© Academy of Management Perspectives
2020, Vol. 34, No. 2, 1–9.
https://doi.org/10.5465/amp.2017.0011

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S Y M P O S I U M

FROM GOVERNANCE OF INNOVATION TO INNOVATIONS IN GOVERNANCE[1]

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This essay seeks to introduce the renewed role of governance in management by adopting an open-systems approach. We discuss how governance plays a key role in current firm innovation efforts as well as how governance practices have evolved and needed to innovate as a result of major societal and economic transformations that are reflected in organizations. The aim of this essay is to bring together more recent leading advances in the fields of governance, strategy, and innovation to discuss the extent to which the institutional, technological, organizational, and competitive environments in which firms operate have changed, and the implications of these changes with regard to the complex interrelationships between innovation and corporate governance. This paper introduces the Symposium, which gathers critical essays on innovations in governance from different viewpoints engaging interdisciplinary perspectives.

INTRODUCTION

In the past few decades many new phenomena, such as globalization, digitization, and artificial intelligence, have changed the world by enabling the connection between organizations and individuals across geographies, institutions, and industries. The resulting complex nexus of interdependent relationships has dramatically changed the way in which firms innovate and govern themselves. As a consequence, innovation becomes a strategic priority for continued value creation. Being a fundamental antecedent of competitive advantage, the ability to innovate determines the fate of firms, regions, and countries.

Existing research suggests that corporate governance has a role in determining firms' research and development (R&D) activities by affecting the level of risk/return that managers are willing to take and their short- versus long- term incentives. In the last few decades, we have witnessed important transformations in how managers and organizations fund their R&D expenditures, with the emergence and global expansion of new phenomena such as open innovation, responsible investment, and crowdfunding. These phenomena raise several key issues regarding the control and monitoring of innovation, including governance of interorganizational collaborations as well as creation, retention, and distribution of knowledge and value.

However, very little is known about how the organization's pursuit of innovation may affect its governance, including heterogeneous shareholder/owner relationships, board practices, managerial compensation, and stakeholder engagement. For example, innovative noncompetitive strategies such as engaging in corporate social responsibility (CSR) activities may be accompanied by creating nontraditional functions and structures of corporate boards, such as a stakeholder engagement

[1] In memory of our dear friend Mike, who was a brilliant, generous human being who was taken too early yet left a giant legacy for many years to come. He will be greatly missed.

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committee. Some social enterprises have opted for innovative forms of funding and shareholder engagement to support their growth. Overall, rapidly emerging hybrid social/commercial ventures raise important issues regarding innovative governance. Finally, there is also a growing area of research on innovation in family firms and state-owned enterprises (SOEs) that raises interesting issues for the way governance is traditionally viewed in those organizations, which may be distinctive from other types of organizations such as purely publicly traded firms and small start-up ventures.

Theoretically, there has been a significant transition from simplified, agency-grounded models focused on the manager–shareholder dichotomy to an "open-systems" approach to corporate governance theory. The open-systems governance framework is helpful in terms of analyzing governance innovations in response to rapidly changing technologies, regulatory environments, and new emergent organizational forms such as "for-purpose" organizations. In other words, firms' strategic responses to stakeholder demands and pressures imposed by environmental, health, sociopolitical, and technological forces within the open system of corporate governance are accompanied by innovative changes in what can be considered as a "legacy governance" model.

The aim of this introductory essay is to bring together leading advances in the fields of governance, strategy, and innovation to discuss the extent to which the institutional, technological, organizational, and competitive environments in which firms operate have changed, and the implications of these changes with regard to the complex reciprocal relationships between innovation and corporate governance. Our focus is broadly at the interface between innovation and governance, which includes not only entrepreneurial ventures and their investors (e.g., venture capitalists, business angels, etc.) but also other organizational contexts, such as family firms, public–private partnerships, and SOEs. This essay introduces this issue's Symposium, which gathers critical essays on innovations in governance from different viewpoints, engaging interdisciplinary perspectives.

THEORETICAL INNOVATIONS IN CORPORATE GOVERNANCE: FROM A CLOSED TO AN OPEN-SYSTEMS GOVERNANCE FRAMEWORK

Most of the empirical literature on corporate governance has attempted to understand corporate governance in terms of agency theory, exploring links among different corporate governance practices, strategic decisions such as R&D investment, and firm performance. This literature is motivated by the assumption that, by managing the principal–agency problem between shareholders and managers, firms will operate more efficiently and perform better. The closed-systems approach found within agency theory posits a universal set of linkages between corporate governance practices and performance and devotes little attention to the distinct contexts in which firms are embedded.

