Journal of International Accounting, Auditing and Taxation

## Special Issue: Contemporary Corporate Governance Issues in the Digitised Economy

### The Editorial

The rise of digital technologies has fundamentally transformed the global business landscape, creating new opportunities and challenges for firms across industries and regions. Digital transformation is not merely a technological shift but a fundamental reorientation of business operations that influences governance structures and sustainability efforts. As organisations increasingly operate in a digitised economy, traditional governance structures and sustainability practices must evolve to address the complexities posed by technological advancements. They face increasing pressures to integrate technology, sustainability, and robust governance structures.

This Special Issue explores contemporary corporate governance issues, focusing on how the digitised economy is influencing governance structures, sustainability efforts, and ethical practices. The integration of digital technologies into corporate governance structures is a key theme across all six papers. This integration highlights the evolving role of governance in the digital age, where firms must balance technological advancements, regulatory requirements, and societal expectations. One of the most striking intersections in this Special Issue is the way digital transformation influences sustainability practices, particularly in terms of environmental, social, and governance (ESG) criteria, as well as market perceptions of digital transformation.

This editorial synthesises the key insights from these papers, offering a comprehensive analysis of how they contribute to understanding governance challenges in today's digital era. It also provides insights into practical implications, future research directions, and areas for further inquiry.

The study by Desender and López-Puertas-Lamy (2026), *The Boardroom Firewall: Gender Diversity and Cybersecurity,* provides a critical examination of how gender diversity in the boardroom influences cybersecurity governance in the U.S.-listed firms between 2007 and 2021. It highlights the increasing need for strong cybersecurity practices as firms digitise their operations, with gender diversity playing a role in enhancing decision-making. It emphasises the importance of balancing diversity and expertise to navigate the complexities of digital transformation and cybersecurity, which are integral to sustainable governance practices. The findings contribute to the main theme of this Special Issue by addressing the governance challenges posed by digitalisation and emphasising the importance of diverse leadership in navigating digital risks.

Zhang's (2026) research, *Data Breach Disclosure Laws and Corporate Tax Planning Activities*, examines the governance implications of digitalisation through the lens of regulatory frameworks, particularly data breach disclosure laws in the US market, with the first such law being approved in California in 2002. It addresses another dimension of digital transformation in governance by focusing on the intersection of data privacy laws, digital information, and external corporate governance mechanisms. It connects digitalisation to corporate tax planning, revealing how transparency in data breaches influences firms' tax strategies, contributing to the ongoing debate about digital ethics and governance in the digital economy. The study is particularly relevant to the theme of this Special Issue, as it highlights how governance frameworks surrounding data privacy and cybersecurity can influence corporate financial strategies, providing insights into the ways in which regulatory frameworks must adapt to digitalisation.

In the study of *The Impact of Managerial Attention to Digital Transformation on Stock Price Synchronicity from the Dynamic Capability Perspective*, Jiang, Lu, Xie, Ye, and Cheng (2026) explore how managerial attention to digital transformation influences market efficiency and stock price synchronicity, a critical measure of market efficiency. Their research underscores the distinction between DT integration (aligning digital and traditional operations) and DT innovation (applying new digital resources) in shaping governance outcomes. By focusing on the governance benefits of digital transformation, particularly through the lens of dynamic capabilities theory, the research demonstrates how firms that prioritise DT integration reduce stock price synchronicity by improving transparency and enhancing corporate governance. This study contributes to the theme of the Special Issue by highlighting the role of managerial decisions in driving corporate governance practices in the digital age, particularly in terms of managing the flow of information and aligning business strategies with investor expectations. Importantly, it adds depth to the understanding of how digital transformation influences governance practices in markets with unique institutional settings, such as China, using textual analysis of MD&A disclosures from Chinese listed firms from 2010 to 2021.

