

EDITORIAL: Beyond the traditional borders of the governance and regulation worldwide

Dear readers!

The Editorial team is proud to introduce the first issue of the *Journal of Governance and Regulation* of 2021.

Issue 1 of Volume 10, 2021, hosts contributions focused on several interesting topics that represent some of the most current issues in the field of governance and regulation, including blockchain, internal governance, intellectual property protection, demographic characteristics of the CEO/public enterprise principals, board of directors, auditors liability, Industry 4.0, compensation policies, intellectual capital, sustainability issues, as well as tax buoyancy during the COVID period. Issue 1 has an international connotation both because it involves authors from different parts of the world and illustrates many different countries' evidence.

The new issue starts with "*Different types of government and governance in the blockchain*" by *Jersain Zadamiq Llamas Covarrubias* and *Irving Norehem Llamas Covarrubias*. The authors examine how blockchain technology implementation could create a new government and governance model from an organization's scope, infrastructure, and platform. The study is original and shows that private blockchain networks are more useful in current business models than public networks because of their greater operational flexibility and data governance.

Omran Ahmad Al-Ibbini and *Osama Samih Shaban* follow with "*Internal corporate governance mechanisms, investors' confidence, and stock price fluctuations risk*", which - distributing a questionnaire to 200 traders and analyzing its results through Smart PLS method - shows that internal corporate governance exerts a significant influence on investors' confidence and in minimizing stock fluctuations risk. It also underlines the importance of companies keeping work on finding stable governance mechanisms, maintaining the current degree of investor confidence, and developing legal and legislative frameworks for corporate governance in light of the proposed developments to encourage investment and economic growth.

Le Thi Thanh Tam, Hoang Dinh Thai, Pham Thi Thanh Hai, Tran Diep Tuan, and Chi Thanh Tran discuss "*The level of perception, awareness, and behaviour on intellectual property protection: A study of the emerging country*". In the emerging economies context, the study investigates the level of perceptions, awareness, and behaviour (PAB) on the medical technology students' intellectual property protection. Administering a cross-sectional online survey on 795 students and utilizing the SEM model, they find a very high PAB level. As a result of their analysis, the authors claim the importance of focusing on an education program to increase the proper awareness and the correct behaviour on intellectual property protection in students living in emerging countries.

This issue continues with the contribution by *Hadeel Yaseen* and *Asma'a Al-Amarneh* on "*Intellectual capital and financial performance: The case of the emerging market banks*". Using the value-added intellectual capital approach, the authors investigate the impact of intellectual capital on Jordanian banks' performance listed in the Amman Stock Exchange during 2005-2018. Their findings are very interesting - showing a significant influence of intellectual capital on banks' performance measured by ROA - because they underline intellectual capital's importance in sustaining Jordanian economic growth.

Haitham A. Haloush, Hashem Alsharafat, and Ahmad Abed Alla Alhusban present "*Auditors' civil liability towards clients under the Jordanian law: Legal and auditing perspectives*", contributing to a controversial and loose debating matter. Aware that the issue differs between contexts and causes, the authors endeavour to fully understand auditors' legal liability's extent and nature according to the Jordanian relevant regulations. The results underline that Jordanian auditors are subject to different standards of proof before the judiciary. Therefore, judges in Jordan are bound to understand the peculiar technical-legal nature of auditors' liability. Undoubtedly, this paper is relevant because it has severe legal implications in construing the wording of legal provisions and ensuing obligations and liabilities thereof.

"*Chair-CEO age variation and insurance risk-taking behaviour*" is an interesting paper by *Demeh Daradkah*, who investigates the effect of chairman of the board of directors (chair) and chief executive officer (CEO) age variation on risk-taking behaviour. As a result of its analysis, the author shows that the chair-CEO age variation tends to decrease risk-taking practice in Jordan's insurance companies, only if a generation gap exists. This study tries to give some practical implications for stakeholders, policymakers, and scholars, emphasizing the importance of giving more attention to the demographic variable and introducing demographic variation between the chair and the CEO.

Ralph Marenga presents “*The representation and tenure of female principals in public enterprises in emerging markets: A protracted dearth?*”. The paper focuses on a matter of concern as the reduced representation and tenure of women as public enterprise principals in Namibia. Through a desk review to analyze the literature, the study outlines the following key results: the absence of top-down hands-on leadership; legal and policy implementation gaps; failure to declare gender diversity as imperative in the public sector; failure to focus on helping women gain broad line experience early on, among others, as contributing factors that have disadvantaged female principals in Namibian public enterprises. The study is original and gives practical implications to enhance Namibia’s policy efforts to curb the further proliferation of patriarchy as nuanced in the glass ceiling.

Stefania Sylos Labini and Francesca Donofrio analyze the “*Banks’ compensation policies under the global pandemic: Evidence from the European banking sector*” in a COVID-19 scenario. The research aims to investigate whether European significant banks, induced by the pandemic crisis, introduced changes to remuneration policies and/or adopted other measures – different from the remuneration ones. The findings are fascinating as they show that banks have more focused on the different measures (e.g., supporting the real economy) than remuneration policies.