Critiques of agency theory have pointed out its undercontextualized nature and hence its inability to accurately compare and explain the diversity of corporate governance arrangements across different institutional contexts (Aguilera, Filatotchev, Gospel, & Jackson, 2008). Similarly, much of the resulting policy prescriptions enshrined in codes of good corporate governance rely on universal, one-size-fits-all notions of best practices, which often need to be adapted to the local contexts of firms or translated across diverse national institutional settings (Fiss & Zajac, 2004). As Thompson (1967, p. 4) noted, "[Since] much of the literature about organizations has been generated as a by-product of the search for improved efficiency or performance, it is not surprising that it employs closed-systems assumptions."

By contrast, more recent research grounded in institutional theory and organizational sociology has largely advocated an open-systems perspective, which suggests that different corporate governance practices may be more or less effective depending on the context of different organizational environments (Aguilera et al., 2008; Scott, 2003). Within the field of corporate governance, this research comes closer to an open-systems approach by recognizing that the effectiveness of corporate governance practices depends on a wider set of firm-related actors and institutional settings. This shifts attention from efficiency arguments (e.g., narrow definitions of performance) toward a broader understanding of effectiveness in terms of goal attainment in relation to the multiple objectives of different constituent stakeholders (i.e., employee satisfaction, supplier reciprocity, consumer loyalty, etc.).

Other approaches, such as resource dependence (Pfeffer & Salancik, 1978) and comparative institutional theory (Aoki, 2001), have also focused growing attention on how corporate governance relates to different organizational environments, and the limits and enablers of such systems. Krause, Filatotchev, and Bruton (2016), for example, observed that institutional characteristics of foreign product markets influence the structure of boards of directors of U.S. firms active in these markets. They argued that allocating greater, outwardly visible power to the CEO will build the firm's legitimacy among customers who are culturally

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more comfortable with high levels of power distance. Scholars rarely conceptualize innovations in board structures as tools firms can use to manage product markets' demand-side uncertainty, but the results of this study suggest they should.

While we draw on these theories, we argue that the study of corporate governance needs to move to an open-systems logic of studying organizations, which gives greater attention to the broader environmental context while not neglecting the decision-making actors and their agency (Aguilera & Jackson, 2003). Surprisingly, very little corporate governance research has built on the large and robust body of organizational sociology that explicitly examines the alignment between organizations and their broader environment, and the firm's co-evolution toward a sustainable, win-win relationship with stakeholders. In this essay, we aim to close this theoretical gap specifically in the context of innovations in corporate governance in response to a diverse range of internal and external antecedent factors linking an organization with its environment.

We explore various dimensions of innovation in corporate governance practices and mechanisms that will better account for the interdependencies of corporate governance practices within diverse technological, managerial, and institutional environments. Our conceptual framework suggests that the corporate governance problems outlined by the agency and stakeholder perspectives must be challenged to capture the patterned variation and innovations in corporate governance that result from interdependencies between firms and their environment. Along these lines, recent studies of corporate governance have attempted to explain the dynamic changes of corporate governance over the company life cycle (Filatotchev & Wright, 2005), the diversity of corporate governance arrangements across countries and over time (Aguilera & Jackson, 2003, 2010) and in emerging markets (Aguilera & Haxhi, 2019), and the corporate governance of complex organizations such as multinational corporations (Aguilera, Marano, & Haxhi, 2019). Thus, an important task in corporate governance research is to uncover the diversity of arrangements and to understand how the effectiveness of governance practices is mediated by their fit or alignment with situational variables (context) arising in diverse organizational environments.

The open-systems perspective suggests viewing corporate governance in terms of its *effectiveness*, or the degree of goal attainment of key constituents of the firm. In the context of corporate governance, effectiveness in the broadest sense involves the accountability of corporate decision makers and the legitimacy of decisions with regard to their different economic and noneconomic goals and values. However, because various stakeholder constituents are likely to have different goals and objectives, effectiveness tends to be a complex and multidimensional construct that often defies single measures (Connolly, Conlon, & Deutsch, 1980). This context-specific view of effectiveness contrasts sharply with that of agency theorists, who argue that different elements collapse into a single organizational objective in the long term and that accountability is impossible without a singularity of objectives (Jensen, 2001).

