

RETHINKING CORPORATE GOVERNANCE: EMBRACING CHALLENGES AND SEIZING OPPORTUNITIES

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Scholars are aware that the term “corporate governance” still lacks a clear and shared definition, despite being in use for over fifty years (Zattoni, 2020). In fact, various scholars have offered different definitions, considering both the range and diversity of stakeholders involved in governance and management, as well as the extensiveness and variety of corporate bodies responsible for the functioning of corporate governance (Zattoni, 2020; Mantovani et al., 2022).

Regarding the concept of governance, while some authors still focus on the closer managerial bodies responsible for company management, there is a noticeable trend towards adopting a broader definition of corporate governance. This broader perspective sees corporate governance as the whole set of legal, cultural, and institutional arrangements that determine what publicly traded corporations can do, who controls them, how that control is exercised, and how risks and returns from their activities are allocated (Blair, 1995). This inclusive definition suggests the need to move beyond researching only the functioning and composition of corporate governance bodies, which remains a highly appreciated topic, as evident from the number of papers

presented at the 2023 conference entitled "*New Outlooks for the Scholarly Research in Corporate Governance*". Instead, it encourages analyzing these mechanisms in the context of new scenarios that arise in the 2023 world.

Firstly, corporate governance must confront the pervasive trend of digital transformation. Several papers are focusing on the significance of digitalization, its strengths, and the competitive advantages it could bring to corporate governance mechanisms (Varoglu et al., 2021). The link between corporate governance and digitalization becomes a dynamic stream of corporate governance research (Grove et al., 2018) and intensively demanded by the owners of the companies to improve the overall performance of the strategic decision-making as a process (Quarato et al., 2020). Therefore, it will be essential to explore the potential impact of artificial intelligence and digital transformation in the following years, especially considering the exponential pace of digitalization (Correia & Águia, 2023).

Secondly, another relevant topic concerns how corporate governance is adapting to meet new sustainability requirements. These needs extend beyond the new disclosure requirements introduced by the EU Directive 2022/2464 ("CSRD Directive") (Baumüller & Grbenic, 2021) and relate to a fundamental change in the ethos of companies. In recent years, the presence of benefit companies has grown in several countries, beginning with the United States and expanding to Europe and other continents (Nigri et al., 2020). These companies expressly aim not only to make a profit but also to satisfy the needs of their stakeholders (Clark & Babson, 2012). It is vital to explore how governance increasingly integrates with these sustainability needs. Analyzing the impact companies have on sustainability objectives becomes crucial: How can they contribute to achieving these objectives? What sustainable actions can influence company competitiveness? What are the performance payoffs of taking sustainable actions?

Finally, it is essential to acknowledge that governance has now become a mechanism for social justice and equality. Future contributions should address the impact of topical issues such as gender equality, social justice, and minority involvement (Paoloni et al., 2019; Kavadis & Thomsen, 2023). Furthermore, this outlines an outlook for large-scale research in the field of board diversity and firm performance (Arnardottir et al., 2023; Mateus et al., 2020; Guedes & Monteiro, 2020).

Like every year, scholars have contributed to the 2023 Virtus Conference "*New Outlooks for the Scholarly Research in Corporate Governance*", discussing these issues of general interest. These discussions not only contribute to advancing the literature on the topic but also serve as key elements for entrepreneurs who strive to keep their companies competitive in the global market, which is increasingly digital and sustainable.

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