

# A Legal Review of Corporate Governance Implementation in Developing Countries: A Bibliometric Analysis of Regulatory and Policy Developments

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## ABSTRACT

Corporate governance plays a pivotal role in fostering transparency, accountability, and sustainable economic development, particularly in developing countries. This study conducts a bibliometric analysis using data from Scopus and VOSviewer to explore the academic discourse on corporate governance with a focus on regulatory and policy developments. The analysis reveals "corporate governance" as the central theme, with strong connections to "developing countries," "corporate social responsibility," and "firm performance." Key findings highlight the significance of regulatory frameworks, transparency, and board structures in enhancing governance practices, while also emphasizing the growing integration of corporate governance with strategic dimensions such as market performance and corporate strategy. Despite these advancements, gaps in the literature remain, particularly concerning the role of informal institutions, cultural influences, and technological innovations in governance. This study underscores the need for tailored governance frameworks that address the unique challenges of developing countries while aligning with global best practices. These insights provide valuable directions for policymakers, practitioners, and scholars aiming to enhance corporate governance in emerging economies.

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## 1. INTRODUCTION

Corporate governance has increasingly become a focal point in the quest for sustainable economic development in developing countries. Effective corporate governance mechanisms are crucial in fostering transparency, accountability, and efficiency in corporations, which in turn contributes to national economic health [1]. In

developing nations, the complex interplay between emerging market dynamics and traditional business practices presents unique challenges that affect the implementation of corporate governance. This is further complicated by varying levels of regulatory frameworks and enforcement capabilities that differ significantly from those in more developed economies [2]. The impact of globalization has prompted a reevaluation of

corporate governance practices in developing countries. As these countries integrate more deeply into the global economy, their corporate governance standards are often benchmarked against global best practices [3]. This has instigated numerous reforms aimed at improving governance structures to attract foreign investment, enhance firm performance, and prevent corporate malfeasance. However, the adaptation of these global standards within local contexts often results in a hybrid model of governance, where international norms are blended with indigenous practices [4].

Regulatory and policy developments play a pivotal role in shaping the corporate governance landscape in developing countries. Governments and regulatory bodies frequently update their policies to improve corporate governance, influenced by both global trends and local needs [5]. These changes are crucial for protecting stakeholders' interests, enhancing firm accountability, and driving economic stability. Yet, the effectiveness of these regulatory frameworks often varies, with some countries experiencing significant improvements in corporate governance, while others continue to struggle with implementation challenges [6]. Bibliometric analysis provides a systematic method to review extensive literature on corporate governance, allowing for the identification of trends, gaps, and the evolution of themes over time [7]. Such analyses are particularly useful in assessing the impact of scholarly research and in understanding how theoretical advancements translate into practical policy and regulatory changes. They also help in pinpointing the geographic and thematic concentrations of research, which is essential for understanding the global and local contexts of corporate governance practices in developing countries.

Despite numerous studies and policy reforms, the actual implementation of corporate governance in developing countries remains inconsistent and fraught with challenges. These include the lack of effective enforcement mechanisms, cultural resistance

to western models of governance, and the ongoing issue of corruption and nepotism in business practices [5]. Furthermore, there is a significant gap in the literature regarding how regulatory changes have specifically impacted corporate governance practices within these countries. This gap highlights the need for a comprehensive bibliometric analysis to evaluate the scholarly landscape and to delineate the influence of regulatory and policy developments on corporate governance in developing nations. The objective of this study is to conduct a bibliometric analysis of the literature surrounding corporate governance in developing countries, focusing specifically on regulatory and policy developments. This analysis aims to map out the evolution of research in this area, identify the most influential studies, and understand the relationship between regulatory changes and corporate governance practices. The study seeks to provide a clear overview of the academic and practical implications of these developments and offer insights into effective strategies for enhancing corporate governance in developing economies.

