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Qualitative Research in Financial M

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Abstract

This editorial paper introduces a special issue devoted to qualitative research in corporate governance. The paper adopts a broad agenda by seeking to explore the evolution of qualitative research across financial markets, of which a major part is devoted to corporate governance research. Given the establishment of the new Centre for Qualitative Research in Financial Markets, at the University of Dundee, the paper also focuses on the contribution of the Centre's journal, *Qualitative Research in Financial Markets (QFRM)*, of which this is a guest editorial, to the body of qualitative financial markets research. We begin by problematizing financial markets and finance research, as the dominant quantitative and positivist paradigm may be seen to stifle interpretive, qualitative scholarly activity in financial markets, restrict interdisciplinary work, and hinder attempts to render financial markets research more societally relevant. From this perspective *QFRM* may be seen as an oasis, providing an outlet for qualitative finance researchers globally to explore and critique financial markets mechanisms, corporate governance, shareholder activities and stock markets in a an interpretive paradigm, frequently using qualitative or mixed methods approaches. We also identify gaps in the research published in *QFRM,* especially in terms of research topic. The paper concludes by providing an agenda for future qualitative research in financial markets and corporate governance.

Key words: corporate governance; financial markets; qualitative methods; *QFRM*.

Introduction

This paper seeks to explore the evolution of qualitative research into financial markets and, more specifically, corporate governance. It seems fair to say that traditionally, the overwhelming majority of academic work, has, and still does, adopt quantitative research methods and a positivist methodological approach. There has, however, been a recent burgeoning of academic research in financial markets that uses qualitative techniques and an interpretive methodological mindset. Earlier work has highlighted the dominance of quantitative approaches, especially in the corporate governance area,

"It is probably accurate to say that the traditional, dominant approach to researching and analysing corporate governance has involved adopting quantitative, positive methodology, including the application of econometric techniques" (Brennan and Solomon, 2008, p.888-889).

Concerns have been raised around an exclusive focus on quantitative methods and a lack of breadth in research interest. Recent reviews of finance research published in academic finance journals revealed serious issues. Two studies problematized finance research, identifying a narrowness and myopia around quantitative, positivist papers, that provide little evidence of interdisciplinearity and almost no concern for societal issues:

"*Drawing on novel approaches from data science, we examine the content of more than 30,000 published papers. Overall, we find a striking lack of diversity in the topics investigated and the methodological approaches used. Almost all finance research is conducted using techniques from economics and mathematics, with* ***virtually no use made of qualitative methods or interdisciplinary approaches*** *... Leading finance research is concentrated in elite US institutions, and has a disproportionately strong citation-based impact"* (Brooks and Schopol, 2018, p.615, highlighting added).

A second paper, published in *Critical Perspectives on Accounting* summarised that,

"*The quantity of finance research has grown enormously over the past two decades,* ***yet questions remain over its breadth and ability to benefit the economy and society beyond academia****. Using multisource data, we argue that individual and institutional incentives have fostered insularity and a consequent homogeneity in the discipline. We examine the characteristics of research that is published and cited in the leading field journals in finance, arguing that the work has become abstract and unrelated to real world issues. The work published in the 'top' journals makes increasing use of US data, even where the researchers are drawn from different countries. Using information from impact assessment, publication patterns, and grant capture, we illustrate that* ***this narrow agenda lacks relevance to the financial services sector, the economy or wider society compared to other areas of business and management research****. In particular, we highlight the* ***relative absence of research on ethics*** *in academic finance and discuss the likely consequences for the discipline including its relevance to society*" (Brooks et al. 2019, p.24, highlighting added).

It is especially poignant that these two reviews of finance research were published in accounting journals. Perhaps they would not have been able to survive the review process in finance journals – or would even have been met by a desk reject.

This paper does not attempt to provide a comprehensive and exhaustive survey of the academic literature but rather seeks to give a flavour of the representation of qualitative research into financial markets, focusing on a small selection of journals. We focus specifically on the role of *Qualitative Research in Financial Markets*, a relatively new finance journal (the host of this paper) that specialises in encouraging qualitative research, as this is an editorial for a special issue of the journal on *'Qualitative Research in Corporate Governance'*. The paper provides a light touch review of qualitative research across a small selection of journals, focusing on those that UK academics frequently publish in that accept qualitative research in financial markets (published in accounting, rather than finance journals). Mainstream, US-based finance journals are not included as they are almost exclusively quantitative. Neither are journals devoted only to quantitative finance research.

