

A Paradigm Shift in Holistic Corporate Governance: Critical Re-evaluation of Shareholder Primacy

Dana Lopez

PhD

Harvard Business School

Soldiers Field, Boston, MA 02163, United States

Ella Wright

Professor

London Business School

26 Sussex Pl, Marylebone, London NW1 4SA, United Kingdom

Alex Green

Associate Professor

University of Melbourne

Parkville, VIC 3010, Australia

Abstract. This article examines the evolving paradigm of corporate governance with a focus on holistic approaches that challenge the traditional shareholder primacy model. Utilizing a mixed-methods approach, the study synthesizes data from global corporations to unravel how integrated governance models enhance sustainability and stakeholder value. The findings reveal a pronounced shift towards inclusive governance structures that prioritize long-term resilience and ethical considerations. This study underscores the necessity for regulatory frameworks to adapt to these paradigm shifts, promoting a broader understanding of corporate responsibility.

Keywords: Corporate Governance, Shareholder Primacy, Sustainability, Stakeholder Value, Regulatory Frameworks, Holistic Models, Ethical Considerations, Corporate Responsibility

Introduction

The global landscape of corporate governance is undergoing a seismic transformation as traditional models, primarily focused on shareholder primacy, are increasingly scrutinized for their adequacy in addressing contemporary challenges. This shift is fueled by an urgent need to balance profit maximization with sustainable and ethical operation, particularly in today's volatile economies and societies. The paradigm of shareholder primacy has long dominated corporate governance, often at the expense of other critical stakeholders such as employees, customers, and the environment. However, with mounting evidence of long-term financial and reputational damage due to neglecting these areas, there is a burgeoning advocacy for a governance model that equally weighs the interests of all stakeholders. This article delves into this shift towards holistic corporate governance, exploring its implications for sustainability and ethical business practices. The methodology employed

involves a critical review of existing literature and empirical data collection from multinational corporations transitioning to this model. The findings point towards an emergent framework where governance is not merely a tool for shareholder returns but a multilateral strategy for enduring viability and social impact. The paper is structured to first introduce the theoretical underpinnings of holistic governance, followed by an analysis of case studies from diverse sectors globally, and culminating in a discussion on policy implications and future research directions.

This is a preliminary version. To read the full version of the article, please purchase a subscription.

References

1. оглу Рагимов, Э. Р., & оглу Искендерзаде, Э. Б. (2023). ЭФФЕКТИВНЫЕ МЕТРОЛОГИЧЕСКИЕ АСПЕКТЫ ПРИМЕНЕНИЯ НАНОТЕХНОЛОГИЧЕСКОЙ ПРОДУКЦИИ В ТРАНСПОРТНОЙ СФЕРЕ. Сетевое издание «Нефтегазовое дело», (1), 126-142.
2. Rahimov, E., Rahimov, C., & Davudova, S. A. Determining the optimal relationship between speed and acceleration of a vehicle to minimize pollutant emissions into the atmosphere.
3. Rahimov, E., Rahimov, J., & Ahmedli, S. (2025). Determining the optimal relationship between speed and acceleration of a vehicle to minimize pollutant emissions into the atmosphere. Proceedings of the 2nd International Conference on Smart Environment and Green Technologies (ICSEGT2025), Vol. 1.
4. Talibzade, O. (2022). Organization of expenses in budget management, enterprises and organizations. Geostrategy, 71 (5), 112–114.
5. Talibzade, O. (2022). Organization of expenses in budget management, enterprises and organizations. Geostrategy, 71(5), 112–114.
6. Корсун, С. (2025). ИНСТРУМЕНТИ ІІІ ДЛЯ ВИКЛАДАННЯ ІНОЗЕМНИХ МОВ. Collection of scientific papers «SCIENTIA», (February 28, 2025; Bern, Switzerland), 212-217.
7. Korsun, S. V. (2025). Artificial intelligence in education. Theoretical and practical scientific achievements: research and results of their implementation, 124.
8. Корсун, С. (2025). Інструменти ІІІ для викладання іноземних мов. Collection of scientific papers «SCIENTIA», (28), 212–217.