### *Theoretical Framework of Corporate Governance in Developing Countries*

Corporate governance encompasses a range of practices and policies that dictate how a company is controlled and directed. It involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and the community [5]. While corporate governance theories have been well explored in developed nations, their application in developing countries often reveals distinct challenges due to different economic, cultural, and legal contexts [8]. Several theories underpin the study of corporate governance. Agency theory, for instance, describes the relationship between principals (shareholders) and agents (company managers), and the inherent conflicts that arise from their differing interests. In developing countries, the agency problem is exacerbated by weaker legal systems and

regulatory frameworks, making it difficult to monitor and control agents effectively [9]. Stewardship theory offers a contrasting perspective, suggesting that managers are stewards of the company's assets and naturally seek to act in the best interests of shareholders [10]. This theory may resonate differently in various cultural contexts found in developing nations where familial or societal ties could align the interests of managers with those of the company more tightly. Resource dependence theory provides another lens, emphasizing the role of board directors in providing essential resources to the firm, such as expertise, access to key information, and strategic alliances [11]. In developing countries, the effectiveness of boards is often limited by a lack of training and professional experience in corporate governance, as well as by nepotism and cronyism, which can affect the board's independence and its ability to provide resources effectively.

#### ***Global Influence on Local Governance Practices***

The globalization of business has led to the adoption of international corporate governance codes and standards in developing countries, influenced heavily by organizations such as the World Bank and the International Monetary Fund (IMF). These standards are often adopted to improve transparency and attract international investors [12]. For instance, the OECD Principles of Corporate Governance have been widely endorsed and adapted to fit local contexts across developing nations [13]. However, scholars argue about the efficacy of these imported models, noting that they may not always be well-suited to the unique institutional and cultural landscapes of these countries [14].

#### ***Regulatory and Policy Developments***

Regulatory and policy shifts are frequently proposed as solutions to corporate governance issues in developing countries. Changes in regulations, such as those mandating more rigorous disclosure and transparency requirements, have been critical in driving improvements in corporate

governance practices [15]. However, the implementation of these regulations can be uneven, influenced by local political and economic conditions. Studies like those by [16] and [11] explore how variations in regulatory effectiveness can impact corporate governance, with some countries making significant progress while others lag due to corruption and limited regulatory capacity.

#### ***Bibliometric Analyses in Corporate Governance Research***

Bibliometric analysis has become a pivotal tool in understanding the evolution and impact of research within the field of corporate governance. By analyzing citation patterns, co-authorships, and keyword frequencies, scholars can identify influential works and emerging trends in the literature [7]. In the context of developing countries, such analyses can reveal the extent to which local academic discourse aligns with or diverges from global research trends. They also highlight the areas where more research is needed, particularly in addressing local corporate governance challenges that may not be adequately covered by the global literature.

## **2. METHODS**

This study conducts a bibliometric analysis focusing exclusively on the literature concerning corporate governance in developing countries, particularly in terms of regulatory and policy developments. We will collect data from Scopus, a comprehensive and reliable database for academic research. The search terms deployed will include "corporate governance," "developing countries," "regulatory changes," and "policy developments," targeting publications from the year 2000 to 2025 to ensure the analysis encompasses both established and cutting-edge research. The selection will be processed through VOSviewer, a bibliometric software tool known for its robust capabilities in constructing and visualizing bibliometric networks. Using VOSviewer, we will analyze citation networks to determine the most impactful studies, as well as explore co-

authorship patterns and the evolution of key themes over time.

3. RESULTS AND DISCUSSION

3.1 Network Visualization

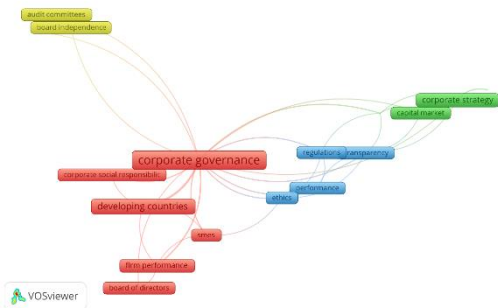


Figure 1. Network Visualization  
Source: Data Analysis, 2024

This visualization depicts a bibliometric network of key themes and concepts related to corporate governance in developing countries. The central node, "corporate governance," acts as the core of the network, reflecting its critical role as the primary research focus. Surrounding this central node are clusters of interconnected themes, each representing a different dimension of corporate governance research. The proximity and size of the nodes indicate their relevance and frequency of co-occurrence in the literature, while the connecting lines reflect the relationships between these concepts.