At the outset it is important to establish common meanings and understandings of 'financial markets' and 'corporate governance' in order to set boundaries for the paper and especially for the literature search we conducted. In establishing the scope of the paper, we use a common definition of a financial market as,

".... a broad term describing any marketplace where trading of securities including equities, bonds, currencies, and derivatives occur. Some financial markets are small with little activity, while some financial markets like the New York Stock Exchange (NYSE) trade trillions of dollars of securities daily".[1]

Corporate Governance is defined as,

".... The system by which companies are directed and controlled" (The Cadbury Report, 1992).

Using this definition, research into financial markets, that involve trading of (and thus ownership of) equities (company shares) falls neatly into the domain of financial markets research. However, we also open up the field of corporate governance research to include a broader definition, that encompasses wider societal concerns and issues of ethics and social responsibility, specifically acknowledging the following definition of corporate governance as,

"... the system of checks and balances, both internal and external to companies, which ensures that companies discharge their accountability to all their stakeholders and act in a socially responsible way in all areas of their business activity" (Solomon, 2020, forthcoming).

There has been a recognition among finance academics for some considerable time that an exclusive focus on quantitative research can only provide a partial picture of the financial markets and their workings, for example two decades ago, an economist commented,

"[T]he fact is that we know very little about the day-to-day lives of risk managers and other practitioners, what they do, what they perceive, the roles they play, their mores, conventions, their sub-cultures, and so on, and how they relate to the technology they use ... [T]he area is full of opportunities for good qualitative research, and not least because these markets, and the financial instruments traded in them, are all recent developments that many qualitative researchers have yet to take much notice of" (Dowd, 2004, p.522).

[1] Taken from https://www.investopedia.com/terms/f/financial-market.asp

Indeed, a growth in qualitative finance research, as addressed in this paper, is beginning to open 'black boxes' containing the inner workings of investment houses, banks, brokers and other financial institutions. Whilst quantitative studies provide detailed insights into relationships between variables and to some extent causal factors of financial market phenomenon, qualitative research can contribute to a richer understanding of the mechanisms involved and of the people working in the sector. A review of qualitative research across the broader field of management research concludes that there is evidence of progress, where progress is defined as a lessening of negative perceptions of qualitative research as being inferior to traditional quantitative approaches (Bluhm et al., 2011). The authors specify four defining characteristics of qualitative research adopting an interpretive methodological approach, as follows,

"First, qualitative research occurs in the natural setting of the organization. Second, qualitative data originates from the participant's perceptions of his or her experiences. That is, qualitative research gives 'voice' to the participant, which may be from individual workers experiencing a phenomenon or from key informants ..... Third, qualitative research is reflexive in that the design of the data gathering and analysis changes as the research situation unfolds .... Fourth, methods of qualitative data collection and analysis are not standardized .... The researcher needs to be aware of what is happening and work to choose whatever method will bring the phenomenon to light in the best available manner" (Bluhm et al., 2011, p.1871).

In order to scope qualitative research in financial markets we start by considering the remit of the journal, *Qualitative Research in Financial Markets*, which states on its webpage unashamedly, and indeed proudly, that it is the, "only peer-reviewed journal dedicated to exploring the rapidly-growing area of research activity in finance that uses qualitative methods". The website continues by stating that the journal builds,

"... on a long pedigree of finance research, ... publishes international and innovative analyses and novel insights into financial markets worldwide ..... explicitly encourages methodological analyses of the issues arising from the use of qualitative methods in financial markets research as well as empirical articles". Specifically the topics called for by the journal include: The methodological underpinning of qualitative study in finance including reviews of recent developments; Attempts to reform global banking systems, models and reputation; Behavioural finance, both theoretical perspectives and empirical analyses; Emotional finance, including the implications of unconscious influences on decision-making; The role of market timing in relation to major corporate news releases; Principal-agent relationships in the modern global financial environment; Responses to changes in corporate governance regulations and structures; Practitioner perspectives on external financing decisions; Corporate communication and the transmission of price-sensitive information; The effect of the sub-prime lending crisis on financial market structure and regulation".

There have been calls in the literature over the past ten to fifteen years to encourage and welcome more diversity in approaches and especially more qualitative research in both financial markets and more specifically in corporate governance. Brennan and Solomon (2008) established a 'roadmap' for future research in corporate governance, with a focus on researchers developing more qualitative research agendas. The paper included broadening methodological approach as well as broadening corporate governance research across five other 'dimensions', namely: theoretical framework; mechanisms of accountability; business sector context; globalisation and; time horizon. Notably broadening method and methodological approach were emphasised in Brennan and Solomon (2008). As the first edition of QRFM was published at the beginning of 2009, the journal's progress therefore stands as an interesting case study in the ways in which qualitative research into financial markets and corporate governance has evolved since calls in the academic accounting and finance literature for more work in these areas.

