

EDITORIAL: Towards a comprehensive review of corporate governance

Dear readers!

We are glad to share with you the recent studies from the *Journal of Governance and Regulation*.

In an era of falling margins, intense competition, and political uncertainty, firms require an efficient strategy to remain competitive. Such strategies are the fruit of efficient management and well governance. Over the previous decades, the term corporate governance (CG) has generated a plethora of literature and led to a proliferation of approaches. While research on CG was initially limited to US firms and the board of directors, recent studies discuss ownership structure and shed light on other markets. Admittedly, this is what scientific research is about, as studying a country in isolation can lead to the erroneous belief that any relationship observed there can be observed everywhere. Scholars state that firms' behavior is influenced by their institutional framework (Ioannou & Serafeim, 2012; Shahrour, Girerd-Potin, & Taramasco, 2022; Walker, Zhang, & Ni, 2019), and thus, one might expect the governance mechanism and strategies to vary between countries. This issue sheds light on such variations, by exploring different contexts.

By revisiting the purpose of organizations, and focusing on "target customers", *Aleksandër Biberaj, Olimpjon Shurdi, Lorena Balliu, Sonila Xhaferllari, and Julian Imami* provide technical detail to enable companies to identify the right customers. Such an explanation is derived through manipulating historical data in a huge database. However, one might question the vulnerability of data and the consequences if this latter is attacked by hackers. *Mohammad Amin Alkrisheh* in the same issue discusses criminal protection and data sensitivity. On the other hand, and using a qualitative approach, *Agustinus Nicholas Tobing, John Tampil Purba, Rizaldi Parani, and Evo Hariandja* investigate the challenges of consumer protection by focusing on the life insurance industry.

By targeting another stakeholders' group (i.e., employees), *Yazan Emnawer Al-Haraisa* addresses the case of employees' careers and finds that there is a mediation impact of organizational socialization on the relationship between emotional intelligence and career development.

From a managerial perspective, the importance of governance could vary between sectors (Jo & Harjoto, 2011). For instance, and from a risk management perspective, the work of Aretz and Pope (2013) explains the existence of common (and controversial) factors among countries and industries. This issue underscores various sectors, such as pharmaceuticals (the work of *Kholis Roisah, Rahayu, Darminto, Zinatul Ashiqin Zainol, and Leony Sondang Suryani*), consumer goods (the work of *Nkechi D. Neboh and Thokozani P. Mbhele*), and addresses different markets: emerging markets (the work of *Eric D. Ncube, Maxwell A. Phiri, and Thokozani P. Mbhele*). For further analysis regarding emerging markets, the article by *Dani K. Prakosa, Amrie Firmansyah, Resi A. Qadri, Puji Wibowo, Ferry Irawan, Nur A. Kustiani, Suparna Wijaya, Arifah F. Andriani, Zef Arfiansyah, Lestari Kurniawati, Azas Mabur, Agung Dinarjito, Rahayu Kusumawati, and Moh Luthfi Mahrus* provide an in-depth analysis from a risk and governance perspective. Moreover, despite the outstanding work linking corporate social responsibility (CSR) to financial risk (Habermann & Fischer, 2021; Shahrour, Girerd-Potin, & Taramasco, 2021; Sun & Cui, 2014; Lahjie, Natoli, & Zuhair, 2021; Rainero & Modarelli, 2020; Kostyuk, Kostyuk, Mozghovyi, & Kravchenko, 2013), addressing the moderating role of CSR disclosure in the aforementioned article is of special interest, as it adds novelty to the growing literature of CSR.

In terms of auditing and fraud disclosure, this issue further presents the case of auditor's skepticism (the work of *Supriadi Laupe, Muhammad Iqbal Abdullah, Abdul Kahar, Fadli*

Moh. Saleh, Femilia Zahra, and Nur Avni Syamsuddin). Similar work concerning money laundering is discussed in the work of Mohammad K. Shbeilat and Rateb Mohammad Alqatamin, in the same issue. It should be noted that a great portion of this issue was devoted to accounting applications (see the work of Mohammad K. Shbeilat and Mohammad Eid Al-Hajaia, in the same issue) and auditing concerns (see the work of Sandra Alves and Cecilia Carmo, in the same issue).

