EDITORIAL: Current issues and future directions of risk governance

Dear readers!

The editorial team is honoured to publish six scholarly articles in the new issue of the"*Risk Governance and Control: Financial Markets & Institutions*" journal (volume 12, issue 4). As business owners are trying to manage domestic and international risks related to their operations and academics are collaborating with businesses to find a feasible solution to the COVID-19 pandemic crisis, we observe few trends and future expectations of academic research. While voluminous research is concerned about the (perceived) risk on information search and stock market risk contagion (Zhang, Choi, & Akhmedov, 2021; Liu, Wei, Wang, & Liu, 2022), others are concerned about sustainability, circular economy and environmental, social, and corporate governance (ESG) (Naeem, Yousaf, Karim, Tiwari, & Farid, 2023; Fang, Nie, & Shen, 2023; Soni et al., 2023) and survival of small and medium-sized enterprises (SMEs) (Mago & Modiba, 2022; Arzubiaga De Massis, Maseda, & Iturralde, 2022).

However, a few distinct but overlapping topics have emerged that give a future direction of research. Firstly, the anonymity of equity research has become an important issue as it can improve or impair the informativeness of equity research investors. The main purpose of equity research is to analyse financial information and can influence the investors' decision to buy or sell stocks. In terms of crowdsourcing as an access to finance, Dyer and Kim (2021) show the credibility of such equity research is very important for stimulating the stock market. Secondly, similar to Dyer and Kim (2021), a number of studies have focused on the textual analysis of the financial report and conference calls or transcripts (Seebeck & Kaya, 2022; Choudhury, Wang, Carlson, & Khanna, 2019).

Due to the richness of information in the financial reports and disclosure, a voluminous literature documents risks, culture, and finer details of corporates. But the age-old conflict still exists between principal and agent as reports and disclosure are rather uninformative of risks faced by companies. Firms use risk factor disclosures to 'seek safe harbour' from litigation, and in the process, make the language complex and less informative. Thirdly, there can be a huge debate on the management efficiency of chief executive officer (CEO) and chief financial officer (CFO) in relation to financial and non-financial misreporting of corporates (Baker, Lopez, Reitenga, & Ruch, 2019). Do we need to know the *management style* and the effects of CEOs and CFOs efficiency on financial and nonfinancial *misreporting*? A future trend is seen to examine the importance of CFO as a key player in the IFRS adoption in many countries. Lastly, many European countries have implemented mandatory board gender quotas in the last two decades. The question is whether imposing restrictions on specific board attributes can produce inefficient board structures and negative real effects (Garcia-Blandon, Argilés-Bosch, Ravenda, & Castillo-Merino, 2022). So, studies need to evaluate how this exogenous shock (such as COVID-19 or economic uncertainty) to the board of directors in publicly listed firms impacts board- and firm-level outcomes.

In this issue of the journal, we are happy to present articles related to some of the current issues and future directions. In the first paper, *Mario Situm and Stefan Märk* reveal the value chain activities related to micro and small family firms in western Austria. The second paper is on the exchange rate volatility. *Joseph Yensu, Seth Kofi Nkrumah, Samuel Amankwah,* and *Klenam Korbla Ledi* document how exchange rate volatility clustering can affect the economic growth of Ghana. In the third paper, *Maurizio Polato* and *Giulio Velliscig* use a simple stochastic Monte Carlo simulation to capture the relevance of the asset under management return and volatility. *Fiqhifauzan Firdaus* and *Agustinus Nicholas Tobing*, in the fourth paper, have presented a case study on digital ecosystem risk in digital banking. Their conceptual framework can provide ways to identify the risk of collaboration in the digital ecosystem. The fifth paper is about cryptocurrency. The authors *Noel Opala, Annika Fischer,* and *Martin Svoboda* argue that the strength of the extreme value theory plays and important role in case of digital currency and generates a preferable risk measurement strategy. Last, but not the least, we complete this issue with an interesting paper on the hospitality sector. Based on survey data from entrepreneurs in the sustainable tourism industry, *Ana Margarida Silvestre Graça* emphasises how the harmony of pillars of sustainability can lead to financial success for companies in the tourism industry.

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