This paper aims to review qualitative research in financial markets, with a specific focus on corporate governance research that adopts a qualitative perspective. Section two provides a review of the qualitative academic research into financial markets across a selection of accounting and finance journals, honing in on qualitative research in corporate governance. We also provide a rather light touch review of the entire content of QRFM since its inception in 2009, ten years ago. Our approach is definitely qualitative and interpretive in nature. The paper concludes with some potential pathways for future qualitative research into financial markets and corporate governance.

Qualitative research into financial markets and corporate governance: A rough guide to the literature

In this section we provide a review of qualitative research into financial markets, focusing specifically on qualitative research in corporate governance. In keeping with the qualitative and interpretive approach, this paper does not seek to provide a detailed, scientific analysis of research published in this year across a vast array of journals but rather seeks to represent a 'rough guide' across a small sample of journals in accounting and finance – although so little appears in finance journals that we focused predominantly on accounting journals and, of course, papers published in QRFM. We adopt a broad definition of corporate governance that encompasses a wide array of financial markets topics, as issues such as ownership and control, institutional investment, corporate failures (usually arising from governance weaknesses), responsible investment, price-sensitive information, and ethics/social responsibility in finance, all constitute aspects of corporate governance. In this light touch review of the literature across a selection of accounting and finance journals, we decided to exclude the American Finance journals (for example Journal of Finance) as these traditionally adopt a quantitative approach, although there are high profile exceptions (see for example, the literature review by Shleifer and Vishny, 1997). In our review we also seek to draw out themes covered in the literature and suggest paths for future research in qualitative finance and especially corporate governance.

The contribution of QRFM to the evolution of qualitative financial markets research

We analysed all papers published in QRFM over its first ten years.[2] First, we comment on some descriptive statistics arising from the analysis of this data and Tables 1 to 3 provide a summary of the papers published according to: topic, method applied and geographic area studied. Where papers involved literature surveys, we tended to classify them as non-specific regarding geographic location. Cross-country studies were summarised as international (where two or more countries were the subject of the research). Adopting a (qualitative) interpretive analysis, we drew a series of themes from the data that provide information on the research published but also reveal potential areas for future research agenda, given some apparent gaps in this literature.

[2] There was a special issue published in Volume II that had papers reprinted on the topic, "Behavioural Perspectives on the Financial Crisis", so we only counted these papers once in the review.

We analysed the data from the journal article review in a similar way to Brennan and Solomon (2008), adjusting the dimensions to suit academic research into financial markets according to the remit of QRFM and the types of papers published. In analysing the papers published, we broke them down according to the following dimensions: methodological approach and techniques applied; topic researched (in terms of the aspect of financial markets under study); globalisation (country or geographical region studied). We also commented on time horizon, in terms of noting any papers that adopted a historical perspective, and sector, commenting on any example of research that focused on a sector other than financial services industry or the corporate sector. As a result of this analysis, we identified areas that have been under-represented across the papers published in QRFM. This allowed certain topics, geographical areas and methods/methodological approaches to be highlighted as lacking in research in order to establish a potential future research agenda that could remedy apparent gaps in the qualitative financial markets research for researchers. This descriptive analysis of the journal's publications provided a comprehensive picture of the qualitative research in the financial markets field over the last decade, given that QRFM is the only journal dedicated to this approach in the accounting and finance discipline. We then carried out an interpretive thematic analysis of the papers published, drawing out issues and factors that seemed worthy of note.

Analysis of papers published in QRFM

The first stage of analysis involved considering the methods and techniques applied by researchers publishing in QRFM. The findings from this analysis are presented in Table 1. As the primary focus of the journal is to publish qualitative research into the workings of the financial markets it is not surprising that the overwhelming majority of papers employed purely qualitative research methods (81%), or a mixture of qualitative methods, which occasionally included quantitative techniques (15%). Only 4% of the papers published over the last decade applied solely quantitative techniques. We also considered whether the use of certain techniques had risen or declined over the ten-year period. It was interesting to note that there was a relative increase in the use of interview method and case study approaches over the ten years. Also the number of papers summarising literature reviews and reviews of empirical of theoretical areas has risen slightly during the period. There is a decline in the number of papers presenting a discussion or debate around policy or concepts. Questionnaire use remained relatively stable over time, with 15% of papers using only questionnaires, although this is somewhat surprising given the increasing difficulties in encouraging people to participate in questionnaire surveys. The use of online surveys in more recent years perhaps compensates for these problems.