From an economic perspective, the fifth paper in this issue by Medain Hashani, Besime Ziberi, and Roberta Bajrami is confined to the western Balkan countries and investigates the driving forces of economic growth by focusing mainly on private consumption. The importance of this study relies upon its managerial contribution to policy makers in those countries.

Besides, and given that we are still considered in an “early post-pandemic” period, this issue investigates the business transformation and governance during the pandemic period, through the work of Božo Skoko, Dina Tomšić, and Ana Hlača (the case of Croatia), and the work of Rita Loloçi and Alfred Halilaj (the case of Albania). Furthermore, Webster Funhiro, Bhasela Yalezo, and Emmanuel Mutambara present various strategies for enhancing hospital functionality.

A very promising feature of all the articles published in the current issue is that they highlight several aspects, falling into the larger domain of corporate governance. Future research is advised to focus on climate-related issues and explore how various governance mechanisms could decrease firms’ carbon footprints, leading to a more sustainable world.

Happy reading! We are grateful for our authors, readers, reviewers, the editorial team, and the support team of Virtus Interpress.

*Mohamad Hassan Shahrour,
Associate Professor of Finance, Université Côte d’Azur, IAE Nice, GRM, Nice, France,
Editorial Board Member of the Journal of Governance and Regulation*

REFERENCES

1. Aretz, K., & Pope, P. F. (2013). Common factors in default risk across countries and industries. *European Financial Management*, 19(1), 108-152. <https://doi.org/10.1111/j.1468-036X.2010.00571.x>
2. Habermann, F., & Fischer, F. B. (2021). Corporate social performance and the likelihood of bankruptcy: Evidence from a period of economic upswing. *Journal of Business Ethics*. <https://doi.org/10.1007/s10551-021-04956-4>
3. Ioannou, I., & Serafeim, G. (2012). What drives corporate social performance? The role of nation-level institutions. *Journal of International Business Studies*, 43(9), 834-864. <https://doi.org/10.1057/jibs.2012.26>
4. Jo, H., & Harjoto, M. A. (2011). Corporate governance and firm value: The impact of corporate social responsibility. *Journal of Business Ethics*, 103(3), 351-383. <https://doi.org/10.1007/s10551-011-0869-y>
5. Kostyuk, A., Kostyuk, O., Mozghovyi, Y., & Kravchenko, Y. (2013). Corporate social responsibility index for Ukrainian banks: The essentials for implementation. *Corporate Ownership & Control*, 10(4-4), 434-445. <https://doi.org/10.22495/cocv10i4c4art6>
6. Lahjie, A. A., Natoli, R., & Zuhair, S. (2021). Corporate governance and corporate social responsibility: A study of emerging market listed firms. *Corporate Ownership & Control*, 18(2), 90-105. <https://doi.org/10.22495/cocv18i2art7>
7. Rainero, C., & Modarelli, G. (2020). CSR for emergencies: The two concepts of accountability. *Corporate Ownership & Control*, 18(1), 78-95. <https://doi.org/10.22495/cocv18i1art7>
8. Shahrour, M. H., Girerd-Potin, I., & Taramasco, O. (2021). Corporate social responsibility and firm default risk in the Eurozone: A market-based approach. *Managerial Finance*, 47(7), 975-997. <https://doi.org/10.1108/MF-02-2020-0063>

9. Shahrour, M. H., Girerd-Potin, I., & Taramasco, O. (2022). Corporate social responsibility and firm default risk mitigation: The moderating role of the legal context. *Finance Contrôle Stratégie*, 25(1), 1-30. <https://doi.org/10.4000/fcs.8784>
10. Sun, W., & Cui, K. (2014). Linking corporate social responsibility to firm default risk. *European Management Journal*, 32(2), 275-287. <https://doi.org/10.1016/j.emj.2013.04.003>
11. Walker, K., Zhang, Z., & Ni, N. (2019). The mirror effect: Corporate social responsibility, corporate social irresponsibility and firm performance in coordinated market economies and liberal market economies. *British Journal of Management*, 30(1), 151-168. <https://doi.org/10.1111/1467-8551.12271>