CONFERENCE BOOK REVIEW: “CORPORATE GOVERNANCE: INTERNATIONAL OUTLOOK”

by

Alba Maria Gallo, Ubaldo Comite, and Alexander Kostyuk
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The genesis of the book *Corporate Governance: International Outlook*, edited by Alba Maria Gallo, Ubaldo Comite, and Alexander Kostyuk, can be traced back to the International Online Conference “*Corporate Governance: International Outlook*” held on June 5, 2025. The book compiles the manuscripts broadly categorized into four distinct, albeit interrelated themes of corporate governance — board of directors’ practices, artificial intelligence (AI), sustainability and reporting, and several other key aspects of corporate governance, including legal aspects, public policy, small and medium enterprises amongst others, which are highly relevant as well as frequently discussed at public platforms. The abovementioned themes are relevant across the academic, legal, business, and other discourses as well, thoughtfully positioned in relation to each other. For example, modern-day corporate boards of directors have the responsibility to ensure that the ethos of sustainability is explicitly recognized and disclosed by following sustainability reporting standards, which can be implemented and analyzed through AI governance frameworks.

Therefore, it can be argued that modern-day corporate boards of directors provide and follow the accountability framework, aiming to enhance long-term value creation through sustainability reporting (for example, Corporate Sustainability Reporting Directive (CSRD)) as prescribed by the European Union (2022), which can be supported and tested through the analytical framework provided by AI enhancing the informativeness and transparency of corporate reporting. Furthermore, several other related aspects, including legal system, political structure, business dynamics, and organizational characteristics, can bring interesting nuances in the ambit of modern-day corporate governance.

The book comprises as many as 22 accepted full-text papers or extended abstracts, along with the editorial, co-authored by scholars from 11 countries, including Cameroon, Canada, Germany, Greece, Iceland, Italy, Japan, Nigeria, Saudi Arabia, Ukraine, and the United States. The conference editorial committee includes 26 renowned scholars in their respective fields of study.

In their preface *Introduction to Governance Integration: Reflections and Analysis*, Alba Maria Gallo, Ubaldo Comite, and Alexander Kostyuk have tried to create a synergy of corporate boards of directors, AI, and sustainability. The authors argue that the scope of corporate governance must go beyond structural dimensions and include cognitive, adaptive, and strategic dimensions too. Board composition, independence, and diversity can influence a firm's ability to generate value and navigate uncertainty effectively (Huq et al., 2024). Similarly, AI is advocated as a new epistemological horizon of corporate governance. Adoption of AI has redefined boundaries between control and discretion, probed new dimensions of responsibility attribution, algorithmic transparency, and the enduring role of human oversight. Comite et al. (2025) further advocate for integrated approaches that bridge ethics, law, technology, and management. Furthermore, the phenomenon of sustainability, encompassing environmental, social, and governance (ESG) metrics, integrated reporting, and social impact measurement, is not only closely related to both corporate governance and AI but is also reckoned as a driver of legitimacy and innovation (Pastore et al., 2025).

Giacomo Gotti, Sergio Longobardi, Carla Morrone, and Marco Venuti, in the first chapter *Interlocked and Female Directors in Financial Distress Companies* of the session *Board of Directors' Practices* highlight a major lacuna of the institution of corporate governance, viz., underrepresentation of women in the corporate boards of directors. The study finds its theoretical foundation in the resource-dependence theory, which posits that inter-organizational links (e.g., through interlocked directors) and board diversity (e.g., gender representation) can provide firms with access to critical resources and information (Pfeffer & Salancik, 1978). However, the reasons and motivations of the incidence of such underrepresentation based on gender can be interpreted through the spectrum of the agency theory (Berle & Means, 1932). The study applies logistic regression to provide the results showing that the presence of interlocked directors significantly reduces the likelihood of opting for liquidation procedures. In contrast, the presence of female directors does not exhibit a statistically significant effect.