In other words, firms' strategic responses to stakeholder demands and pressures imposed by sociopolitical and technological forces within the open system of corporate governance are accompanied by innovative changes in what can be considered as a legacy governance model. In the following sections, we outline some aspects of governance innovations and their links with broader institutional factors.

Digital Revolution and Changes in Corporate Governance Processes

One of the most important dimensions of open-systems corporate governance is related to rapid technological change associated with the digital revolution. Technology has been the focus of a growing number of studies over the past several years, and researchers have delineated several technology classifications (e.g., Henderson & Clark, 1990; Tushman & Anderson, 1986) and explored their relationships with strategy and competitive dynamics (e.g., Suarez & Lanzolla, 2007). However, digital technologies seem to elude both a classification within the current frameworks and the predictions that these classifications spur (e.g., Lanzolla & Suarez, 2012). In the absence of a definition that captures the conceptual novelty of the digital transformation, we focus our analyses on the transformational capabilities that digital technologies bring about. Specifically, here we will focus on computing power and pervasive connectivity, big data, and artificial intelligence (AI).

These technological and information changes have a profound impact on corporate governance processes. For example, digital technologies should be well positioned to equip companies with enhanced monitoring capabilities required to address agency problems and thus reduce performance volatility (Tanriverdi & Ruefli, 2004). Furthermore, automated control systems/AI may also impose constraints on individual opportunism and outright fraud. For instance, Anandarajan (2002) showed how artificial intelligence systems affect organizational management, namely monitoring of web usage behavior

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in the workplace. This monitoring helps managers to control their employees' output and aims at reducing expenditures, security costs, and network overload. Simultaneously, it also organizes large amounts of data so managers and employees can make more informed decisions and allocate slack resources to creativity and growth. For example, in 2017 Nasdaq bought Sybenetix, a London-based company that develops artificial intelligence to identify rogue traders. Its software learns the behavior patterns of individual traders and can raise the alarm for their employers when they do something out of character.

Companies in highly regulated sectors such as telecom, banking, and insurance show the greatest adoption of AI—which includes techniques such as machine learning—for monitoring regulatory compliance, identifying human errors, and uncovering unexplored business areas. For instance, an AI system at JPMorgan Chase & Co. interprets thousands of new commercial loan agreements per year, considerably cutting down on time spent by lawyers and loan officers. The program, called COIN, for Contract Intelligence, does the mind-numbing job of interpreting commercial-loan agreements that previously consumed 360,000 hours of lawyers' time annually. The software reviews documents in seconds, is less error-prone, and never asks for vacation (Son, 2017). In Europe, many firms are relying on AI to comply with regulations such as the new General Data Protection Regulation (GDPR); AI is being used to detect the flow of personal data through a company's servers and to ensure that data use is compliant with GDPR. In addition, auditing firms increasingly count on big data management and AI when conducting audits of large and complex organizations.

However, these innovations are not without problems. More specifically, most of today's learning technologies suffer from legacy biases, when past events and information guide predictions about the future. Humans' cognitive biases might be not only reproduced but also amplified by learning algorithms. For example, a whistleblower revealed that Cambridge Analytica used personal information taken without authorization in early 2014 to build a system that could profile individual American voters, to target them with personalized political advertisements (Cadwalladr & Graham-Harrison, 2018). Organizations' AI needs to be led by decision makers who operate within some established governance parameters. Further, modern technological advances such as AI and big data analytics lead to a high degree of product customization and recombination of organizational resources and processes. In this increasingly complex environment, monitoring and control—key functions of the legacy governance—are becoming increasingly problematic, as technology brings a great deal of ambiguity into what exactly is monitored and how.

