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CORPORATE GOVERNANCE AS A TOOL SUPPORTING MANAGEMENT DURING A CRISIS

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Purpose: The purpose of this paper is to show that the code of good practice and the recommendations concerning CG – corporate governance in listed companies, through increased transparency, can be a tool supporting management in the period of crisis.
Design/methodology/approach: The article is based on a critical analysis of the literature, mainly in the field of corporate governance, current press publications, as well as an analysis of secondary data of listed companies in the period June-September 2021.
Findings: The considerations presented in this paper show that CG can be perceived as a tool supporting management, especially in times of crisis which will enable the company to have better transparency. The principles contained in the code of good practice will serve as recommendations for companies in the CG area.
Research limitations/implications: The pilot study performed among all listed companies showed high compliance with companies with regard to the completion of the declaration on the use of CG in the light of the amended guidelines in 2021.
Practical implications: The presented considerations are partly theoretical but are supplemented with the results of the analysis of the actual activities of entities in the area of governance during the crisis. They can be useful in practice for managers of various enterprises because they present the tools of CG that can be effectively used to improve the functioning of a company in a crisis.
Social implications: Presenting governance in this light may raise greater interest in the concept. Its application in practice may have multifaceted beneficial social, economic, and even environmental consequences.
Originality/value: The study shows a specific approach to the issues of CG. It is not only a well-perceived code of good practice but above all a tool supporting management and recommending solutions to companies in a specific time of crisis. The paper fills the cognitive gap in the studied area.

Keywords: corporate governance, code of good practice, COVID-19.

Category of the paper: Viewpoint, General review, Research.

1. Introduction

In many areas of management, the experience of the financial crisis and the continuing economic slowdown is becoming a motivation to seek solutions and take actions aimed at restoring the growth of the economy and the development of societies. Corporate governance (CG), which is a set of mechanisms controlling and motivating shareholders and managers to build the company's long-term value is one of the areas where recipes for improving competitiveness are sought.

The modern market is dynamic, even chaotic, and recently, especially uncertain as a result of global changes caused by the Covid 19 pandemic. Therefore, the achievement of goals and changes in the organizational reality is accompanied by the need of stabilization and unchangeability of the basic rules of the organization's functioning. This results in an increase in the importance of non-economic aspects in management, as the issues of ethics and social responsibility are perceived by modern companies as sources of competitive advantage, while recognizing, at the same time, the supremacy of activities aimed at increasing the company's market value as the most important canon determining the company's operating strategy (Kwiecień, 2014). This statement provides the basis for presenting the concept of corporate governance as a tool that can improve the functioning of entities in a period of crisis (Donthu, Gustafsson, 2020; Susskind, Vines, 2020; Sachs, Horton et al., 2020; Parker, 2020).

The aim of this paper is to show that the code of good practice in the area of corporate governance and its recommendations for listed companies, through increased transparency, can be a tool supporting management in times of crisis.

The paper presents their versions from 2021 and their application in Polish companies that first implemented them in their reports. The research method used is the analysis of the content of the declarations of the studied 426 listed companies, especially with respect to the level to which they include the information specified in the scope of DPSN2021. The presented results are in line with the trend of research conducted in the area of corporate governance, contributing to the indication of recommendations supporting management in the period of crisis. The paper deals with current issues, while shedding light on the practices of listed companies that apply the principles of DPSN2021 (Best Practices of WSE Listed Companies, 2021).

The acquired knowledge may help other organizations consider the implementation of codes of good practice as recommendations in the area of corporate governance as they constitute a tool that can support management in times of crisis. It will enable greater transparency of the GRI organization in its sustainability reporting and will be useful for people dealing with this type of reporting. So far, in the Polish literature there has been little empirical research which comprehensively explore GRI reporting practices, the information about which is included in this paper. The research results may also constitute a starting point for further, more in-depth research in this field.

Thus, the assumption is made that the inclusion of the elements of corporate governance in management structures builds confidence in enterprises and becomes a prerequisite for achieving their goals in an uncertain environment, as well as it increases their chances of surviving the crisis. This was confirmed by a pilot study conducted on all listed companies (sample of 426) in the analyzed period of June-September 2021.

