EDITORIAL: A diversified outlook at the theory and practices of corporate governance

Dear readers!

The recent issue of the *Corporate Ownership and Control* journal covers the following key themes: accounting standards, corporate governance and social responsibility, public sector governance, financial management and firm performance. The authors represent a range of developed and developing countries, making this issue of the journal truly international.

Accounting standards and related issues still remain in focus for scholarly investigation, as the global harmonization of standards progresses. In particular, articles in this issue examined the effects of culture and institutions on the adaptation of accounting standards in private (*Souad Chaieb)* and public sectors (*Mounira Hamed-Sidhom* and *Nadia Loukil*).

Souad Chaieb highlighted the cultural impact on the degree of compliance with International Financial Reporting Standards in 55 developing countries for the year 2014 in order to identify IFRS Standards. Results show that culture does not promote the degree of compliance with IFRS. However, only one significant relationship was found between individualism and the degree of compliance with IFRS Standards.

Mounira Hamed-Sidhom and *Nadia Loukil* aimed to examine the relationship between International Public Sector Accounting Standards adoption and the perceived level of corruption in developing countries. The study also attempts to inspect the mediating effect of political stability on this relationship. The authors used the International Federation of Accountants to assess country adoption status and applied a panel regression analysis to 57 developing countries over the 2016–2019 period. The paper findings suggest that country's decision to adopt IPSAS cannot shortly lead to a reduction of its corruption perceived level.

Corporate governance and social responsibility continue to attract scholarly attention, both retrospectively and in consideration of COVID-related disruptions. In particular, disclosure (*Nidhi Sharma Sahore* and *Anshul Verma*), corporate social responsibility (CSR) (*Mohamed A. K. Basuony*), shareholder activism (*Gimede Gigante* and *Maria Vittoria Venezia*), and a systematic review of corporate governance literature (*Marvin Jagals*, *Erik Kargerand*, and *Frederik Ahlemann*) provide insights into the topic.

Nidhi Sharma Sahore and *Anshul Verma* aimed to understand whether firm characteristics explain the extent of corporate disclosures in the annual reports of listed Indian companies. The disclosure scores of Indian CNX 100 companies over a period of five years (2011–2015) related to firm characteristics such as age, size, and listing status were arrived at through content analysis and subsequent coding of the data. The study found firm characteristics such as age and listing status to be non-significant in leading corporations to enhanced disclosures. This is perfectly in line with the literature by Modiba and Ngwakwe (2017), Wadesango and Wadesango (2016), Basuony and Mohamed (2014), Guerra, Fischmann, and Machado Filho (2008).

Mohamed A. K. Basuony investigated the relationship between firm characteristics, board structure, and ownership structure with CSR information dissemination via social media. The results indicate that the company that has a high number of females on board has a significant effect on CSR and the product and service as a component of CSR. Also, the paper studies the effect of board structure and other control variables on the online CSR for the top listed UK firms. The results show that online CSR disclosure through the firms' websites has been affected by board size, board diversity, audit type, profitability, leverage, firm age, and the sector in which the firm operates. These results add more value to the research in the field by Gokarna and Krishnamoorthy (2021), Al Fadli (2020), Salvioni, Franzoni, and Gennari (2016), Basuony, Elseidi, and Mohamed (2014).

Gimede Gigante and *Maria Vittoria Venezia* considered an issue of shareholder activism in Italy, understanding the major current regulations, the biggest players involved, the target companies, the most frequently required objectives, and the overall success rate of such requests compared to other European countries' neighbours. An analysis of the differences in terms of legal framework and minorities protection is provided as part of this paper, to give the reader the theoretical underpinnings for the subsequent analysis.

Marvin Jagals, *Erik Karger*, and *Frederik Ahlemann* explored the past to understand the present and shape the future of data governance. The authors gave an overview of how the research field changed from 2005 to 2020, commenting on its development and pointing out future research paths based on our findings. They conducted a bibliometric analysis to describe the research field's bibliometric and intellectual structure. The findings show that for years the research field concentrated on a few topics, which currently undergoes change and has led to an opening up of the research field.