In the red cluster, key themes such as "developing countries," "corporate social responsibility," "firm performance," and "board of directors" are closely linked to corporate governance. This cluster emphasizes the significance of governance practices in enhancing firm performance and addressing social responsibilities in developing nations. The connection to "developing countries" highlights the unique challenges faced by these regions, including the need for tailored governance models that consider local cultural, economic, and regulatory contexts. The blue cluster focuses on regulatory aspects of corporate governance, with terms like "regulations," "transparency," "ethics," and "performance." This cluster suggests a strong emphasis on the

importance of regulatory frameworks and ethical practices in ensuring effective governance. The link between transparency and performance indicates that transparent governance mechanisms are perceived as critical for improving organizational outcomes, particularly in environments where regulatory enforcement may be weak.

The green and yellow clusters explore strategic and structural dimensions of corporate governance. The green cluster, containing "corporate strategy" and "capital market," highlights the role of governance in strategic decision-making and financial market integration. The yellow cluster, with terms like "audit committees" and "board independence," underscores the structural elements that contribute to governance effectiveness. These clusters collectively point to the multifaceted nature of corporate governance, spanning strategic, structural, and regulatory considerations, which are all interconnected and crucial for addressing governance challenges in developing countries.

3.2 Overlay Visualization

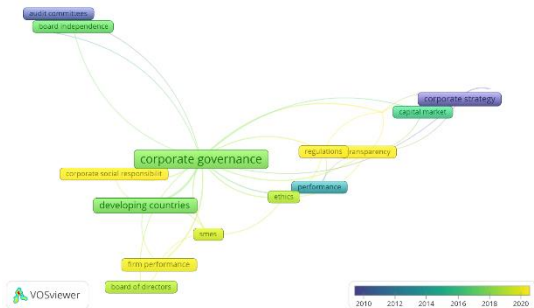


Figure 2. Overlay Visualization  
Source: Data Analysis, 2024

This VOSviewer visualization represents a bibliometric network focusing on the themes of corporate governance in developing countries, enriched with a temporal overlay. The color gradient, ranging from blue (earlier years) to yellow (recent years), provides insights into the temporal evolution of research themes between 2010 and 2020. At the center of the network, "corporate governance" is the primary node, signifying its pivotal role as the focus of scholarly inquiry. Its connections to other terms illustrate the multidimensional aspects

of corporate governance research. The cluster surrounding "developing countries" and "corporate social responsibility" (CSR), highlighted in shades of green and yellow, indicates sustained interest over the years. These nodes connect to terms like "firm performance" and "SMEs," suggesting that the relationship between governance practices and organizational outcomes in small and medium enterprises has been a significant and evolving research focus. The yellow coloring of "developing countries" reflects the increasing attention paid to this theme in recent years, likely driven by growing recognition of the importance of tailored governance practices in emerging markets.

The temporal overlay also highlights the progression of research on regulatory and strategic themes. Terms like "regulations," "transparency," and "ethics" show an increasing association with "performance," reflecting a rising emphasis on how governance reforms contribute to firm outcomes. Similarly, terms in blue, such as "audit committees" and "board independence," represent foundational studies that established the structural aspects of governance. Meanwhile, "corporate strategy" and "capital market" emerge in purple and green, suggesting the growing integration of governance with broader strategic and financial themes in recent years. This visualization underscores the dynamic nature of corporate governance research, evolving from structural and foundational issues toward performance-oriented and strategic considerations in developing countries.