The analysis of good practices applied by all companies listed from June to September 2021 on the Warsaw Stock Exchange which were subject to this study was the source of the arguments.

2. Determinants of including the concept of governance in company management during the crisis

The turmoil on international markets observed in recent years, the economic crisis caused by the pandemic as well as the desire to ensure the stability of the financial market and foster economic growth have become an impulse to search for determinants to increasing the competitiveness of economies, while at the same time eliminating threats with a complete range of consequences resulting from them. In such circumstances, the discussion on effective management with the use of practices of corporate governance which considers the needs of all stakeholders from both the micro and macro environment is raised more often. At the same time, it is assumed that the effects that can be achieved in this way are beneficial for the entities that implement them and comply with them because they increase the level of trust in entities and affect their competitive position while increasing the valuation of the entire enterprise.

During the previous financial crisis that started in the United States in 2007, and which over time turned into a global economic crisis, opinions occurred that corporate governance had failed, and became one of the causes of the global financial crisis (Samborski, 2011, p. 233). Not only the effectiveness of the shareholder value concept (which is the basis of CG) was questioned, but also the economic and social sense of the whole concept (Aluchna, 2014).

The situation is different now. The spread of the coronavirus has contributed to the greatest economic crisis in recent years, which caused a sharp slowdown in economic activity in Poland and around the entire world affected by the pandemic. Thus, COVID-19 ended the longest boom in world history (Stravinsky, 2020; Donthu, Gustafsson, 2020; Susskind, Vines, 2020; Sachs, Horton et al., 2020; Parker, 2020).

Uncertainty occurred. Many industries were closed or had to significantly reduce their operation. Investors suspended the planned transactions and withdrew from the ongoing negotiations. Maintaining liquidity and, in some cases, the struggle to simply maintain business became a priority (Gałązka, 2020). In this situation, in many cases, the thought about the development of the enterprise was replaced by thoughts about survival and the search for an answer to the question of how to do it? An exceptional mobilization of managers and employees was observed (JK, 2021). In this situation, the ways to overcome this unfavorable situation were sought, and changes in the management of entities proved to be one of the ways. Non-economic values and relations with the environment are of great importance for the functioning of entities in times of crisis, and in this area, CG may be of great importance.

Management as a continuous process refers to controlling the overall operation of an enterprise – its development or behavior in the environment (Olejniczak, 2012). However, there are some discrepancies in management methods, which relatively distinguish enterprises, and are determined by a different corporate culture, as well as compliance with the norms and values of business ethics in management (Łukasik, 2012). S. Ghoshal, Ch. Barlett, P. Moran (1999) emphasize that the new role of management cannot be created on the narrow economic assumptions of the past, but should consider the following facts:

1. modern enterprises are the main economic actors creating value and supporting economic development,
2. the growth and development of companies depend mainly on the quality of management,
3. a new "moral contract" between employees and society is the basis for the operation of a modern enterprise.

Thus, the enterprise can effectively conduct its business activity on the market, contributing to generating profits and increasing the value of the enterprise, while adhering to the moral and ethical principles that proved to be especially important in the crisis and could help maintain the market position.

Such an approach to management is compliant with the "3 E" rule, i.e., the effectiveness, efficiency and ethicality of the company's activities as values that are dependent on each other (Olejniczak, 2014). This concept confirms that a modern corporation is not only an economic institution but also a social institution. Its aim is therefore not only to maximize value for investors but also to maximize value for other interest groups (Jeżak, 2010, pp. 120-126). The idea of corporate governance is perfectly in line with such a concept of the functioning of entities and can be effectively used to improve the situation of an entity in a difficult, crisis market.

3. The essence of corporate governance – the soft aspect of management in the period of crisis

The idea of corporate governance seems to perfectly correspond to the needs of businesses and entire markets in times of crisis, as corporate governance consists in finding such a way to maximize wealth creation that does not overburden the entire society with inappropriate costs.