The second chapter, *Corporate Governance and Performance of Family Firms: Exploring the Role of Mixed Board Composition*, of the session *Board of Directors' Practices*, is authored by Caterina Cantone. The study examines how mixed board composition, family and non-family members serving together, affects the performance of family firms. The study finds its conceptual framework in agency and stewardship theories. The study adopts a qualitative multiple case study approach of Italian and Spanish family firms. The findings indicate that non-family directors enhance firm performance when relational trust and communication are established, but tensions may arise when cultural or generational divides persist. The study contributes to family business research by clarifying the role of governance dynamics in shaping strategic outcomes. The study further highlights that having a clearer understanding with respect to the interplay between family and non-family board members is critical for the sustainable performance of family firms.

Ryosuke Nakajima, in the chapter *Bridging the AI Governance Gap: Evaluating the Effectiveness of Transparency Tools and Ethics Boards in Multinational Firms*, in the second session *Corporate Governance and AI*, highlights a vital aspect of AI governance lagging the pace at which generative AI is contributing to the innovation and competitiveness of the corporate sector in general and multinational corporations in particular. This study hypothesizes that, first, multinational firms use both formal transparency tools such as explainable AI (XAI) and audit protocols, and second, firms that have empowered AI ethics boards are more effective in managing governance risks, as such firms are expected to face fewer ethical breaches, regulatory issues, and reputational harm. This study adopts a mixed-methods approach, combining qualitative interviews and quantitative survey analysis to evaluate AI governance practices in multinational firms. The study shows that formal transparency tools and empowered AI ethics boards play a critical role in mitigating governance challenges associated with generative AI in multinational firms. Furthermore, the study underpins an important change in the corporate mindset as firms perceive AI ethics as a business imperative, rather than a compliance burden.

Paolo Capuano, in the chapter *Corporate Governance and Artificial Intelligence in the Banking Industry: Challenges, Risks and Opportunities*, in the second session *Corporate Governance and AI*, highlights that with the advent of AI in the banking industry, banks are increasingly leveraging advanced algorithms and machine learning tools to improve efficiency, manage risk, and personalize customer experiences. From AI-powered chatbots and fraud detection systems to predictive credit scoring and algorithmic trading, AI has huge potential to transform the banking industry. The study further highlights that traditional governance models, designed for human-centric decision-making, are often inadequate to address the opacity, autonomy, and speed of AI-driven operations. Issues such as algorithmic bias, lack of transparency, and unclear reporting requirements can undermine stakeholder trust and expose banks to reputational and regulatory risks. Therefore, the unprecedented technological developments have necessitated corporate governance frameworks in the banking sector to adapt accordingly. The study recommends further scholarly research to delve deeper into the interplay between corporate governance and AI in the banking industry to promote transparency, accountability, and ethical compliance in AI-driven environments.

Marco Tutino and Francesca Capolini, in the chapter *Can CEO Compensation Drive Sustainability? Exploring Incentives, ESG Scores and Firm Outcomes*, in the third session, *Sustainability and Reporting*, elucidate how chief executive officer (CEO) compensation policies are structured in response to firms' financial performance and sustainability achievements, particularly ESG performance. The study emphasizes the importance of understanding which types of incentive schemes are most frequently associated with higher ESG performance, and interactions between ESG scores and financial results affecting executive compensation in the light of firm (and industry) specific characteristics, ownership structure, and board composition, amongst others.

Throstur Olaf Sigurjonsson and Svala Gudmundsdottir, in the chapter *Sustainability as Institutional Design: Governance, Culture, and Strategy in Icelandic Banks*, in the third session, *Sustainability and Reporting*, explain how well the phenomenon of sustainability is embedded, both structurally and strategically, within the Icelandic banking sector. The study underscores how banks organize themselves internally to implement ESG principles amid intensifying regulatory requirements, rising stakeholder expectations, and mounting climate risk (Eccles et al., 2014).

Similarly, session four underpins several interesting and relevant themes, such as corporate governance as a performance driver *per se*, accrual accounting implications in the public sector, dynamics of compliance related to ethical governance, amongst others.

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