### 3.3 Density Visualization

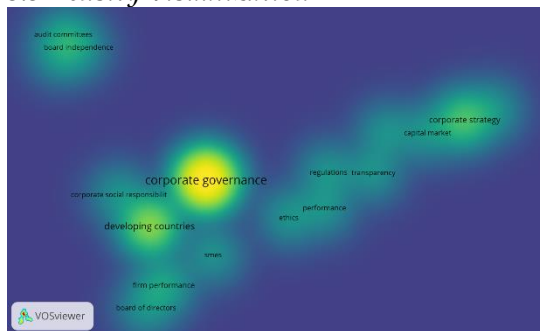


Figure 3. Density Visualization  
Source: Data Analysis, 2024

This heatmap visualization, generated using VOSviewer, illustrates the concentration and intensity of research activity related to corporate governance in developing countries. The central and brightest node, "corporate governance," signifies its dominant presence as the primary research focus. Surrounding this core are clusters of themes like "developing countries," "corporate social responsibility," and "firm performance," which show moderate intensity, indicating substantial but not dominant attention in the literature. The bright yellow hue around "corporate governance" reflects the centrality of this theme across all studies, serving as a hub for discussions on regulatory, strategic, and ethical aspects.

On the periphery, nodes such as "audit committees" and "board independence" in the upper left and "corporate strategy" and "capital market" on the right demonstrate smaller but focused areas of research. The relatively dimmer intensity of these nodes suggests specialized interest in these topics rather than widespread scholarly attention. However, their connection to the central node highlights their importance in understanding the broader corporate governance framework. The heatmap effectively reveals the hierarchical distribution of research priorities, with "corporate governance" at the core and supporting themes radiating outward, showing varying levels of scholarly engagement.

## DISCUSSION

### *Corporate Governance in Developing Countries: A Central Focus*

The findings from the bibliometric analysis underscore the pivotal role of corporate governance as a central theme in the academic discourse concerning developing countries. The visualization highlights "corporate governance" as the most prominent node, signifying its critical importance across a wide range of studies. This centrality reflects the recognition of corporate governance as a foundational pillar for achieving transparency, accountability, and economic stability in these regions.

Despite its prominence, the surrounding clusters reveal diverse dimensions of the discourse, each addressing unique challenges and opportunities within the corporate governance framework.

Developing countries often face challenges in implementing corporate governance practices that align with international standards. The strong link between "corporate governance" and "developing countries" in the network highlights the region-specific nature of these challenges. Cultural differences, weaker regulatory environments, and institutional voids often hinder the effective adoption of global governance frameworks. This reinforces the importance of tailoring corporate governance mechanisms to fit local contexts, a recurring theme in the literature. The connection between "developing countries" and "corporate social responsibility" (CSR) further emphasizes the growing recognition of the social and ethical responsibilities of firms, particularly in environments where governance structures are evolving.

#### ***The Role of Regulatory Frameworks and Transparency***

The cluster containing "regulations," "transparency," and "ethics" indicates the significant emphasis placed on regulatory frameworks in corporate governance research. In developing countries, regulatory reforms are often critical in addressing issues related to corruption, lack of accountability, and inadequate enforcement mechanisms. Studies highlight the importance of robust regulatory systems in enhancing firm performance and ensuring stakeholder trust. The bibliometric analysis suggests that transparency is a key outcome of effective corporate governance, and it is strongly associated with improved firm performance. This aligns with previous studies that have demonstrated the positive impact of transparent practices on organizational efficiency and stakeholder engagement [17].

However, the findings also reveal a gap in the literature regarding the effectiveness of specific regulatory reforms

across different developing countries. While some nations have made significant strides in improving their governance structures, others continue to struggle with implementation and enforcement. The analysis suggests that future research should focus on comparative studies to assess the impact of regulatory reforms across different regions, thereby providing insights into best practices and common pitfalls.