It is therefore an attempt to find a golden mean – a solution that would reconcile the financial aspirations of business entities with the expectations of stakeholders directly involved in its operation while maintaining the good of the whole society (Monks, Minow, 1996, p. 162). It is a perfect solution for the market where everyone is affected by the negative effects of the pandemic crisis.

Corporate governance is perceived as an element of a larger system of interrelations covering the legal or financial system, or as a subsystem of relationships between various areas linking elements of law, politics, economy, and the functioning of society. Regardless of the perspective, CG is perceived as activities that are reduced to overcoming collective problems and reconciling the interests of various parties (Adamska, Bohdanowicz, Gad, 2018; Wierzbicka, 2018; Aluchna, 2015; Adamska, Mesjasz, Urbanek, 2016; Mesjasz, 2011; Roszkowska, 2011; Jeżak, 2010; Oplustil, 2010; Lis and Sterniczuk, 2005). Moreover, it is a very important aspect of the CG concept that the so-called good practices are the result of research conducted by organizations at the international and national levels, and the documents and codes created in this way do not constitute legal provisions and have no binding force but are only sets of recommendations (Blejer-Gołębiowska, 2010, p. 56). Defined good practices are not imposed on anyone and are not obligatory. They express values worth protecting and promoting, developed with the participation of the market and recommended to it by the market (Nartowski, 2016, p. 4). Their use is voluntary and reflects well on the entities that decide to comply with them.

Such an attitude is the basis for creating trust in an entity that declares and effectively applies the principles of governance, and trust is nowadays a key factor in creating relationships in modern business. Therefore, this category appears in considerations that seek the answers to the following questions: – what factors determine the company's success? – what stimulates the development of an organization nowadays? – what is the substance of a modern organization?

The company's transparency is now the key to building trust. It means sincere information about what is happening in the company, talking about difficulties and successes. Transparency makes the organization more honest because more of its members understand the essence of its activities (Bennis, Golemann, O "Toole, 2008). Furthermore, corporate governance also covers the structure through which the company's goals, the means of achieving these goals, and the means to track the company's performance are set (OECD, 2004). The main goal of good practice is to strengthen transparency in business. In this situation, the relationship between trust in the company and compliance with corporate governance rules seems obvious. Trust and transparency are closely related to each other and have an impact on the perception of the entity and its relationship with the environment.

According to the Edelman Trust Barometr report for 2021 (Edelman Trust Barometr, 2021), out of the four analyzed types of institutions, the only business recorded an increase in trust in the pandemic year (by 2% vs. 2020). The respondents indicated that they trust enterprises more than governments, the media, and even non-governmental organizations. This is considerable confidence in this sector, which is related to the expectation that transparent social activities of enterprises during the pandemic will not prove to be incidental and will be continued in the coming years. This can be perceived as a premise for accepting the relevance of the statement that the application of the principles of governance is a management support tool that contributes to increasing confidence in business and supporting its activities during a crisis, especially during a pandemic.

The survey shows that business is not only the most trusted institution among the four studied but also the only trustworthy institution with a trust level of 61% in the world, as well as the only institution perceived as both ethical and competent (Edelman Trust Barometr, 2021). The high expectations towards businesses that concern with dealing with and solving today's challenges have never been more apparent.

It became clear that the functioning of the market requires the trust of not only large but also small investors, and broken trust in enterprises can seriously destabilize the entire system. This situation may also be influenced by recent years, which indicate the emergence of a new trend of increasing the transparency of companies through additional information disclosed in their annual reports. This is fully in line with what stakeholders currently expect, including investors, creditors, and other asset management institutions around the world. These companies expect additional information on environmental and social data, and above all in the area of management, i.e., those related to corporate governance. The consultations conducted at the request of the Warsaw Stock Exchange clearly show that the majority of global companies managing assets strive to fully include the indicated criteria in the investment process, which should affect the process of reporting by companies and response to global crisis phenomena.

The COVID-19 pandemic as a global phenomenon has made everyone aware of how much people and their actions affect the natural environment. Stock Exchanges around the world, as entities responsible for organizing trade, are most predisposed to respond to the changing needs and obligations in these areas. Warsaw Stock Exchange is also one of them. This is done by supporting sustainable investment, increasing its transparency, and building confidence in the capital market.

