THE SOUND OF CORPORATE GOVERNANCE

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The paper explores the corporate governance and corporate social responsibility in music industry, by reviewing the literature and investigating the aspects in the context of a sample made by top companies in this domain. The paper spotlighting the mutual connections between corporate governance and corporate social responsibility. The research methodology used consists in investigate the corporate governance codes. It's about a qualitative interpretive research methodology that was adopted. The findings suggest the intercorelation of corporate governance with corporate social responsibility. The main contribution of the author consists in the fact that the added value of this paper and the original contribution leads in the intercorelation of these two aspects of corporate governance and corporate social responsibility, the findings beeing interesting, implying that recent preoccupation with corporate governance in music industry is starting to be equable by some attention to social responsibility aspects, with growing appreciation of their interdependencies. Previous literature has researched corporate governance and corporate social responsibility independently. Due to this fact, this paper is considering them jointly. The paper is important for both practical and theoretical aspects: for managers and also can serve as the basis for future research on this topic.
The current paper is realized in the doctoral program entitled "PhD in Economics at the Standards of European Knowledge- DoEsEc", scientific coordinator Prof. PhD Niculae Feleaga, Institution: The Academy of Economic Studies Bucharest, Faculty of Accounting and Management Informatic System, Department of International Accounting, period of research 2009-2012.
Keywords: corporate governance, corporate social responsibility,music industry, stakeholders
JEL Classifications: G39, M14

1. INTRODUCTION

Music is something that everybody feel and understand in a big or small measure, depends on tastes, cultures, trends or other factors. Due to the international character of the music and the extensive investment required in technology, logistics, marketing, more and more stakeholders are participating in the music global production chain. According to this, the music companies are becoming more sensitive to consumers' opinions and concerns and more responsive to shareholders' demands. The companies must respond to calls for greater transparency, social responsibility corporate governance, fair trade initiatives, the protection of human rights and sustainable environmental practices.
Corporate governance is a set of rulls under which companies are directed and controlled, that branch of economics that studies how companies can become more efficient, promote fairness, transparency and responsibility in an organization.
The **music industry's stakeholders are:**
- the musicians, those who create and interpret the music;
- the companies who sell recorded music (music publishers, producers, studios, engineers, record labels, retail and online music stores, performance rights organizations);
- professionals who present live music performances (booking agents, promoters, music venues, road crew);

- professionals who assist musicians with their music careers (talent managers, business managers, entertainment lawyers);
- those who broadcast music (satellite and broadcast radio);
- those who listen and buy music;
- journalists;
- academies;
- professors;
- musical instrument manufacturers; and many others.

Corporate governance is based on a set of attributes, including ensuring accountability to shareholders or stakeholders (Keasy and Wright, 1997), ensuring that companies are run according to the laws and answerable to all stakeholders (Dunlop, 1998), ensuring that reporting systems are structured in such a way that good governance is facilitated (Kendall, 1999).

These aspects we also find in the OECD Principles (1999), first adopted by the 30 member countries of the OECD in 1999, which have become a reference tool for countries all over the world. Based on the investigation carried out on the selected companies from the music industry, this article ambitiously attempts to sketch out the corporate governance issues.

2. RESEARCH METHODOLOGY

Regarding the research methodology, was conducted a qualitative research based on observation of some aspects. Information was extracted on the basis of reports like: corporate governance codes, corporate social responsibility reports. To achieve homogeneity of the selected sample, we choosed top 6 companies from music industry.

3. A BRIEF REVIEW OF THE MUSIC INDUSTRY

The definition of music varies from culture to culture and from a social context to another. Music can be divided into genres and subgenres, although the dividing lines and relationships between them are subtle or controversial.

Since 2000, there were four major corporate labels which dominate recorded music — Universal Music Group, Sony Music Entertainment, Warner Music Group and EMI Group — each of which consists of many smaller companies and labels serving different regions and markets.

Many record labels died. Here we can mention the Columbia Records, Crystalate, Decca Records, Edison Bell, The Gramophone Company, Invicta, Kalliope, Pathé, Victor Talking Machine Company and many others. The "Big 6" consists of EMI, CBS, BMG, PolyGram, WEA and MCA — which dominated the industry.

Sony bought CBS Records in 1987 and changed its name to Sony Music in 1991. In mid-1998, PolyGram merged into Universal Music Group (formerly MCA), dropping the leaders down to a "Big 5". EMI, CBS, BMG, PolyGramMCAUniversal, WEA

The "Big 5" major record companies became the "Big 4" in 2004 when Sony acquired BMG, CBS: EMI, PolyGramMCAUniversal , WEA , and the "Big 3" when EMI was acquired by Universal in 2011: Sony, Universal, WEA.

4. CORPORATE GOVERNANCE IN MUSIC INDUSTRY SECTOR

By studing the corporate governance codes of the most important companies from the music industry sector was observed some differcences which was presented below. We can not say there is a best model of corporate governance, all systems presenting pluses and minuses, perfect model of corporate governance being only an illusion.

4.1. Board mission and Director Responsibilities

The board is elected by sharehoders to represent their interest and the overall success of the organization. The board will meet monthly or 6 times a year or monthly (the case of EMI).

Directors attend all meetings and are elected for one year by shareholders or board, without the number of terms. The management team consists of 10 (WEA), 7 (EMI) or 16 (SONY) members. Director Access to Officers, Employees and Information is full and free. There is an annual Chief Executive Officer Performance Evaluation. The Board and the committees will regularly review management succession planning. The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. improve.

4.2. Committees of the Board

The Committees of the Board are: Finance Audit Remuneration Nominations Committes, Risk Management And Internal Controls (EMI), Nominating audit committee (Sony), Audit, Compensation, and Executive, Governance and Nominating (WEA).
The Board may establish additional committees as necessary or appropriate. The Chairman of each committee will determine the frequency of committee meetings,

4.3. Corporate Social Responsibility Aspects

As music companies, all of these, have a positive effect on people and make a significant contribution to communities all around the world.
Decisions about community investment and charitable giving are made locally by business units around the world.
Other responsible decisions that we can mention are: reducing paper use and promote recycling, the company successfully attains a goal toward which it has been steadily building.
Also were announced the development of a new company-wide program to reduce or offset greenhouse gas emissions associated with:
-convert CD/DVD products to environmentally-friendly packaging;
-practice ecologically superior paper procurement;
-reduce waste;
-enhance recycling.

5. CONSLUSION

Music represents the trendsetter in terms of products and services like mobile phones companies, cars, in a snobbish economy. There are plenty music campaigns involving corporate social responsibility. Anyway, we can't affirm there is "a bed of roses" seeing the cases of drugs, alcohol or indecent dressing, abuse, which are a common phenomenon nowadays. Even if is a giving back to society or just a way of having fun, brands will always sell and ride high on the wheels of music.
Our research could represent a support for organizations, suggesting that must be a convergence in the context of both corporate governance and social responsibility. The research conducted concludes that some corporate governance codes do not mention all the necessary information.
The main conclusion that can be drawn is that corporate governance and social corporate responsibility should not be considered and sustained independently. Only with an efficient long-term view of leadership, an organization can be sustainable.

Acknowledgements
This article was prepared as part of the PhD in economics from the DoEsEC., European Social Fund project co-funded by Human Resources Development Operational Programme 2007-2013 and coordinated by the Academy of Economic Studies, Bucharest, contract POSDRU/88/1.5/S/55287

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