Table 1
Research methods applied

Method	Number	Percentage	Trend over time
Interviews	29	20	Rising
Literature review	25	17	Rising
Questionnaires	23	15	Stable
Case study	14	9	Rising
Quantitative only	6	4	Peak half way
Theoretical development/ Conceptual paper/ Policy debate	13	9	Declining
Experiment	3	2	Stable
Content analysis	4	3	Stable
Mixed methods	23	15	Slight decline

Other	9	6	Stable
	149	100	

Many papers were found to combine questionnaire and interview method, or adopt a more positivist approach to questionnaire research by including substantial statistical analysis, sometimes OLS regression or factor analysis. It is notable that under 'other' (6% of papers) were a number of methods that were quite unusual, such as 'perceptions alignment', and a qualitative analysis of cartoons in an economics-based magazine that highlighted a tendency towards financialisation.

The second stage of analysis considered the financial markets topic addressed in the research. The findings are summarised in Table 2 below.

Table 2
Financial Markets Topic Addressed in QRFM

Topic	Number
Islamic banking/finance	33
Institutional investors	19
Financial/banking crisis	16
Corporate governance (traditional CG topics: executive remuneration/ acquisitions/ ownership structure	12
Sustainability/ethical issues in financial markets (responsible investment/ climate change)	10
Individual/private investors	9
Behavioural finance	7
Risk disclosures/Basel II	7
Banking (not banking crisis or Basel II)	7
Microfinance	5
Share value/share prices	5
Stock markets (integration, contagion, futures markets)	4
Analysts	3
SMEs	2
Working capital management	2
Bonds and bond markets	1
Other	7
	149

There is a wide range of research covering all aspects of financial markets from types of market such as stock markets and bond markets, to studies of different financial institutions including institutional investors, banks. Although we would argue that most financial markets research could be interpreted as falling under a broad definition of corporate governance, there was a fair amount of work focusing on more 'traditional' governance areas such as executive remuneration, ownership structures and reviews of corporate governance codes and policies. Newer areas such as microfinance and behavioural finance received some attention. A large proportion of research in QRFM has investigated Islamic finance and Islamic banking, showing the growing research interest in Middle Eastern economies from an accounting and finance perspective. Thirdly, we examined the geographic spread of academic research in QRFM, summarising the findings in Table 3.

Table 3
Geographic Spread of Research in QRFM

Country/Region	Number	Country/Region	Number
Australia	1	Malaysia	18
Austria	2	Mozambique	1
Bangladesh	1	Nigeria	1
Caribbean	1	Nordic countries	1
China	1	Pakistan	6
Egypt	1	Poland	4
Ethiopia	1	Spain	1
Gambia	1	Sri Lanka	1
Germany	8	Sweden	2
Ghana	1	Turkey	1
Hong Kong	1	Tunisia	1
India	10	UAE	1
Indonesia	2	UK	6
Iran	4	USA	7
Ireland	1	Yemen	1
Italy	2	International comparisons/ geographic groups	29
Kuwait	1	Non-specific (e.g. literature reviews)	29

This analysis provides quite an interesting picture. We can see that over a third of the papers (58) compare findings across countries or are non-specific, i.e. they are topic/issue driven rather than geographic in focus. Many of the international comparative papers study economies in the Middle East as they focus on Islamic banking or finance (as can be seen from Table 2). There are relatively more papers focusing on Malaysia, India and Pakistan than other parts of the world. Only 13 papers research either the UK or the USA context. Interestingly only two papers study China or Hong Kong. This may be attributable to the tendency for Chinese research in finance to be more quantitative in nature rather than qualitative.

Themes noted in the analysis of papers published

The themes we extracted from an interpretive analysis included: Significant representation of developing economies; Islamic finance; crisis-led, issue-driven research in response to crises (the banking crisis primarily), and; different theoretical perspectives. Our review demonstrates the overwhelming contribution by this journal to the evolution of qualitative research in finance and corporate governance, given the lack of attention to qualitative and interpretive financial markets and corporate governance research in other – especially finance – journals. Our analysis also demonstrates a shift in academic research in financial markets and governance towards other economies, rather than the traditional Anglo-Saxon countries. There is a substantial focus on Middle-Eastern economies and Islamic finance. Some more unusual methods were identified in the analysis such as 'qualia', defined in the paper as, *"... qualitative feelings such as the "redness" of a rose or the "pain" of regret. Qualia can be associated with experiential or rule based decision process but appear to be unrelated to formal thought".*