The European Union developed corporate governance regulations that have been successively implemented into the legal orders of the member states, including Polish regulations of a "soft" and "hard" nature (Gad, 2018, p. 39). The provisions of the Good Practices of Companies Listed on the Warsaw Stock Exchange require that each company declares in the annual report whether it applies all the rules or not. If some rules are not applied, the company is obliged to state the reasons for such a derogation (Ignyś, 2017, p. 85).

The issue of good practices that requires a comment is the question of their freedom of application. According to the research, freedom in complying with the principles of codes of good practice, which companies do not have to agree to follow, and what is more, they can boycott the entire document, as well as selected recommendations, corresponds to global practice, which shows that companies that are co-authors of good practices mostly apply the formulated rules. This approach is based on the conviction (confirmed by many empirical studies) that in the long term companies that adhere to the developed principles are better perceived by the market and seen as safer. It is worth adding that reputation in the capital market is of utmost importance. As a result, the companies are rated as those that better protect investors' interests, have lower risk, and can bring more value to shareholders. According to research conducted in many countries, companies following good practices record better results and increase value for shareholders.

The Best Practices of WSE Listed Companies, as a set of corporate governance principles and rules of conduct that affect the relationship between listed companies and their market environment, are a crucial element in building the competitive position of these companies and significantly contribute to strengthening the attractiveness of the Polish capital market. The application by companies of the corporate governance principles contained in the Best Practice of Listed Companies is voluntary, however, informing about their application is the responsibility of each listed company, provided for in the WSE Rules. The BPLC2021 collection is the result of the work of experts who are members of the GPW Corporate Governance Consulting Committee, which represents the interests of various groups of capital market participants. This is another version of the set of corporate governance rules applicable to companies listed on the WSE Main Market since 2002. The "Best Practices of WSE Listed Companies 2021" and the related disclosure obligations became effective on July 1, 2021. WSE-listed companies should publish information on the current state of application of the principles of BPLC2021 by the end of July 2021, therefore the authors analyzed the companies in detail after that date.

Stock exchange issuers should cooperate with the Stock Exchange in this respect, providing, upon its request, information enabling verification of both the very explanations and the state of application of the BPLC2021 rules. The companies' care for the best quality of corporate governance will contribute to strengthening communication with stakeholders.

Declarations of companies from the Warsaw Stock Exchange regarding compliance with the code of "good practices" of listed companies in Poland, which is BPLC2021, are presented in figure 1. This figure presents the results of a pilot study on company statements regarding compliance with corporate governance principles in the version proposed by the stock exchange[1].

[1] The statements of the companies were checked on the websites of the WIG-20 sub-index companies, on the website of the Stock Exchange, and in particular in the EIB reporting system. Relatively often companies do not publish them or present them in outdated versions. Information on this subject can be found in the reports of the general meeting of companies, supervisory boards of companies, management board reports and annual reports. This document is available on the WSE website, in the thematic portal devoted to corporate governance issues, and due to lack of space, it is referred to in the paper by referring to the document posted on the website of the Warsaw Stock Exchange (WSE, 2021).

