culture and its effects on board turnover, and the role of corporate networks.

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