Apparent Gaps in the QRFM Literature

Following the analysis, it was possible to identify some apparent gaps in the qualitative financial markets literature as represented in QRFM. One area was a relative lack of research into derivatives markets, with only a handful of papers researching futures markets for example. Although 19 papers explored issues relating to institutional investors, such as private disclosure in one-on-one meetings, there was little research investigating shareholder activism or institutional investor engagement and dialogue. Further, there was very little work on socially responsible investment, or responsible investment according to environmental, social and governance (ESG) factors. Indeed, there was a paucity of research more broadly into ethical and sustainability issues in financial markets such as climate change risks, green bonds, or sustainable finance more generally. In relation to corporate governance, few papers explored the development of codes of practice and corporate governance policies around the world or addressed issues such as independence of non-executive directors. A perennially little-researched area of finance and financial markets has been that of individual and private investors. Early work by Lee and Tweedie (1975), taken up later by Bartlett and Chandler (1996) could still merit interest from researchers. There were a number of papers in QRFM focusing on the views and behaviours of private/individual shareholders but there still seems to be space for more attention to this area. From the perspective of geographic focus, there were no papers investigating financial markets in Latin America or Central America (apart from one study investigating Caribbean financial markets). Although there were some papers employing data from MENA countries, there was hardly any representation from the rest of Africa with only a handful of papers covering Nigeria, Ghana and Mozambique. Again, further research into these developing economies seems overdue.

Analysis of qualitative financial markets and corporate governance research across other accounting and finance journals

We searched through a number of journals' issues over the last ten years, consistent with the period QRFM has been in existence. The aim was to identify papers that focused on corporate governance and financial markets but which also adopted qualitative research method(s) and a more interpretive methodological approach, rather than a positivist mindset. The finance journals featured no qualitative, interpretive papers. However, some of the leading accounting journals we analysed did feature occasional papers on financial markets topics that used qualitative method from an interpretive paradigm. We also analysed the last ten years of *Corporate Governance: An International Review,* a journal devoted to corporate governance research across a wide disciplinary frame of reference, including accounting and finance, to identify qualitative, more interpretive papers. Overall, we feel that QRFM goes a long way to filling this striking gap in the finance literature. Interestingly, it appears that qualitative financial markets papers that adopt different perspectives and approaches are published in accounting journals, as finance journals still do not it seems accept papers that adopt a qualitative or non-positivist approach.

Accounting, Auditing and Accountability Journal (AAAJ)

The Australian accounting journal, AAAJ, tends to publish qualitative work and interpretive paradigm research. Sometimes the papers deal with financial issues, although given the remit of the journal the focus tends to be on transparency and accountability rather than financial markets. We considered a total of 341 articles from AAAJ. These are the papers that merited the most attention, given our research focus.

There were a few papers addressing the financial crisis. For example, Czarniawska (2012) analysed common 'emplotments' of interpretations of the financial crisis of 2007-2010 using a textual analysis. The findings suggest that the same "strong plots" are commonly used to explain financial crises to the general public. Also reflecting on the financial crisis, Liff and Wahlström (2018) state that although granted funding from government agencies, Britain's Northern Rock (NR) Bank experienced a depositors' bank run in 2007. The paper employs content analysis of information given to depositors by bank managers and Triparties via mass media. The paper employs the theoretical concepts of rituals and masking. From a more historic perspective, a reflective piece by Merino et al. (2010) employs the concept of corporate hegemony to provide an understanding of the conditioning environment in the USA in the 1990s. They examine the tactics that neoliberals used to gain consensus for their ideology and to skilfully deflect criticism in the face of significant policy failures that have had a global impact.

Adopting a postcolonial lens, Marini et al. (2018) consider ways in which translation functions and how intermediaries act as cultural translators in the context of microfinance. The qualitative approach involves a case study of a microfinance organisation based in South Africa and employs direct observation, interviews, documents and a fieldwork diary. In relation to banking institutions, Chen et al. (2014) aim to provide a new way of rethinking banking models by using qualitative research on intangibles. This is required because the banking sector has been transformed significantly by the changing environment over the past two decades. The 2007-2009 financial crisis also added to concerns about existing bank business models. The research involves qualitative data collected from interviews with bank managers and analysts in the UK, this paper develops a grounded theory of bank intangibles. The model reveals, using a grounded theory approach, how intangibles and tangible/financial resources interact in the bank value creation process, how they actively respond to environmental changes, how bank intangibles are understood by external observers such as analysts, and how bankers and analysts differ in their views.