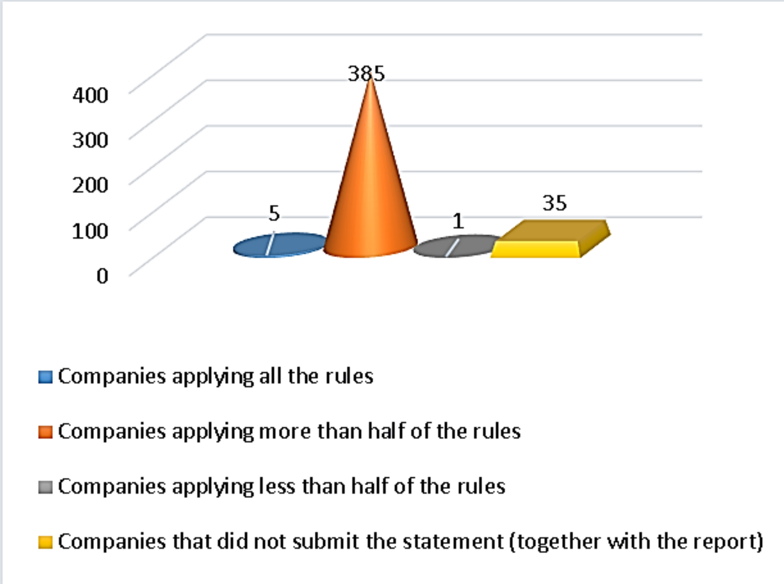

Figure 1. Compliance with corporate governance rules in companies listed on the WSE in Warsaw. Source: own study based on declarations of companies.

The disclosure obligations of listed companies with regard to the application of the principles of corporate governance are specified in the Stock Exchange Regulations. Each company is obliged to publish up-to-date information on the application of individual rules in the manner specified by the Exchange Management Board. If any of the rules is not followed by the company, the company should explain the circumstances and reasons for this in the disclosed information. The explanations should be exhaustive enough to provide a factual explanation of the reasons for not applying a given rule and allow for an assessment of the company's approach to the application of the Best Practices and care for a high level of corporate governance. Regardless of the above, an incidental breach of the principle, despite the previously submitted declaration of its permanent application, results in the company's obligation to immediately inform about this fact, which will increase the company's transparency in the eyes of interested stakeholders.

In the light of the above considerations, an attempt was made to analyze the situation of Polish listed companies declaring and applying in practice the principles of "soft" CG law in order to verify whether the management of entities based on these principles supported management and, thanks to the developed trust, strengthened the effectiveness of these entities during the pandemic crisis.

Based on the presentation of corporate governance data, the level of "good or bad practices" applied by companies can be assessed in public companies listed on the Warsaw Stock Exchange. The subject of the study was the practices of listed companies as applied on the basis of BPLC2021[2],i.e., based on the so-called "Soft law". The study was conducted on the

[2] With the entry of BPLC2021 (Code of Best Practice for WSE Listed Companies 2021) into force, the principles of informing about the application of Best Practices, set out in § 29 of the Stock Exchange Regulations, were also changed. The companies inform not only about the permanent non-application or incidental violation of the

population of 426 public companies listed on the Warsaw Stock Exchange in the period from June to December 2021, and more precisely in the first year of their application, which was also the second year of the pandemic.

In the course of the research, the answers to the following research question were especially sought:

- Have the companies complied with the fulfillment of the requirement to publish information on the current state of application of the BPLC2021 rules by 31.07.2021?
- Do listed companies respect, and if so, at what level, the rules set out in BPLC2021, i.e., do they comply with the requirements of the so-called "Soft law"?
- Which areas of BPLC2021 are considered by listed companies as the most important in their assessment?

The inspiration to analyze the indicated problem was the observation of achievements of public companies in social areas and the assumption that the issuers are more advanced in the implementation of codes of good practice in the area of corporate governance, which may become a tool of management support in times of crisis.

The study covered corporate documents available in the public domain, both on the website of the Warsaw Stock Exchange and on the websites of investor relations of companies. The analyzed documents included:

- company statutes, available on the website of the Warsaw Stock Exchange,
- statements on the implementation of corporate governance principles, i.e., the application of the principles of the code of good practice at the Warsaw Stock Exchange, constituting an element of the company's annual report and available on the companies' investor relations websites.

The principles of corporate governance adopted in the formula of the so-called codes of good practice are based on the principle "comply or explain" and are transformed into legal provisions over time. Therefore, areas that were regulated by separate provisions of acts, including those that fell within the scope of the act on statutory auditors or the act on public offering were removed from the set of Best Practices of Listed Companies 2021.

rule, but also publish comprehensive information on the application of the rules. Amendments to the Stock Exchange Regulations result in the necessity to publish a report on the scope of application of the Best Practices by all listed companies under the name "Information on the state of application by the company of the rules contained in the Code of Best Practice for WSE Listed Companies in 2021". In order to ensure current updating of this information the Stock Exchange Rules oblige companies to publish information about a change in the scope of application of the rules or the occurrence of circumstances justifying a change in the content of explanations regarding the non-application or the manner of applying the principles of Best Practice 2021. Thanks to the changes in the scope of disclosure obligations of companies, the presumption that the company has not published any report will no longer be justified on the basis of the Stock Exchange Regulations, which means that it applies all the rules.