Gong, Xu, Xu, and Cheng's (2026) study, *Digital Supply Chain Finance, Government-Business Relationship, and ESG Performance: Evidence from the ZARFS Platform in China*, explores how digital supply chain finance (SCF) platforms, such as the Zhongzheng Accounts Receivable Financing Service Platform (ZARFS platform), launched by the Chinese government in December 2013, offer new opportunities for improving ESG reporting and accountability in China. The study underscores the role of government-business relationships and digitalisation in enhancing firms' sustainability practices. It contributes to the theme of this Special Issue by demonstrating how digital technologies can facilitate better governance and sustainability outcomes in supply chain management. It highlights how the integration of digital tools within business operations can create synergies between financial transparency, government policies, and sustainability goals, thereby enhancing corporate governance in emerging markets.

Abweny, Khurram, Ahmed, and Meqbel (2026), in their study *Chief Executive Officer Incentives and Integrated Reporting Practices: Evidence from the US Market*, examine how the horizon structure of CEO incentives influences the adoption of integrated reporting practices, which include both financial and non-financial performance metrics, using US data during 2006-2022. The study connects governance to sustainability by examining how long-term incentives (stocks and options) promote integrated reporting, which includes social and environmental considerations alongside financial performance. It ties directly to the theme of the Special Issue by focusing on how corporate governance mechanisms, particularly executive compensation, can influence sustainability reporting and long-term value creation in the digital era.

The study by Carboni, Degl'Innocenti, Fiordelisi, and Mare (2026), *The Influence of Digital Information and Technological Advancement on Firms' Ethical Practices,* explores how digital technology affects ethical decision-making in firms, specifically in the context of ESG performance. Using firm-level data gathered from the World Bank Enterprise Surveys covering 158 countries between 2006 and 2023, the study finds that real-time data analytics play a crucial role in improving environmental and social governance, while their impact on governance standards is less clear. It argues that while digitalisation enhances transparency and improves environmental and social sustainability practices, it may also exacerbate governance challenges. It highlights the complex relationship between technology and ethics, offering critical insights into how digitalisation both fosters and complicates ethical decision-making within firms. It contributes to the Special Issue by examining the dual role of digitalisation in enabling firms to meet sustainability goals, while also presenting challenges related to governance, such as gender inequality in leadership roles within tech-oriented companies.

Overall, these six papers collectively underscore the complex and multifaceted relationship between governance, sustainability, and digital transformation. They offer far-reaching practical implications for both academic scholars and industry practitioners. Companies must recognise that digital transformation is not only about adopting new technologies but also about rethinking governance structures and aligning business practices with sustainability goals. The findings suggest several actionable recommendations for policymakers, business leaders, and stakeholders seeking to navigate the complexities of the digitalised economy.

Desender and López-Puertas-Lamy's (2026) study highlights the need for businesses to recognise the value of gender diversity in ensuring effective cybersecurity oversight. As digital threats continue to evolve, companies should strive for a balance of gender diversity and technical expertise on boards to address the increasing digital risks associated with cybersecurity.

Zhang's (2026) research on data breach disclosure laws provides valuable insights into how legal and regulatory frameworks can influence corporate tax planning. Organisations should prioritise robust data security measures to mitigate risks related to data breaches and to comply with evolving regulations, which can directly affect their tax strategies.

In Jiang et al.'s (2026) study, the importance of digital transformation integration is emphasised. It suggests that firms should focus on integrating digital technologies into their core operations, instead of merely innovating in terms of new technologies. By doing so, they are more likely to benefit from improved governance practices, better market efficiency, and increased institutional investor confidence.

Gong et al.'s (2026) research on digital supply chain finance underscores the potential of digital platforms to enhance ESG reporting and accountability, particularly in emerging markets. Firms should leverage digital platforms to improve supply chain transparency and enhance ESG performance. This calls for investment in digital tools that enable better monitoring of environmental and social practices, which can also improve stakeholder trust. Policymakers should encourage the development of digital finance platforms that facilitate better access to sustainability-related data and improve the transparency of corporate practices.