A qualitative corporate governance study by Nicholson et al. (2017) employs an inductive, case-based approach to identify recurrent behaviour patterns in two matched boards over three video-taped meetings. Sequential analysis of coded group and individual behaviours provides insight into boards' accountability routines. The paper finds that boards are engaged in clear, recurrent accountability routines. Individuals on the boards play different roles in these routines depending on the issue before the board, allowing both directors and managers to hold each other to account. The outsiders (directors) both challenge and support the insiders (managers) during board discussions, switching their behaviours with different agenda items but maintaining a consistent group level of support and scepticism across the meeting. This allows for the simultaneous development of trust and verification at the group level.

Accounting, Organizations and Society (AOS)

Although primarily an accounting academic journal, AOS does publish finance/financial markets papers that adopt a qualitative method and interpretive methodological approach. Indeed, the journal has tended over the years to publish more theoretical, qualitative and interpretive papers in accounting and there are a scatter of qualitative financial markets papers over the last decade that we sampled. Considering risk management and internal control systems, Arena et al. (2017) examine enterprise risk management using a case study approach of two large organisations. The authors conclude that their study of enterprise risk management may shed light on some key tensions of infrastructure formation, thus contributing to recent theory-building research that draws attention to the accretion of processes, roles, and governance structures into an infrastructure that enables the production of accounts of performance.

With respect to the role of analysts within the financial markets, Caylor et al. (2017) address the relationship between sell-side analysts' justifications and favourable rating profitability. The authors use a novel text analysis methodology to transform analysts' qualitative statements into a content-based text signal. The paper finds that information contained in analysts' justifications is related to favourable recommendation profitability, controlling for information in the quantitative summary measures. They go on to develop trading strategies using a text signal and find that using the text signal generates economically significant returns.

In an innovative paper Coslor (2016) highlights the paradoxical effects of increased price data in markets with difficult-to-value products where non-price factors are highly relevant. In the fine art market, the growth of market information providers facilitated access to auction price data, beneficial in a market noted for its clandestine dealings. Drawing from inductive ethnographic research, the paper notes complex outcomes from increased data availability, as auction prices can be seen as an indicator of an artwork's value. The findings deconstruct factors of supply, demand and multiple prices in the art market, highlighting important non-price factors in valuation, which complicate provider claims of art market transparency. Unpacking the process through which expert "thick" valuation transforms raw price data into comparables and then valuations helps to explain continuing differences in valuation, with buyers prone to understand past prices as market or reference prices, rather than raw materials for valuation that are adjusted for complexity. This contributes to an understanding of both advantages and predictable problems from increased price data in markets that contain substantial qualitative and non-numerical data, as evaluative frictions can occur even in the absence of clearly defined alternative valuation methods. This develops productive linkages between critical transparency and the valuation and evaluation research.

Another paper considers investors' reactions to information disclosed. Asay et al. (2018) employ an experimental method to test whether investors react more strongly to narrative disclosures when the CEO's presence or association with the message is more salient in the disclosure, holding all other information constant. Experiment one assesses whether a CEO uses more personal pronouns in statements about whether the firm is "likely" or "unlikely" to win a lawsuit. We find investors' beliefs about the outcome of the lawsuit align more closely with the CEO's assertion when the disclosure contains more personal pronouns. Experiments 2 and 3 manipulate the extent of the CEO's association with the message and whether the disclosure contains good or bad news. In the second experiment, we manipulate whether a disclosure uses more personal pronouns. In the third experiment, we manipulate whether a disclosure does or does not contain a photo of the CEO. Both manipulations of association with the message lead to stronger reactions from investors in between-subjects' tests. That is, when news is good (bad), including either more personal pronouns or the CEO's photo leads to more positive (negative) assessments of firm value. We also find that, within-subjects, both manipulations are perceived as indicating greater association with the message, but participants do not expect an effect on investment evaluations. A fourth experiment provides additional evidence that personal pronoun usage affects investor reactions by increasing the perceived credibility of the disclosure.

A qualitative paper considering investors' attitudes towards and reactions to information is by Kelton and Montague (2018) who conduct an experiment with nonprofessional investor participants to show that the auditor's emphasis of matter (EOM) paragraphs have an unintended consequence of increasing investors' perceptions of management credibility, leading to higher likelihood of investment. Furthermore, despite the ability of ranges to highlight uncertainty and downside risk, the findings suggest that management's disclosure of an estimate range does not impact the positive effect of the EOM on investors' propensities to invest, unless management provides a wide range.