Therefore, the pilot study covered all companies listed on the Warsaw Stock Exchange in June-September 2021. It checked whether they comply with corporate governance principles, informed about this fact in the statement on the application of corporate governance, and if so, whether they did so in 6 areas of general principles in accordance with BPLC2021 which cover:

1. Information and Investor Communication Policy.
2. Management Board and Supervisory Board.
3. Internal Systems and Functions.
4. General Meeting and Relations with Shareholders.
5. Conflict of Interest and Related Party Transactions.
6. Remuneration.

Therefore, Figure 1 presents a sample of 426 companies from the Warsaw Stock Exchange and their decisions regarding the fulfillment of 6 general principles in accordance with BPLC2021.

The research results presented in figure 1 show the division of the examined sample of 426 listed companies, by the completion of declarations related to the fulfillment of corporate governance principles:

- companies applying all the rules – 5,
- companies applying more than half of the rules – 385,
- companies applying less than half of the rules – 1,
- and companies that did not submit the statement (together with the report) – 35.

Figure 1 shows that only 35 companies did not submit a report, which is only 8% of the surveyed population. However, when it comes to the number of companies that complied with all 6 principles and objectives set out in them, there were only 5 such companies, which is over 1% of the surveyed sample. Over 90% of the surveyed population of listed companies, as many as 385 respect more than 50% of the principles and goals defined in BPLC2021, i.e., they follow the rules of "soft law", which thus indicates high compliance among companies. This part of the study answered the first two research questions, i.e.:

- Did the companies comply with the fulfillment of the requirement to publish information on the current state of application of the BPLC2021 rules by 31.07.2021 – they complied despite the ongoing pandemic.
- Do the listed companies respect, and if so, at what level, the rules set out in BPLC2021, i.e., do they comply with the requirements of the so-called "Soft law" – yes, they do, showing high compliance, because as many as 385 companies out of the surveyed sample of 426 companies respect these rules, which represents 90%.

On the other hand, the third interesting issue is the question of how companies perform these activities and which areas of BPLC2021 are considered by listed companies as the most important in their assessment. The answers are presented in Figure 2.

