

EDITORIAL: New frontiers of corporate governance — Managing growing complexity and risk

Dear readers!

It is a privilege for the editorial team to present the third issue of the journal *Risk Governance and Control: Financial Markets & Institutions* in 2022. Even more, in the current period, rich with tumultuous events, most recently the nuclear threat. Indeed, nowadays, businesses are increasingly called for facing extraordinary challenges under high levels of uncertainty, in order to build back the wealth of economies and societies as a whole. As consequence, organizations are in a state of changes that are wide and varied and arise from internal and external sources. That is, there are several regulatory adaptations as well as corporate governance transformations which should be addressed. They give much impulse to research topics related to corporate complexity, digitalization, risk management, sustainability, and geographical peculiarities (e.g., emerging markets) that are crucial for corporate governance aims in sustaining companies' recovery after the crisis.

To the growing companies' complexity, the current global situation adds the necessity to cope with external complexity which implies human, social, economic, and technological challenges for companies all around the world. Among these, digitalization acquires a prominent role. The entire governance and relational system in the company are constantly affected by digital business model innovations with the introduction of digital platforms, artificial intelligence and blockchain (Iansiti & Lakhani, 2020). These result in increasing connectivity and networking, which redefine the corporate governance boundaries by allowing firms to better meet stakeholders' needs (Kirton & Warren, 2018).

In this environment of growing uncertainty, managing risk appears more important than ever (Chen, Tsao, Hsieh, & Hu, 2019). Digitalization, thanks to its ability to provide a broader range of information, helps corporate governance cope with the lack of risk management tools to acquire and use risk information more effectively. Indeed, technology facilitates improve insight, efficiency, and effectiveness in risk management activities by releasing time for governance bodies to identify, assess and control future risks (Reppy, 2021).

Significant changes occur in the way businesses improve economic welfare, increase tax revenues, protect financial stability, or respond to societal concerns such as environmental protection (Ticker, 2019). Indeed, in recent years, the survivability of organizations and, more generally, the world fate, has become the hottest topic and the corporate governance research field does not seem an exception. Indeed, the climate crisis and COVID-19 pandemic have pushed under intense public scrutiny corporate governance structures of corporations (Sivaprasad & Mathew, 2021; Hundal, Kostyuk, & Govorun, 2021) which should pursue their scope in the light of sustainable and inclusive practices (Arena, Catuogno, Lombardi, & Möltner, 2022; Goergen & Tonks, 2019; Masud, Nurunnabi, & Bae, 2018; Kostyuk, Kostyuk, & Shcherbak, 2016). At the centre of the academic debate, there is sustainability. The latter, although addressed in different ways, always prioritizes taking current action which may have positive impacts on future generations in terms of societal issues, environment, and economic development (Ferrero-Ferrero, Fernández-Izquierdo, & Muñoz-Torres, 2015). Such attitude permeates all governance mechanisms and significantly influences the functioning of the board of directors which is called to operate in the interests of the community rather than just the firm (Kostyuk, Kostyuk, Mozghovyi, & Kravchenko, 2013; Huse & Rindova, 2001).

Such reflections acquire a particular resonance in emerging markets where the effect of climate changes (e.g., natural disasters, migration) is pressing and impacting. Indeed, considerable literature has begun to emerge challenging the objective of corporate governance in such contexts. Specifically, differently from developed economies, in emerging economies, governance mechanisms are characterized by concentrated ownership,

pyramidal ownership structures, the dominance of business groups, and high levels of related-party transactions (Ararat, Claessens, & Yurtoglu, 2021). As consequence, scholars and practitioners are now increasingly recognizing how governance mechanisms are embedded in national business systems and are influenced by political, social, and legal macro-institutions.

Stemming from such research streams, papers in the present issue disentangle hot corporate governance topics by grounding on different theories, by relying upon different geographical contexts and by using different methodologies. In detail, in the first article, *Phil Gonserkewitz, Erik Karger, and Marvin Jagals* investigate the blockchain theme as a disruptive technology employed in different company's areas. They applied a systematic literature review to discuss the most diffused non-fungible tokens (NFTs) use cases and offer future research questions in the field. The second paper by *Raef Gouiaa and Elias Issa*, differently, aims to analyse the way in which risks are managed by Canadian firms in different industries and the impact of different risk management practices on performance. Looking at the sustainability topic, the third article by *Mfon Akpan* measures Uber's community support initiatives' return on investment (ROI). The fourth article by *Khalil Feghali, Joe Hallak, and Samir Moussa* addresses the effect of COVID-19 on audit opinion in the MENA region through a novel text mining approach. The last paper by *WaQar Ghani and Ashok Margam* examines the effect, in terms of shareholder wealth, of the delisting of Chinese companies listed on the U.S. capital market.

We are grateful to all the scholars who have contributed to this issue, whose objectives seem very timely as they relate to the diverse and new frontiers facing corporate governance, and because they provide guidance to the academy of scholarship as well as to the practical world of managers, investors, practitioners, and regulators.

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