To capitalize on opportunities provided by technological changes, companies need to make significant adjustments in their governance systems. Governance innovations on the board level, for example, may include transition to a reliance on strategic rather than financial controls within the firm's governance mechanism (Filatotchev & Stahl, 2015; Hitt, Hoskisson, Johnson, & Moesel, 1996). These strategic controls are less concerned with short-term financial performance and may be focused instead on issues related to long-term sustainability, growth in market share, stakeholder support, and risk assessment. The openness of a firm's governance mechanisms ensures that stakeholder constituencies provide key inputs into the process of strategic control and considers the adequate context for the process of monitoring. Unlike formal, highly centralized systems of accountability and reporting based on financial indicators, strategic controls deploy more informal systems of communication between managers and stakeholders as well as risk-management systems focused on broader definitions of risk, including broader nonphysical risks of delegitimization. The latter includes a wide range of economic and social factors, such as organizational legitimacy vis-à-vis not only shareholders and customers but also broader societal groups, such as user communities. In this type of governance, reputational, emotional, and trust considerations, rather than market for corporate control, underpin external governance pressures on managers. These novel approaches to corporate governance are particularly pronounced in the new forms of enterprise that we discuss in the next section.

Emergence of "For-Purpose" Enterprises and New Forms of Governance

We are witnessing a rapid development of "for-purpose" organizations that combine commercial interests with serving a social purpose or objectives of diverse stakeholders in addition to contributing investors and volunteers. This type of organization requires new forms of governance, including a formal recognition of multiple stakeholders in the firm's governance mechanism—some contributing to the firm and some being the beneficiaries (Bacq & Aguilera, 2019)—new forms of relationships with investors (Klein, Mahoney, McGahan, & Pitelis, 2019), and new definitions and measurement of value (Nason, Bacq,

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& Gras, 2018). For example, when Cafédirect, a coffee company based in the United Kingdom, decided to go public, it used an ethical public offering (EPO). In contrast to a conventional initial public offering on a stock exchange, Cafédirect issued its shares through Ethical Exchange (Ethex), a service offered by Triodos bank. This governance mechanism provides access to shares to investors with high ethical standards who support the firm's social purpose while limiting the degree to which shareholders can exert control over the business (Cafédirect, 2014).

As a result, the role of traditional investors, such as VC firms and institutional investors, in corporate governance is rapidly changing. For example, start-up tech companies raised nearly $11.4 billion in the 2018 via initial coin offerings (ICOs)—the blockchain community's version of crowdfunding (Pozzi, 2019). An ICO is when a company focused on blockchain technology sells digital coins that enable investors to use the software or service that the start-up plans to introduce. Unlike in traditional governance models, investors are not given a stake in the company or voting rights. Over the past few years, ICOs have emerged as an innovative funding mechanism for early-stage ventures (Martino, Wang, Bellavitis, & DaSilva, 2019), helping innovators to raise billions of dollars from global investors. These experiments with bringing noneconomic purpose into the set of governance objectives encouraged the French government to require all public company documents issued by French firms to include a statement on organizational purpose (see Levillain, Segrestin, & Hatchuel, 2019).

However, there may be a downside or mixed signals associated with these governance innovations that combine economic and social purposes. In their study of socially responsible investors (SRI), Yan, Ferraro, and Almandoz (2019) suggested a paradoxical role for the financial logic, which leads to a curvilinear, inverted U-shaped relationship between the extent of founding of SRIs and the prevalence of the financial logic. The authors argued that the relationship between the dominant financial logic and the social logic of SRI shifts from complementary to competing as the financial logic becomes more prevalent in society and its profit-maximizing end becomes taken for granted. In other words, focusing too much on social purpose–oriented governance innovations may lead to a loss of organizational legitimacy vis-à-vis investors, especially in societies with strong financial institutional logics.

Therefore, this type of governance innovation will be very much determined by a specific constellation of formal and informal institutions in a given country, industry, or community of users. In the following section, we focus on the role of formal, regulatory institutions as corporate governance practices are traditionally shaped by formal legal rules and regulatory initiatives.

Regulatory Changes and Governance Innovations

Corporate governance practices do not take place in a vacuum but are conceptualized and deployed within the institutional setting, in particular in the regulatory environment where the given corporation is incorporated, social enterprise is registered, or public agency is instituted. Thus, a publicly traded corporation listed on the New York Stock Exchange (NYSE) and incorporated in the state of Delaware will be operating under Delaware's General Corporation Law, subject to U.S. Securities and Exchange Commission regulations and federal regulations imposing disclosure and compliance such as the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. On the other hand, a German firm incorporated in Berlin and trading on the Frankfurt Stock Exchange will be subject to German civil law, the Federal Financial Supervisory Authority regulation of the stock exchange, and the 2019 German corporate governance code (i.e., the Deutscher Corporate Governance Kodex). Yet corporate governance in an open-systems view does not follow the one-rule-fits-all principle but maintains that governance decision makers can innovate within their regulatory boundaries and also venture outside their regulatory boundaries to pursue innovation. Let's discuss some of these.

