

## EDITORIAL: New challenges and opportunities in corporate governance

*Dear readers!*

We are pleased to present the second issue of the journal in 2018.

Corporate governance is “one of the most interesting, exciting and potentially dangerous disciplines” (Clarke, 2014) and, moving through different eras, new challenges are faced (Kostyuk et al., 2017) and new theoretical and methodological answers are necessary (Ananchotikul et al., 2009; Bebchuk et al., 2009; Boubaker et al., 2014; Kostyuk, 2003; Kostyuk et al., 2016; Kostyuk et al., 2014; Meier et al., 2013; Colbert et al., 2007; Dorata et al., 2008). Thus, in line with the aim of “*Corporate Governance and Organizational Behavior Review*”, it is important to deal with the governance issues not just in a strict approach of theories, instruments and policies, but also from the point of view of how shareholders, managers, employees, directors and other key-stakeholders are engaged in the governance process and how their behavior influences the governance processes.

The question arises if the actual boards are able to create a sustainable value for all actors involved and for society. This editorial seeks to highlight some of the challenges and opportunities within corporate governance research to further contribute to the development of effective corporate governance systems. Three aspects are highlighted.

First, digitalization is affecting society and organizations and therefore constantly changes the strategic context of organizations (Bankewitz et al., 2016). Recently, Yermack (2017) tried to investigate the impact that the effective application of blockchain technology could have in modifying and reformulating the basic principles of corporate governance. Board of directors needs to play a key role for the firms to adapt to the changing (digital) strategic context and thus, empirical studies are welcome in order to estimate the effective application of blockchain technology on corporate governance and organizational processes.

Second, how board of directors engages directly with actors outside the firm, especially with institutional shareholders (*shareholder engagement*), is little written. The lack of research on this topic opens potential opportunities for researchers in order to reinvigorate the study of corporate governance. In this regard, the “relational view” can become a critical success factors for corporate governance capable to mobilize different involved actors’ resources (Pellicano et al., 2018). It is important to understand the benefits and opportunities that can result from shareholder engagement. New research for answering how to begin shareholder engagement, how frequently this contact should be made, and what the discussion should entail, are appreciated. After recent crisis, it is becoming clearer that for effective corporate governance, transparency and disclosure are not more sufficient but it will require active shareholders. In this way, a sustainable value can be generated only through engagement of all actors.

Third, corporate governance research need a better analysis of the impact of different mechanisms not only on financial performance, but also on non-financial performance (Almas Heshmati et al., 2008; Atrilla et al., 2005; Barako et al., 2007; Davidson et al., 2004; Meyer et al., 2013; Carvalhal da Silva et al., 2006). In this area, ESG has become a key indicator of non-financial performance (Cucari et al., 2018), covering a variety of issues related to environment, social responsibility and governance. A better understanding of these relationships require further methodological and theoretical research in order to assess the impact of corporate governance recommendations in the business world. Qualitative Comparative Analysis and complexity theory could serve “as a useful foundation for building and testing new hypotheses for corporate governance research” and its “theoretical proscriptions are especially relevant when treating the question of how to design board structure and more generally the corporate governance systems” (Cucari, 2019).

Current issue in the Journal focuses on the wide range of research topics, including various aspects of corporate social responsibility and sustainable development (Aguinis, 2011; Aguinis et al., 2012; Favotto et al., 2016; Maingot et al., 2008; Moura-Leite et al., 2011; Munif, 2013; Rajmanthri, 2005; Sheehan et al., 2014), organizational leadership (Abdulsamad et al., 2018; Adams et al., 2009; Bettin et al., 1990; Blunt et al., 1997; Desai et al., 2003; Hogan et al., 2001; Judge et al., 2002; Langford et al., 2017; Taylor, 2003), company performance and privatization process.

In particular, *Shirley Mo-Ching Yeung* explores the use of ABC costing into pioneer training services of blockchain content based distribution technology and aromatherapy for well-being with design thinking for realizing the impacts of costing model, the application of CSR/Sustainable Development concepts for quality training services. These findings provide a better understanding of costing, pioneer concepts of design thinking for the applicability of UNSDGs #3 well-being and #4 quality of education in Hong Kong. *Jiaqi Sun* develops a framework of operation transmission mechanism that embraces an OHS management system (OHSMS), describes the delivery of cultural value and the impact on workers’ behavior. The outcome of this applied research presents industry good practices that are field tested expertise and guides organizations implement an OHSMS that facilitates organizational leaders to deliver cultural values with appropriate leadership style and organizational health. The OHSMS encompasses, amongst others, policy, process, procedure, standards and techniques. The design of such a management system is recommended for future research. *Alexander Kostyuk and Victor Barros* synthesize the international conference that took place in Lisbon on October 26th, 2017, entitled “Corporate governance and company performance: Exploring the challenging issues”. Conference presenters contributed to the literature on corporate governance and innovation, providing empirical evidence with respect to the evolution of board composition and innovation over time. Scholars showed that while some board characteristics that favor the interests of shareholders might not apply to the interests of stakeholders (particularly, Board ownership), others (Board independence and Separation of Chairman/ CEO) could be shown to promote board effectiveness from the stakeholders’ perspective. *Patricia Mari Matsuda and Julio Cesar Donadone* investigate how a company changes after the privatization process and how this change influences its total structure, focusing on an exploratory study at AES Eletropaulo. As a result, authors able to observe the several changes that AES Eletropaulo went through, especially that, the leaders of this company had to find ways to rebuild their careers according to the new logic of the moment, which would have been facing financially.

We hope that you will enjoy reading the journal and in the future, you will contribute to studying the challenges highlighted here and the most important issues of corporate governance and organizational behavior!

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