Themsen and Skærbæk (2018) examine a best-practice risk management framework, risk management technologies and the translation of uncertainties into risks. The method employed is a longitudinal case study of a large mega-project. The findings indicate that the framework and technologies through the visual power of inscriptions and the purifying work of risk consultants as experts establish the boundaries of the forms of uncertainties that are accepted and included as risks.

Jordan et al (2018) draw on governmentality studies and Jürgen Link's interdiscourse analysis, the paper analyses the interdiscursive character of risk matrices, the ways in which they appeal to a variety of users in different organizational contexts and disciplines and act as technologies that mediate between specialized and everyday discourses.

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From extensive in-depth interviews with fund managers in various global financial centres, Taffler et al. (2017) identify several features of investment decision making that mainstream finance and behavioural approaches both fail adequately to describe. Drawing on psychoanalytic theory, it is shown how the inherent uncertainty of the investment process engenders a state of endemic anxiety among fund managers. This anxiety is managed via a range of mental defences, both conscious and unconscious. The importance fund managers place on meeting and putting trust in company management to 'perform' for them can equally be viewed as a means of alleviating anxiety rather than having any direct economic purpose. This article, furthermore, brings to light the crucial role that calculative techniques play in dealing with anxiety. Rather than constituting a means of restoring rationality or correcting cognitive biases, calculation can actually reinforce ego defences while simultaneously perpetuating the myth of *homo economicus*. Fund managers can be characterised as 'doing' but 'not doing' and 'knowing' but 'choosing not to know' and have to manage not only their clients' funds, but their own personal anxiety as well.

Corporate Governance: An International Review

CGIR started in the late nineties and was edited by Professor Bob Tricker, an academic/practitioner. At that time, he was keen to incorporate practitioner perspectives into the journal as well as high quality academic research into governance topics. Many of the research papers in the early issues adopted a qualitative or discursive approach to analysing corporate governance and in our view, the journal in its early years demonstrated a broad minded, values-based approach to governance research. The journal was then taken over by Professor Christine Mallin, whose corporate governance research focused on shareholder voting, ethical investment and international comparisons. The journal continued in a similar manner, accepting a wide range of papers using diverse methods and methodological approach across a wide range of topics. In more recent years, the journal appears to have adopted a closer focus on quantitative work and organisational theory perspectives, indicating possibly a shift in the journal's remit and content. Considering the journal's publications over the last ten years, we identified a few papers that fall into a more qualitative vein and fit into our broad discussion, as they develop some of the themes discussed above, in papers published in QRFM.

Yamahaki and Frynas (2016) investigate to what extent regulation encourages private shareholder engagement attitudes and behaviour (including behind-the-scenes consultations, letters, meetings, and ongoing dialogues) of pension funds and asset managers with listed investee companies on environmental, social, and corporate governance (ESG) issues in Brazil and South Africa. Research involved 44 in-depth semi-structured interviews with pension fund representatives, asset managers, and other investment players, the findings suggest that legislation provides limited direct encouragement to private engagement behavior. However, legislation encourages attitudes toward Responsible Investment by enhancing investor understanding of Responsible Investment, increasing the interest of pension funds and asset consultants in the Responsible Investment practices of asset managers, and reducing the fear of pension funds to violate their fiduciary duties, thereby promoting an enabling environment for ESG engagement.

Tilba and McNulty (2013) employed semi-structured interviews with pension fund trustees, executives, investment officers and financial intermediaries, as well as documentary analysis and observations of four fund investment meetings. They find that the "New Financial Capitalism" is characterized by ownership concentration, yet at the same time liquidity and a lack of institutional investor engagement with corporations. Findings suggest that the principal-agent view of the relationship between institutional investors and corporate managers is more assumed than demonstrated. This widely assumed theory of investor ownership and control is shown to be contingent upon the meanings and practices that underpin investment fund management by institutions.

Sandberg (2013) provides a conceptual discussion of the ways in which institutional investors may be encouraged to adopt an SRI approach, by discussion fiduciary duties
McNulty and Nordberg (2016) provide a conceptual discussion of why some institutional investors seek to engage directly with investee companies.

Buchanan et al. (2014) use a qualitative research design which treats the standard agency-theoretical model of the firm as only one possible approach to understanding corporate governance, to be tested through empirical research, rather than as an assumption built into the analysis. We find that Japanese managers do not generally regard themselves as the shareholders' agents and that, conversely, shareholders in Japanese firms do not generally behave as principals. Our findings suggest that the standard principal-agent model may be a weak fit for firms in certain national contexts.