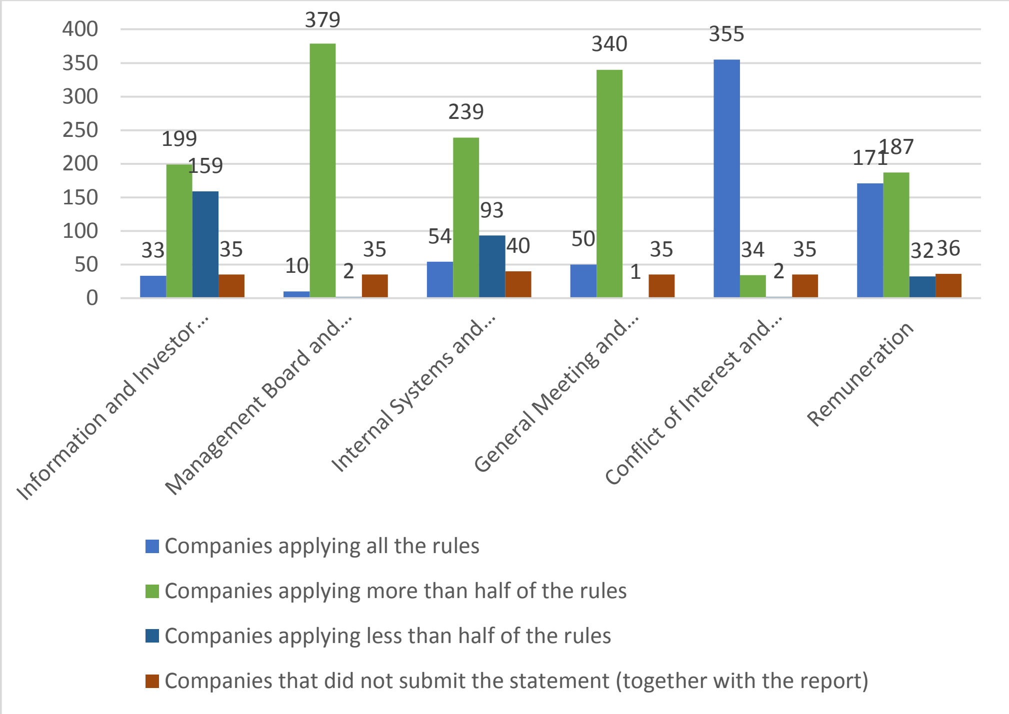

Figure 2. Level of respect for the corporate governance rules on the Warsaw Stock Exchange[3]. Source: own study based on declarations of companies.

Figure 2 presents the level of compliance with 6 corporate governance rules by listed companies on the Warsaw Stock Exchange. These principles and their goals result from the BPLC2021 code and may constitute a recommendation for a tool supporting management in times of crisis. Figure 2 presents the results of the study on company statements regarding compliance with corporate governance principles in the version proposed by the stock exchange. The companies' statements were checked in the EIB reporting system, available on the Stock Exchange website.

Rule No. 1 Information and Investor Communication Policy of BPLC2021 applies to all market participants who, for their own purpose, ensure proper communication with stakeholders, pursuing a transparent and reliable information policy. The level of respect for this area is as follows:

- companies applying all the rules – 33,
- companies applying more than half of the rules – 199,
- companies applying less than half of the rules – 159,
- companies that did not submit the statement (together with the report) – 33.

Rule no. 2 The Management Board and Supervisory Board of BPLC2021 indicates the achievement of the highest standards in the scope of performing their duties and fulfilling them in an effective manner by the company's management board and supervisory board. Only persons with appropriate competences, skills and experience are appointed to the

[3] Assessment made on the basis of publicly available reports published by companies and their websites - checking the statements of the examined sample of companies in the EIB on the website of the Warsaw Stock Exchange.

management Board and the supervisory board. The members of the management board act in the interest of the company and are responsible for its activities. The management board is responsible, in particular, for leadership in the company, commitment to setting its strategic goals and their implementation, as well as ensuring the company's efficiency and security. In the scope of their function and duties in the supervisory board, the conduct of members of the supervisory board, including decision-making, is guided by independence of their own opinions and judgments, acting in the best interest of the company. The supervisory board works in a culture of debate, analyzing the company's situation against the background of the industry and the market, on the basis of materials provided to it by the company's management and internal systems and functions of the company, as well as obtained from outside, using the results of the work of its committees. The supervisory board, in particular, gives opinions on the company's strategy and verifies the work of the management board in terms of achievement of the established strategic goals, as well as monitors the company's results.

The level of observance of this area in Figure 2 is as follows:

- companies applying all the rules – 10,
- companies applying more than half of the rules – 379,
- companies applying less than half of the rules – 2,
- companies that did not submit the statement (together with the report) – 35.

Rule no. 3. Internal systems and functions BPLC2021 applies to efficiently operating systems and internal functions, which are an indispensable tool for supervising the company. The systems cover the company and all areas of operation of its group that have a significant impact on the company's situation.

Figure 2 also shows the level of compliance with rule 3 and presents as follows:

- companies applying all the rules – 54,
- companies applying more than half of the rules – 239,
- companies applying less than half of the rules – 93,
- companies that did not submit the statement (together with the report) – 40.

Rule no. 4. The General Meeting and Relations with Shareholders of BPLC2021 recommends how the management board of a listed company and its supervisory board should encourage shareholders to become involved in the company's matters, primarily expressed through active, personal or proxy participation in the general meeting. The general meeting should respect the rights of all shareholders and should strive to ensure that the resolutions adopted do not infringe the legitimate interests of individual groups of shareholders. Shareholders participating in the general meeting exercise their rights in a manner that does not violate good manners. The participants of the general meeting should come to the general meeting prepared.