#### ***Board Structure and Independence***

The nodes "audit committees" and "board independence" represent the structural aspects of corporate governance, particularly in ensuring accountability and oversight. These themes are essential in developing countries, where weak board structures often lead to poor decision-making and governance failures. The analysis highlights the role of independent audit committees in enhancing financial transparency and reducing conflicts of interest. However, the relatively lower intensity of these nodes in the visualization suggests that structural governance mechanisms may not have received as much attention in developing countries as in developed markets. The importance of board independence cannot be overstated, as independent directors play a crucial role in safeguarding the interests of minority shareholders and maintaining corporate accountability. The bibliometric analysis points to a need for more research on the effectiveness of board structures in different cultural and institutional contexts. Studies could explore how board independence and diversity impact firm performance and governance outcomes in developing economies.

#### ***Corporate Strategy and Market Integration***

The cluster containing "corporate strategy" and "capital market" sheds light on the strategic dimensions of corporate governance. The link between governance practices and strategic decision-making is particularly relevant in developing countries, where firms often operate in highly volatile and competitive environments. Effective corporate governance can provide firms with

the strategic agility needed to navigate these challenges and capitalize on emerging opportunities. The connection to "capital market" suggests that governance practices are increasingly being linked to financial market performance, reflecting the growing integration of developing economies into global markets. Research in this area has emphasized the importance of aligning corporate governance with strategic objectives to achieve long-term sustainability. However, the bibliometric analysis suggests that this is still an emerging area of focus in developing countries. Future studies could delve deeper into the interplay between corporate governance and corporate strategy, particularly in sectors that are critical for economic development, such as energy, technology, and infrastructure.

#### ***Corporate Social Responsibility and Firm Performance***

The connection between "corporate social responsibility" and "firm performance" indicates a growing recognition of the broader role of corporations in society. CSR initiatives are increasingly being viewed as integral to corporate governance, particularly in developing countries where societal and environmental challenges are more pronounced. The analysis highlights the positive impact of CSR on firm performance, as socially responsible practices can enhance a company's reputation, foster customer loyalty, and attract socially conscious investors. However, the effectiveness of CSR initiatives often depends on the governance structures in place. Weak governance can lead to superficial or tokenistic CSR efforts that fail to deliver meaningful impact. The findings suggest a need for more research on how governance practices can be integrated with CSR strategies to achieve sustainable outcomes. This is particularly important in developing countries, where the alignment of business goals with societal needs is critical for achieving long-term economic and social development.

#### ***Research Gaps and Future Directions***

The bibliometric analysis reveals several gaps in the current literature that

warrant further investigation. First, while the regulatory aspects of corporate governance have received considerable attention, there is limited research on the role of informal institutions and cultural factors in shaping governance practices. Developing countries often have unique cultural and social dynamics that influence corporate behavior, and understanding these factors is crucial for designing effective governance frameworks. Second, the role of technology in enhancing corporate governance is an emerging area that requires more exploration. Digital tools and platforms can improve transparency, streamline decision-making, and enhance stakeholder engagement, particularly in developing countries where traditional governance mechanisms may be lacking. Future studies could investigate the potential of blockchain, artificial intelligence, and other technological innovations in transforming corporate governance practices. Lastly, the analysis underscores the need for more longitudinal studies that track the evolution of corporate governance practices over time. Such studies can provide valuable insights into the long-term impact of governance reforms and the factors that contribute to their success or failure. Comparative studies across different regions and industries can also offer a more nuanced understanding of the challenges and opportunities associated with corporate governance in developing countries.

#### **4. CONCLUSION**

This study highlights the critical role of corporate governance in driving transparency, accountability, and economic development in developing countries. The bibliometric analysis underscores the multidimensional nature of corporate governance research, encompassing regulatory, structural, strategic, and social dimensions. Key themes such as transparency, regulations, corporate social responsibility, and firm performance emerged as focal points, emphasizing their relevance in addressing governance challenges unique to

developing economies. However, gaps in the literature, particularly concerning the role of informal institutions, cultural factors, and technological advancements, present opportunities for further research. Addressing these gaps can contribute to the

development of governance frameworks that are both contextually relevant and globally aligned, ultimately fostering sustainable economic growth and long-term corporate accountability in developing nations.

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