

EDITORIAL: Aspects on finance, corporate social responsibility and blockchain: How returns, media, the 4th Industrial Revolution, FinTech investments and trade finance react on sustainable development

Dear readers!

It is a great honor on behalf of the editorial team to present the second issue of the journal “*Risk Governance and Control: Financial Markets & Institutions*” in 2022. This issue of “*Risk Governance and Control: Financial Markets & Institutions*” is published under difficult circumstances, as humanity tries to escape from the COVID-19 pandemic era but faces a new challenge due to Russia’s evasion in Ukraine. As these events unfold, humanity faces economic depression with all its attendant problems. Life both in everyday life and in the business, the world is facing increased prices and declining living standards in countries worldwide.

As the global economy is driven into recession due to rising fuel and energy prices, businesses will have to embrace this new reality and try to adapt to it and continue operating without interruption. In a time of economic recession, additionally to the disruptive actions that states must take, companies should use all the know-how available from relevant research to implement good practices and be able to escape the storm.

Such practices are certainly the principles of corporate governance, the usage of financial ratios, where with appropriate applications and correlations they can show significant results, as well as the observation of business returns. The fourth industrial revolution is a fact nowadays and gives the opportunity for innovative management services. The use of informatics and big data analysis boost up the financial and management services in order to help analysts predict and forecast. We, as researchers ought to adopt those tools (algorithms, machine learning techniques, etc.), thus, helping investors and analysts to manage portfolios, their clients and business of course.

The first paper of this issue written by *Moritz Krug* and *Tim Alexander Herberger* presents a literature review of the factors influencing the returns. Authors based on previous studies by Loughran, Ritter, and Rydqvist (1994), Fan, Wong, and Zhang (2007), Chi and Padgett (2005) as well as Ritter (1991) show differences in the regional characteristics of underpricing and overpricing in initial public offerings. With their study, they close an existing research gap and satisfy an important information need of issuers and investors.

The second paper deals with the role that media have in social responsibility and how it contributes to corporate development, written by *Shirley Mo Ching Yeung*. The author explored the perception of young people in Hong Kong on the role of media in corporate social responsibility. In order to do so, the data of the questionnaire convert into information (Yeung, 2019). Also, Cummings and Worley (2009) referred that a sustainable organization must have well-rounded planning. The findings of the survey are relevant to the media industry of the findings of Chu and Chen (2019).

The next paper written by *Thomas Holtfort*, *Andreas Horsch*, and *Joachim Schwarz* refers to the technological revolution, with the fourth industrial revolution and how affects the management services (Tao, Su, Xiao, Dai, & Khalid, 2021). Digital transformation, with the introduction of algorithms in order to help investors to make a decision, is now essential for portfolio management (Beketov, Lehmann, & Wittke, 2018; Horváth & Szabó, 2019; Muscio & Ciffolilli, 2020; Culot, Nassimbeni, Orzes, & Sartor, 2020). This paper analyzes the development of robo-advisory on a global scale from an evolutionary point of view, at the same time focusing on the variety of methods applied by the advisors and the factors influencing their performance, in order to take robo-advisory-related research a step further.

The fourth paper is written by *Federico Beltrame*, *Gianni Zorzi*, and *Luca Grassetti* and analyses how investments in FinTech affect corporate indicators (performance, risk and value) in Italian banks. Authors tried to apply FinTech guidance (Brandl & Hornuf, 2020; Hornuf, Klus, Lohwasser, & Schwiendbacher, 2021) in banking system. Takeda and Ito (2021), existing financial institutions are incorporating FinTech to improve customer satisfaction as a response to its deterioration following the rise of FinTech companies. Partnering with FinTech companies is an appropriate approach according to research by Ashta and Biot-Paquerot (2018), in addition to Zalan and

Toufaily (2017), while Trelewicz (2017) and Lui and Lamb (2018) suggest that financial institutions should consider developing FinTech solutions in-house. The study adds useful insights to the positive effects of innovation on banks' value, in a market, where investments in FinTech have spread in recent years.

Last but not least is the paper written by *Gonca Atici* dealing with the blockchain and the areas included in it. The paper has two building blocks: the first is the multifaceted technology and the second is the nexus of blockchain and governance. Digital economy (Tapscott, 2014), along with the Industry 4.0 and technological transformation refers to the blockchain and its recent developments (Liu, Lu, Yu, Paik, & Zhu, 2022; Khan et al., 2019; Bukht & Heeks, 2017). The paper finds a gap between on-chain and off-chain governance, proposing a recipe to the argument of Kaufman, Heister, and Yuthas (2021).

The editorial team is very happy because we manage to publish the second issue of the journal in the year 2022 under adverse circumstances and I would like to congratulate all the involved (authors, reviewers, editorial team and administrative team) for the excellent work been done.

The results of the above papers, which are in various disciplines of finance and management focus on the new trends and are more than interesting, practical, and useful to investors, practitioners and academics. We believe that those themes covered in this issue will be the starting point for businesses to overcome the recession and a new era for the future academic research. Enjoy the reading and stay safe!

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