Figure 2 also presents the level of compliance with rule 4. It is as follows:

- companies applying all the rules – 50,
- companies applying more than half of the rules – 340,
- companies applying less than half of the rules – 1,
- companies that did not submit the statement (together with the report) – 35.

Rule no. 5. Conflict of interest and transactions with related entities BPLC2021 according to which the company and its group should have transparent procedures for managing conflicts of interest and concluding transactions with related entities in conditions of possible conflict of interest. Procedures should provide for the ways to identify such situations, disclose them and how to proceed in the event of their occurrence. A member of the management board or supervisory board should avoid engaging in professional or non-professional activity that could lead to a conflict of interest or adversely affect their reputation as a member of the company's governing body and should disclose it immediately in the event of occurrence of the conflict of interest.

Rule No. 5 and the level of its compliance by listed companies, shown in Figure 2, is as follows:

- companies applying all the rules – 355,
- companies applying more than half of the rules – 34,
- companies applying less than half of the rules – 2,
- companies that did not submit the statement (together with the report) – 35.

Rule no. 6 Remuneration of BPDPSN2021, according to the rule, the company and its group care for the stability of the management team, including through transparent, fair, consistent and non-discriminatory principles of remuneration, reflected, among others, in equal pay for women and men. The remuneration policy for members of the company's governing bodies and its key managers adopted in the company defines in particular the form, structure, as well as remuneration method of establishment and payment.

Rule No. 6 and the level of its observance by listed companies is presented in Figure 2 is as follows:

- companies applying all the rules – 171,
- companies applying more than half of the rules – 187,
- companies applying less than half of the rules – 32,
- companies that did not submit the statement (together with the report) – 36.

The presented considerations based on a pilot study of companies listed on the Warsaw Stock Exchange in the period from June to September 2021 focused on their compliance with the CG rules. The level of results in this study was more than satisfactory, because out of 426 companies only 35 did not take a position, i.e., did not submit a report (together with a statement on the application of corporate governance principles), which is only 8% of the surveyed population. Thus, the research conducted by the authors confirmed the study presented by Edelmann Trust Barometer 2021. It indicated the increase in transparency of companies, i.e., the companies that apply the principles of CG, through the application of the principles of "soft law", i.e., BPLC2021 and the identification of 6 areas that can be used as a support tool in crisis management.

4. Conclusions

The current economic crisis caused by the coronavirus pandemic may last much longer than the health crisis. Its effects may reach far into the future (Ramotowski, 2020). The Actors must struggle with the effects of the crisis in order to survive. Currently, corporate governance, by ensuring full transparency, should be a tool that supports management and reduces the risk of operations, constituting the basis for creating a level of trust in the company and its activities. In the light of the presented considerations, a certain sequence of events can be suggested, namely, corporate governance generates transparency in business and requires compliance with the highest market standards, both in terms of human capital management and product quality. These factors are the principles perceived by the authors as the main guidelines for the study. They are Information and Investor Communication Policy, Management Board and Supervisory Board, Internal Systems and Functions, General Meeting and Relations with Shareholders, Conflict of Interest and Related Party Transactions as well as Remuneration. The aforementioned principles were treated as factors, and are demonstrated by a code of good practice, developed and provided for implementation for listed companies in the analyzed period. These factors create an atmosphere of trust in the company and, as a result, are a factor supporting effective functioning in times of crisis. The (pilot) study performed by the author confirms the high compliance of listed companies, close to 90%, with regard to filling in the declaration on the application of corporate governance in the light of the code of good practices applied by listed companies. The only limitation in the research process was the time of the crisis, i.e., the COVID-19 pandemic and the schedule for introducing a new set of good practices for listed companies. Subsequent studies will allow for a comparative analysis of companies in the period before, during, and after the pandemic

In conclusion, the presented pilot studies on a sample of 426 listed companies confirmed the thesis presented by the Authors that the code of good practice and its recommendations for listed companies in the area of corporate governance, through increased transparency, maybe a tool supporting management in times of crisis.

The analysis of companies after the implementation of these changes and relating them to the post-pandemic period may be an interesting and important topic of future research, from the point of view of practice.

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