

EDITORIAL: “In the middle of difficulty lies opportunity”: How transformative leadership, digitalization, and CSR are reshaping the drivers of competitive advantage

Dear readers!

This newly released issue of *Corporate Governance and Organizational Behavior Review* offers intriguing insights into the multifaceted nature of the management field. The heterogeneity of the topics included in this issue testifies to the lively conceptual dynamism and intellectual curiosity, which have become particularly intricate in the aftermath of the COVID-19 pandemic.

The famous quotation by Albert Einstein included in the title of this editorial note gives an immediate grasp of the intellectual perspective underlying the ongoing conversations: the keywords are adaptation, resilience, and change. Writing this editorial, we cannot avoid reminding Darwin’s quotation: “It is not the strongest that survives [...] but the one most responsive to change” (© C. Darwin). It may sound obsolete, but it’s an enduring paradigm that is currently gaining growing attention as a cornerstone in scholarly conversations on survival, corporate growth, and organizational resilience.

After the global health emergency, business performance and organizational resilience have increasingly intersected with corporate social responsibility (CSR) and innovation themes, as crucial ways to adapt to the new challenges and opportunities in the competitive arena. In particular, the pandemic highlighted the strong interconnectedness of businesses and society, leading to several key shifts in business practices and decision-making processes. Central matters in this respect are on the agenda of this inspiring issue, including employee well-being as a direct outcome of ethical and transformative leadership, digital transformation processes, community engagement, and diversity.

Leadership styles play a critical role in shaping employee commitment and overall organizational effectiveness, as different leadership styles can influence how employees feel about their work, their level of engagement, and their loyalty to the organization (Andrej et al., 2023). In turn, the adoption of mechanisms supporting employees’ well-being and job satisfaction, such as flexible working hours and remote work options, may preserve their work-life balance, thus contributing further to the overall firm performance.

Digitalization fundamentally changes how companies operate and create value for stakeholders (Calderon-Monge & Ribeiro-Soriano, 2024). This process leverages digital tools to improve efficiency and enhance customer experience. Finally, diversity and gender inclusion in both leadership positions and decision-making bodies are critical components for fostering innovation, enhancing performance, and ensuring equitable representation and society (Ferraro et al., 2023).

Overall, the post-COVID-19 era has prompted companies to re-evaluate and often deepen their commitment to CSR (Choi et al., 2023). The emphasis has shifted towards creating long-term value for all stakeholders and contributing to a more resilient, equitable, and sustainable environment. However, the benefits and challenges of such CSR practices are highly context-dependent, thus suggesting the importance of exploring industry-level specificities as well as firm-level peculiarities, for instance deriving by the company size and ownership. In fact, if compared to large firms, small and medium-sized enterprises (SMEs) are confronted with unique challenges and resource constraints in terms of both financial and human capital (Kindström et al., 2024). Thus, businesses’ peculiar characteristics may significantly affect the patterns and pace of the transformative processes needed to sustain the firm’s competitive advantage and survival in a highly dynamic business environment.

Similarly, family firms face distinctive obstacles that can impact their longevity, performance, and harmony: despite their potential for strong values, long-term thinking, and socio-emotional legacy, the coexistence of different family generations combined with

the difficult balance among multiple, often contrasting objectives may make the challenges of CSR, innovation and adaptation even more complex, thus opening interesting lines of inquiry (Gomez-Mejia et al., 2024). In this respect, this issue hosts a special section dedicated to the field of family business and, particularly, covers the topics of strategic decision-making in response to attainment discrepancy (Jorge Villagrana, Alejandro Escribà-Esteve, and Colin Donaldson) and the difficulties of incorporating digital transformation during family generational succession (Arcangela Ricciardi).

In this scenario, transparency and communication appear as a pivotal paradigm in sustaining external legitimacy and enacting learning processes. Specifically, CSR and sustainability reports help build trust with stakeholders and respond to their concerns and expectations. This engagement can lead to stronger relationships and a better alignment of business strategies with stakeholder values, while also enhancing a company's overall reputation, leading to increased investment and customer loyalty.

The vibrant scenario of topics emerging from this issue thus offers a picture of the extremely colorful contemporary academic debate and calls for more contributions in the specific research settings of SMEs and family firms.

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