Summary

In summary, the papers we extracted from some of the leading journals, mainly in accounting, mirrored the topics and methods characterising the papers published in QRFM. There was also a significant focus on post-crisis discussion and analysis. There were differences, however, when we consider geographic location of the research. We now introduce the papers included in this special issue of QRFM on Qualitative Research in Corporate Governance.

Papers in the Special Issue on Qualitative Research in Corporate Governance

The papers in this special issue contribute to the qualitative research in corporate governance, from a broader perspective, in a number of ways: they incorporate environmental considerations; they address responsible investment; they address developing economies in Africa and the Middle East; and they add to the literature on Islamic finance.

The first paper, *"Greenwashing and Responsible Investment Practices. Empirical Evidence from Zimbabwe"*, builds on a relatively small body of literature that analyses processes of responsible investment, especially engagement and dialogue (one-on-one meetings between investors and companies). The paper adopts a theoretical framework used in earlier work deriving from Goffman's impression management and other works in the area of greenwashing and impression management. The novelty of this paper is that it brings these concepts into the African context by focusing on Zimbabwe and uses interview method. The findings tend to strengthen existing work for developed economies and show similarities between Zimbabwe and the UK for example. It is of some concern that responsible investment is identified by some interviewees as a form of PR and impression management. The paper is in itself a call for further research into this area in other economies and contexts.

The second paper, entitled, *"Operational Challenges to Islamic Banking: A Managerial Perspective, Qualitative Research in Financial Markets"*, used interviews with Islamic bankers to explore the impact of various operational issues raised in relation to the State Bank of Pakistan, considering for example the role of Shariah governance in the development of Islamic banking. This paper also adds to the literature responding to the financial crisis a decade ago, as it reflects on ways in which Islamic banking can shield itself against such crises. The qualitative analysis involves the use of the NVIVO software to assist in analysing the interview data. The research recommends structural changes at managerial level, as well as making other recommendations for enhancing the performance of Islamic banks.

Last but not least, the third paper in this special issue, entitled, *"Understanding the "how" and "why" of governance and accountability practices in Lake Chad Basin, Qualitative Research in Financial Markets",* adopts an exploratory case study method to explore how governance and accountability relating to the Lake Chad Basin have evolved and how they could be improved in the future. As we find ourselves in a natural crisis for biodiversity, wildlife and climate change, this paper raises critically important issues relating to how we manage ancient water systems in the face of geopolitical governance and global warming. As the paper explains, Lake Chad, is recognised by the Ramsar Convention on wetlands and also has the status of a UNESCO World Natural Heritage Site. It is an ancient lake bordered Chad, Niger, Nigeria and Cameroon. Taking a broad, stakeholder-oriented perspective on governance, the paper integrates notions of culture and local communities as core stakeholders with issues relating to ecology and local habitats into governance and accountability of the Lake Chad region.

Conclusion and Suggestions for Future Research

This paper has introduced the papers included in this special issue but has also sought to assess to some degree the extent to which qualitative finance and corporate governance research is growing by examining a number of leading journals. Further, we analyse the papers published in QRFM to gauge the contribution of this journal to the area of qualitative financial markets research. We find that the journal, over a ten year period has published a wide range of qualitative papers across corporate governance, equity, bonds, institutional investors, market developments, and has covered a large array of countries around the world employing many different qualitative research techniques and methods. As the paper has pointed out, there are areas that have received less attention and recommendations from this brief research paper include calling for researchers to carry out important work in the following areas:

- Financial markets and ecological risks
- Financial markets and diversity
- Broader geographical spread into countries in the Far East, Latin America and Africa (especially Southern Africa)

Our study shows that leading accounting journals, in addition to QRFM, provide a safe haven for qualitative financial markets and corporate governance research. An important recommendation (or even a call for equality) from this paper is addressed directly to the mainstream finance journals: please start to consider including qualitative finance and corporate governance studies. It seems illogical that qualitative finance studies have to seek refuge in accounting journals or journals in business ethics or organisations. Qualitative finance researchers are finance researchers with equal validity and weight as those pursuing quantitative approaches.

Lastly, we feel that this paper has implied recommendations for the teaching of finance in universities and higher education colleges as well as in professional programmes. There needs to be an acknowledgment of diversity in method and methodological approach in finance and governance textbooks, with examples and references included that use qualitative as well as quantitative methods. Finance teaching, in order to embrace 21st century challenges such as climate change, ecological challenges, species extinction and the impacts on human populations globally of water shortages and global warming, needs to include governance and finance research into these critically important areas. Only a multi-disciplinary, multi-method and inclusive approach in research can assist in saving the planet and humanity from disaster given the high consequence risks faced by countries, economies and societies the world over.

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