Aguilera, Judge, and Terjesen (2018) developed conceptually this idea that it is possible to adopt practices beyond what is legitimately acceptable—that is, beyond the legitimate zone of conformity as argued by institutionalists. There are behaviors that deviate positively or negatively from the taken-for-granted governance practices. For example, in the land of capitalism and exorbitant CEO compensation (e.g., the United States), the CEO of Whole Foods earns $1, whereas in the land of the welfare state and social equality (e.g., Germany), there are a few CEOs (such as those of some DAX companies) who earn a lot higher than the legitimate CEO-employee wage ratio (Greckhamer, 2016) the salaries of their base employees. These departures from taken-for-granted practices are governance innovations. Another example to innovate from the defined governance structures are the V-corporation or the U.S. statutory statutes that explicitly articulate the fiduciary duty

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not only to shareholders but also to stakeholders and therefore relieve short-term shareholder maximization pressures.

Another innovation in corporate governance is when firms travel outside their institutional settings for seemingly different reasons (Aguilera et al., 2019). Here are three scenarios. First, a Mexican firm incorporates on the NYSE with the goal of borrowing some of the strong shareholder rights granted by U.S, corporate law as well as the seal of approval of good corporate governance granted by the stringent requirements of this market. Second, a U.S. firm decides to delist and raise capital either from private equity or in a foreign capital market so it does not have to comply with domestic disclosure or governance requirements, and management opts to innovate with a leaner governance structure. Finally, a global multinational corporation or digital platform enterprise incorporates in a fiscal paradise through a mailbox, or uses its decision-making control granted by dual class shares to engage in governance arbitrage in that they deploy different governance practices depending on where they operate. For instance, they engage in high external auditing standards in the home country but not in the fiscal paradise.

An additional interesting way to explore innovations in governance is to examine how governance regulation evolves as a result of governance innovations and trial-and-error processes. This was the case of compensation regulation in Germany, where compensation disclosure was first encouraged via the German Kodex Code of Good Corporate Governance (Regierungskommission, 2019) but later became integrated and mandatory within Germany's corporate law. Similarly, quotas for women on boards of directors appear in a broad range of regulations, from mandatory to fully voluntary, yet this regulation is evolving as societal demands require more enforceable practices and some investors request it.

Interestingly, we also observe innovations going from the national to the transnational level, instigated by governance players. In an age of asset manager capitalism, characterized by concentrated ownership by the top three (Vanguard, BlackRock, and State Street) and economically disinterested owners, the United Kingdom introduced the Stewardship Code in 2010 to require these investors to engage with managers and boards. The codes spread like wildfire across countries, as documented by Hill (2018), culminating in a new European Union shareholder rights directive in June 2019. In other settings where this regulation is not explicitly in place, the trend seems to be that passive asset management companies seek to preempt the need for a formal regulatory push and are getting more engaged with investee companies.

Hybrid Governance Models in Emerging Markets

While researchers often focus on established or prescribed governance models—as defined, for instance, by the Organization for Economic Co-operation and Development's Principles of Corporate Governance or Institutional Shareholder Services—the open corporate governance framework allows us to examine why companies adopt innovative practices in countries that are rapidly changing, such as emerging markets, or when they are evolving through generations of family control, different types of state intervention, or various levels of institutional support. The necessary institutional voids to be filled in emerging markets will define whether a company will prioritize disclosure versus professionalizing its managerial force. For instance, research on family business shows the curvilinear relationship between "familiness" and compliance (Kabbach de Castro, Aguilera, & Crespi-Cladera, 2017). Yet families might adopt governance practices from nonfamily domains such as dual class shares, contingent pay, or other governance innovations to raise capital and retain control. State-owned firms are exposed to political strategies and political relationships that introduce new ways to innovate, such as inviting politicians to hold positions (i.e., board or top management team) or soliciting support from the government. The governance of necessity-based enterprises in developing environments is contingent on the presence of institutional levers (Dencker, Bacq, Gruber, & Haas, in press). Depending on the level of financial and capacity-building support they receive, necessity-based enterprises may adopt more or less formal governance practices.

