EDITORIAL: Strategy development for uncertain times

Dear readers!

Corporate strategy is considered a central driver of a firm's long-term orientation, a key influencer in corporate performance, and nowadays being impacted by an increasing business endeavour where complexity is the new normal. Corporate governance suggests that boards of directors have the duty to govern the firms they are responsible for, and doing so in a sustainable way. Hence, boards are supposed to make relevant decisions on corporate strategy. How is, however, strategy translated into the board agenda? Corporate governance faces a new set of challenges as a great deal of countries are progressively getting out of the pandemic constraints that have slowed economic performance for most businesses. The way strategies will be developed will dictate their fit for purpose. Such strategies will have to cope with increasing sustainability goals; provide a competitive edge against competitors' technological edges and innovation in general. Such strategies will have to deal with innovative usages of IT and potential business disruptions that may be triggered by digital transformation. All such paradigm changes will demand more effort from boards, and force them to dive into unusual fields, such as learning about complexity and systems thinking. As important as strategy formulation is ethical leadership for strategy deployment and sustainability. Overall, such topics are placed high on boards agendas and are addressed in the current issue of *Corporate Board: Role, Duties and Composition.*

Mohamed Ahmed Ali Nemr and *Yuhuan Liu* present a study on the subject of ethical leadership taking samples from Egypt's Sohag University. Even if some could consider such a study an inductive one, departing from observation, identifying patterns, and then proposing a hypothesis that may lead to a theory, it adds considerable value for academia by bringing real-world phenomena into perspective. This cross-sectional study's results have revealed a paradigm where workers have a low level of ethical leadership together with in-role work behaviors. This study results encourage faculty members to uphold ethical values, as considerable benefits may result from improved ethical leadership (Brown & Treviño, 2006; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Piccolo, Greenbaum, den Hartog, & Folger, 2010) while minimizing negative ones (Tepper, Duffy, Hoobler, & Ensley, 2004; Aryee, Chen, Sun, & Debrah, 2007). The study suggests that it may be beneficial to introduce other moderators into the relationship between ethical leadership and organizational behavior, such as self-esteem, bullying at the workplace and the organizational perception of silence in providing workers with organizational support (Pierce & Gardner, 2004; Ng, Sorensen, & Eby, 2006).

Dean Blomson, departing from the Australian stage, pursued an inductive study, using grounded research, which may be regarded futuristic, as the focus is on board operating models for the future. In his paper he discusses how board operating models could look like in 2030 and beyond, taking a perspective towards stakeholder capitalism while considering the fast changes most business endeavours are facing nowadays, something that demands more proactivity and work from boards. His recommendations focus on several elements of board operating models, board structures, key governance processes, management systems, and frameworks. There is a perspective that "if the rate of change on the outside exceeds the rate of change on the inside, the end is near" (Allison, 2014) while providing some discussion on the important topic of estimations, where the short terms is oftentimes at odds with the long-term accuracy of predictions (Grasshoff et al., 2019). Dean Blomson's paper prompts a timely and critical *quo vadis* questioning in what coming future effective boards concerns.

Le Chen and *Pietro Pavone* wrote an interesting paper that addresses the need for better strategic decision-making while capitalizing on the past, specifically taking lessons from one of the most iconic texts of all time — *The Art of War* — which was so relevant then, as it is today (Tzu, 2016). While the main discipline behind this study is strategic decision-making, the authors call attention to the dangers and opportunities that the role of IT can play for organizations. IT governance is ought to support organizations in achieving their strategic objectives (Bhattacharya, 2018; Wautelet, 2019). This study investigates and analyses the origin of IT governance from the perspective of the philosophical thinking of *The Art of War*, placing importance on information governance and wisdom in the board decision-making process, while considering the interests of diverse stakeholders in the digital era. After all, as argued

by Merendino et al. (2018), boards need to develop cognitive capabilities and find new ways to make decisions in the Big Data era.

Erik Beulen and *Ries Bode* suggest there is a critical need for an IT and innovation (IT&I) committee for nowadays corporate governance, as a consequence of the impacts of digital transformation. Having some Dutch companies as the substantive domain, and building on the work of Turel and Bart (2014), this research applies design science to conceive an information technology and innovation committee as an integral part of corporate governance for organisations that are engaging in digital transformations. Digital transformation challenges facing nowadays boards include the presence of digital capabilities and experience, as well as having sufficient dedication and focus on digital transformation. This research shows that the audit committee by default does not focus on business opportunities associated with digital transformation. Digital transformations are distinctly different from the involvement of IT directors and chief information officers (CIOs) pre-digital transformations, which according to the authors demands installing an IT&I committee that aligns and improves corporate governance for organisations that are engaging in digital transformations. This requires, in addition to agency theory, much broader adoption of and adherence to the stakeholder theory (Freeman, 1984; Freeman, Harrison, & Zyglidopoulos, 2018).

Hugh Grove and *Maclyn Clouse* expose a critical subject in their paper which constitutes one of nowadays boards' biggest challenges — carbon emissions. Environmental, social, and governance (ESG) goals are putting pressure on boards and carbon emissions are at its core. Expanding on previous work from Grove and Clouse (2021), the authors provide an overview of climate risk, current climate lawsuits and board risks, EU climate law, carbon inserts, carbon offsets, carbon credits for agriculture, climate disclosure metrics, and global bank greenwashing. As suggested a rapid transition to clean energy can stabilize the climate, improve health, provide good-paying jobs, grow the economy, and ensure today's children's future (Mann & Hassol, 2021). This research paper identified boards of directors' challenges and responsibilities to track and assess their companies' commitments to zero net emissions goals while ensuring economic performance. The authors suggest that a major challenge for boards is to determine whether their companies were really trying to reach zero net emissions or just doing greenwashing — a hot topic in corporate governance circles.

The papers in this issue use a wide range of methodologies and provide insightful findings that may also trigger future research in various corporate governance challenging issues, providing a solid contribution to the previous literature and are recommended for researchers and readers looking for some of the latest trends in the field. In closing of this Editorial, I would like to thank all the contributors for their intellectual contributions. I hope you will enjoy reading this issue of the journal.

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