

EXTENDED SUMMARY

This study investigates the convergence in corporate governance, specifically focusing on the management structure of public corporations. The fact that corporate governance rules may differ across countries due to national conditions, legal cultures, and economic structures fuels ongoing debate in theory and practice. Are corporate governance systems moving towards a single model, or are they converging through mutual interaction and adaptation without eliminating structural diversity?

Interdisciplinary studies within the law-and-economics framework have primarily formed an overarching debate on how corporate governance systems are converging. The primary focus of most of these studies, which examine the fundamental differences separating the two corporate governance systems worldwide, is the corporate governance elements affecting corporate performance. The differences between these systems lie in the structure of the board of directors, shareholding structures, and control mechanisms. Therefore, this study aims to evaluate whether these two systems converge, specifically concerning the organization of the board of directors and the allocation of management and supervisory functions within the corporation.

In this context, the study primarily aims to identify the fundamental dynamics that drive convergence and the effects of these dynamics. These dynamics are seen against the backdrop of globalisation and the expansion of economic integration, and the importance of different types of institutional investors in this process is also being emphasised. Subsequently, the study provides an overview of how the proliferation of internationally accepted principles and standards, alongside other factors, has led to convergence. Adopting this conceptual and dynamic framework, the study examines the organisational structures of management in public corporations in the legal systems of the United States, Switzerland, Germany, and Türkiye. Two basic management models are important in corporate law: the one-tier management system, which is similar to Anglo-Saxon legal systems, and the two-tier management system, which is especially common in German law. Although Turkish corporate law has adopted the “board of directors” system prevalent in Swiss law, it also provides a flexible legal framework that allows for the structuring of management similar to the dual system in German law or the

“Board” model applied in the United States. The following conclusion can essentially be reached when examining management models in other countries.

In contrast to much of existing literature on the subject, the study’s findings reveal a two-way convergence towards a management model incorporating the characteristic features of the dual system in German law, rather than towards a single management model based on the Anglo-Saxon system. Accordingly, one-tier systems address the need for a structure similar to that of the supervisory board envisaged by the two-tier system by strengthening supervision through independent members and committees. Conversely, the two-tier system fosters enhanced information exchange and elevates collaboration between the two boards, while concurrently facilitating the supervisory board’s functional transformation. Consequently, it is our conviction that convergence should be comprehended as each system compensating for its own deficiencies through mechanisms borrowed from other systems, rather than the unification of corporate governance rules, and should express mutual convergence. However, it must be emphasised that, despite convergence, both systems will continue to maintain their unique characteristics and fundamental differences.