Innovation in corporate governance has certainly been informed by nonmarket strategies quite salient in emerging markets. For example, Hoskisson, Wright, Filatotchev, and Peng (2013) argued that within the wider body of research on corporate governance and strategy in emerging markets, there is a need for a more fine-grained understanding of the country context along two dimensions: (1) institutional development and (2) infrastructure and factor market development. Specifically, they proposed an enriched typology of emerging economies with a focus on midrange emerging economies, which are positioned between traditional emerging economies and newly developed economies. They examined new multinationals from these midrange emerging economies that had internationalized both regionally and globally. The authors outlined directions for further research based on analysis of (1) government influence, (2) resource orchestration, (3) market entry, and (4) corporate governance changes. For example,

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the authors argued that significant involvement of the state in firm-level corporate governance provided access to resources and supported "go global" strategies of emerging market multinationals around the world, in particular those in China and Brazil (Hoskisson et al., 2013).

Further, Kim, Kim, and Hoskisson (2010) found that business groups in the early stages of development in Korea were detrimental to the effectiveness of outward foreign direct investment. However, as the economy developed and there was a consensus, even among dominant business groups, regarding the benefits of more transparent governance and intensive governance approaches, the effectiveness of such governance improved the relationship between business groups and internationalization. Kim et al. (2010) argued that the consensus dampened principal–principal conflicts and provided more upside knowledge sharing among group-affiliated companies compared to firms independent of business groups.

CONCLUSION

We hope we have conveyed that innovation and corporate governance are tightly intertwined and at the core of any organization. As both innovation and corporate governance have become more explicit, evaluated, and codified, they have also coevolved into many different patterns. Looking ahead, there is almost a blank canvas of areas that require our scholarly attention as we enter new territories in the virtual governance world and its cyber risks, data overload and governance, productive and responsible uses of AI, and new forms of ethical and moral breaches, while not forgetting how both innovation and corporate governance should be instrumental vehicles to cope with the grand societal challenges we face, ranging from public health pandemics to income inequality.

As the novel coronavirus wreaks havoc on the world economy, and entire industries such as catering and retail teeter, it is fair to ask how prepared today's corporations and their boardrooms are to help address emergencies that are occurring with an alarmingly increasing frequency. All evidence shows that traditional governance mechanisms designed to make firms and their boards more efficient in terms of addressing problems with financial performance may instead leave many of them flat-footed as the companies face global crises.

However, some companies have responded to this global emergency by channeling their R&D efforts into finding medical solutions. For example, the U.K.-based company Dyson, best known for its vacuum cleaners and hand dryers, has received an order from the U.K. government for 10,000 ventilators to support efforts by the country's National Health Service to treat coronavirus patients. James Dyson, the company's billionaire founder, wrote in his letter to employees that he would also donate 5,000 units to the international effort to tackle the pandemic. In the United States, Ford has announced that it is working with 3M and GE Healthcare to produce medical equipment, including ventilators and personal protective equipment. GM and Tesla have also pledged to make ventilators (Bashir, 2020). However, these are exceptions rather than typical corporate responses to the global pandemic, as other companies opted or were forced to conduct employee layoffs in the face of falling demand for their products or services. Many organizations run on an efficient supply chain and were not prepared to cope with this uncertainty.

These developments provide an important context for what our thoughts might mean for policy makers and/or the public interest. Corporate governance is often in the headlines on matters related to issues of the public interest, with CEO compensation, corporate bailouts, and tax minimization schemes just a few areas that have attracted regulatory and public scrutiny in recent years. In fact, the recent multi-trillion-dollar Covid-19 bailout in the United States had an explicit provision against the use of the money for stock buybacks, which is a board of directors' tool for managing the stock price (Pramuk, 2020). Our view of governance from an open-systems perspective immediately brings to mind the central role of public policy, specifically related to R&D and the national interest, and its interface with firm-level governance. Specifically, should the governance innovations outlined above aim at creating more holistic and versatile governance mechanisms that can provide a rapid response not only to competitive pressures but also to urgent needs of the society at large, bearing in mind the significant economic and political power of modern corporations? Again, given the background of the relative roles of government and private enterprises in the discovery of therapies and vaccines for Covid-19, it is clear that the very resilience of modern economies depends on how governance innovations can facilitate these joint efforts. The open-systems approach to governance innovations can create natural productive conversations on how private/public partnerships can be viewed from a corporate governance angle.

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