Abweny et al.'s (2026) findings on CEO incentives suggest that long-term compensation strategies can incentivise CEOs to adopt integrated reporting practices, promoting transparency and sustainability. Businesses should consider revising their executive compensation structures to encourage executives to prioritise integrated reporting and foster a culture of sustainability within the organisation.

Finally, Carboni et al.'s (2026) exploration of digitalisation's influence on ethical practices suggests that while digital technologies can improve environmental and social outcomes, firms must remain vigilant about the governance challenges that come with technological advancement. This includes addressing issues such as gender disparities in leadership and ensuring that ethical considerations are embedded in corporate decision-making processes. Addressing these disparities through inclusive hiring and leadership practices will help organisations maintain strong ethical governance frameworks.

The research presented in this special issue opens several avenues for future inquiry in the intersection of digitalisation, corporate governance, and sustainability. One key area for further research is the relationship between digital governance mechanisms and the effectiveness of sustainability initiatives. While many firms are adopting digital tools to enhance transparency, the long-term impact of these technologies on corporate governance and ESG performance remains underexplored.

Another promising avenue is the role of digital technologies in shaping a firm's ethical behaviour. Digitalisation can enhance ethical practices but also pose risks related to gender equality and social inclusion. Future research could explore how digital tools can be leveraged to foster more inclusive organisational cultures, particularly in traditionally male-dominated sectors like technology.

Cross-cultural dimensions of digital governance should also be further explored. Understanding how digital governance differs across cultural contexts is essential. Research could explore how cultural values impact digital governance structures, especially in globalised firms operating in diverse regulatory environments.

Sustainability through digital platforms deserves further research. Future studies could investigate how digital platforms, such as blockchain and artificial intelligence, can enhance corporate governance structures, thus further enabling supply chain sustainability and contributing to improved ESG performance.

Furthermore, research could investigate the role of artificial intelligence (AI) and blockchain in enhancing corporate governance structures. While the potential of these technologies to improve transparency and accountability is widely recognised, their implications for governance remain understudied. Future work could explore how these technologies can be used to enhance decision-making processes and reduce corruption and fraud. For example, examining how digital platforms enhance corporate governance structures, thus enabling supply chain sustainability and contributing to improved ESG performance, and how executive incentives can shape corporate governance and sustainability outcomes in the long term, especially in firms undergoing digital transformation, would be valuable avenues to pursue.

In summary, the six papers contribute to a deeper understanding of how organisations can align their digital strategies with governance structures that promote sustainability and long-term value creation. The findings offer practical guidance for businesses and policymakers alike, highlighting the importance of corporate governance reforms resulting from digital transformation. Moving forward, continued research in these areas will be crucial for understanding the long-term implications of digitalisation on corporate governance and its potential to drive sustainable, ethical practices across industries.

A key intent of this editorial is to provide an introductory overview of the papers included in the Special Issue. However, it is also an opportunity for us to thank the JIAAT editor-in-chief at the time, Stergios Leventis, for his invaluable support, advice, and patience, which enabled us, with the invaluable help of many independent academic reviewers, to bring this Special Issue to fruition. I also thank the authors for their persistence in revising their papers following the receipt of substantial sets of suggestions and advice from the reviewers and the editors. These authors worked incredibly hard and should be proud of their achievement.

Finally, special thanks go to my team, the three associate guest editors, Professor Rong Ding from NEOMA Business School in France, Dr Thomas Jing-Ming Kuo from the University of Birmingham in the UK, and Dr Si Zhou from Beijing University of Science and Technology in China. They worked closely with me and devoted significant time and effort to the paper selection and review process of this Special Issue. Their dedication is highly appreciated, and heartfelt thanks are extended. Their tremendous work ensured the review process was efficient and effective, and safeguarded the quality of this special issue to a high standard. It is my utmost pleasure to work with such a brilliant team.

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