This issue continues with Sarwani and T. Husain’s contribution, “*The firm’s value empirical models in automotive and components subsectors enterprises: Evidence from developing economy*”, addressing the interesting topic of Industry 4.0. This study aims to establish the implications of an empirical model of a firm’s value through some determinant factors, i.e., financial ratios with profitability and leverage, intellectual capital with human capital employment, the dividend policy, and audit quality with the Big 4 category proxy. The research uses a causal-comparative type with a quantitative approach applied on eleven final samples of automotive and components subsectors of the listed shares in the Indonesian Stock Exchange (IDX).

Isaac Francis Antwi, Carla Carvalho, and Cecilia Carmo discuss “*Corporate governance and firm performance in the emerging market: a review of the empirical literature*” by reviewing recent literature from 2006 to 2020 on the Ghana context. The findings reveal that two keywords on corporate governance analyzed in this study – board composition and ownership – have many written articles, while compensation has the least number of articles. The study deals with a topic of particular relevance in the light of several corporate scandals and financial meltdowns.

“*An empirical taxonomy of purchasing practices in manufacturing firms in developing countries*” is research conducted by Abdelsalam Al-Rashid, Rawan Al-Hiyari, Ghazi A Samawi, Metri Mdanat, and Loay Salhieh. This paper provides a detailed description and an empirical assessment of different purchasing constructs practices based on a literature review. The results indicate that purchasing practices can be grouped into three categories: cost practices, quality practices, and availability practices.

Radhi Al-Hamadeen, Turki AlHmoud, Hasan El-Nader, Malek Alsharairi, and Firas Almasri present “*Do boards influence audit quality? A multidimensional analysis*”, which investigates how corporate boards of directors influence the quality of external audit in a sample of service firms listed on the Amman Stock Exchange. Using multiple linear (PLS) and logistic regression models, the authors show that audit quality is positively affected by the independence and size of boards but negatively affected by CEOs duality, while no influence of the board’s expertise on any measures of the audit quality.

Amrie Firmansyah, Resi Ariyasa Qadri, and Zef Arfiansyah follow with “*The green supply chain and sustainability performance in the emerging country*”. Utilizing an online survey, the researchers study green supply chain management’s effect on Indonesia’s corporate sustainability performance. They suggest that green purchasing, green manufacturing, and internal environmental management can hardly improve economic performance, social performance, and environmental performance. The study also provides some food for thought about the need for green supply chain management in the Indonesian context.

Jaser Abdulrazzaq El-Nsour presents “*Investigating the impact of organizational agility on the competitive advantage*”. This paper is interesting because it underlines that organizational agility is increasingly becoming a critical factor in achieving sustained competitive advantage in IT and the knowledge-intensive industry as the telecommunication sector. Thus, the telecommunication companies’ implications focus on developing organizational agility to acquire a competitive advantage.

Mugove Mashingaidze, Maxwell Agabu Phiri, and Mapeto Bomani follow with “*Strategy formulation amongst small and medium manufacturing enterprises: An emerging market case study*”. This research explores the strategy formulation for the small and medium enterprises (SMEs) in emerging markets, an under-investigated aspect. Applying a qualitative case study strategy – in which data collection was conducted through semi-structured interviews – the results reveal that strategy formulation in SMEs is both an externally (market-based) and internally (resource-based) guided practice.

Mohammad Khataybeh, Ghassan Omet, and Fayez Haddad conclude the issue with “Tax buoyancy in Jordan: Meeting the challenge after COVID-19”, aiming to estimate tax buoyancy in Jordan. To this scope, the paper uses annual data (1992-2019) and time series techniques. Findings show that tax buoyancy in Jordan is less than one, indicating that once the Jordanian economy goes back to its pre-COVID-19 growth rates, the increase in total tax revenues will not reciprocate the GDP increases.

All the papers published in this issue extend and enrich the prior international literature dealing with current and relevant governance and regulation topics. Among the most debated and emerging ones, we highlight *corporate governance’s strategic role in the risk-taking process* (Riabichenko, Oehmichen, Mozghoyi, & Horsch, 2019; Vacca, Iazzi, & Fait, 2019; Chun & Lee, 2017; Apostolou & Agoraki, 2011; John, Litov, & Yeung, 2008), *corporate governance and value creation in new scenarios context* (Hundal & Eskola, 2020; Firmansyah & Triastie, 2020; Nakpodia, 2020; Atici & Gursoy, 2020; Esposito De Falco, Renzi, Sancetta, & Vagnani, 2019; Moscariello, Pizzo, Govorun, & Kostyuk, 2019; Elbahar, 2019; Kostyuk, Mozghoyi, & Govorun, 2018), *governance and disruptive technologies* (Grove, Clouse, & Georg Schaffner, 2018; Atzori, 2017; Shimizu, 2017; Bankewitz, Aberg, & Teuchert, 2016), and *accounting in the pandemic period* (Rinaldi, Cho, Lodhia, Michelin, & Tilt, 2020).

We hope that all readers may enjoy this issue and find these contributions stimulating and valuable points for new research. We are grateful for our authors, readers, reviewers, the editorial team, and the support team of Virtus Interpress.

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