An interesting topic additional to corporate governance in this issue of the journal is public sector governance, looking at aged care (*Jean Claude Mutiganda*) and education (*Assia Liberatore*).

Jean Claude Mutiganda investigated the ways in which dissensus has influenced governmentality during a longitudinal process of competitive tendering of public services. Data are from a field study conducted in the field of public care for the elderly from 2007 to 2015 in Finland.

Assia Liberatore contributed to the existing research with a deep assessment of Italian school governance. The original contribution here is linking school governance to the learning outcomes of high school students and aspects of their daily life activities using a macroeconomic perspective. The author reviewed the various reforms of school governance in order to assess the strengths and weaknesses of each reform. Also, the author involved a quantitative research methodology to analyze how school governance reflects social culture, students' well-being and educational outcomes.

Finally, the issue contains studies focusing on the firm level of analysis, addressing topics related to drivers of firm performance (*Valentina Lagasio*; *Neeraj Gupta*, *Jitendra Mahakud*, *Prasoon M. Tripathi*, *Tarun Agarwal*, and *Priti Bakhshi*; *Akshita Arora* and *Amrinder Singh*), issues of financial management (*Raffaela Casciello*, *Marco Maffei*, and *Fiorenza Meucci*; *Valentin Peter*, *Britta Hachenberg*, and *Dirk Schiereck*) and financial performance (*Alberto Tron* and *Federico Colantoni*; *Akshay Damani* and *Nandip Vaidya*).

The paper by *Valentina Lagasio* is focused on Italy, where distinctive features of corporate governance can be identified due to the peculiar legal and industrial framework in which Italian companies operate. The contribution of the paper is to further shed light on the historical background of the Italian industrial sector that made the Italian industrial system slightly different from the other countries and to give a comprehensive, but synthetic, view of the corporate governance of Italian listed companies. This is a solid contribution to the previous research by Celentano, Lepore, Pisano, D'Amore, and Alvino (2020), Caserio and Trucco (2019), Rizzato, Busso, Devalle, and Zerbetto (2018), Scafarto, Ricci, Della Corte, and De Luca (2017).

Neeraj Gupta, *Jitendra Mahakud*, *Prasoon M. Tripathi*, *Tarun Agarwal*, and *Priti Bakhshi* found that board size, female directors, and the average number of directorships held by outside directors are inversely related to performance. The central government official directors and RBI nominee directors negatively and significantly affect the performance of public sector banks. This paper is a remarkable contribution to the previous papers by Kgarabjang (2020), Otman (2019), Kostyuk (2003).

Akshita Arora and *Amrinder Singh* reviewed the literature on corporate governance and firm performance published from 1998 to 2019. The board characteristics such as board size, meetings, composition, and CEO duality are the main discussion points. The findings showed that most of the studies have used panel data and statistical tools such as random effects, multiple regression analysis, or instrumental variables approach, etc. This paper goes in the line with the previous literature by Dell'Atti, Manzaneque, and Hundal (2020), Kostyuk and Tutino (2019), Megginson, de Andres, Brogi, and Govorun (2019).

Raffaela Casciello, *Marco Maffei*, and *Fiorenza Meucci* contributed to the literature on earnings management (Masmoudi & Makni, 2020; Kostyuk & Barros, 2018; Agriyanto, Rohman, Ratmono, & Ghozali, 2016). The authors analyzed the relation between unconditional conservatism and accrual-based earnings management and the relation between unconditional conservatism and real earnings management, focusing on the role of the institutional shareholders variable in these two relations. The authors find evidence of positive (negative) relations between unconditional conservatism and accrual-based (real) earnings management. Also, they demonstrate that the presence of institutional shareholders has a mitigating (amplifying) impact on the relation between unconditional conservatism and accrual-based (real) earnings management.

Valentin Peter, *Britta Hachenberg*, and *Dirk Schiereck* analyzed the determinants for successful bond restructurings under the German Bond Act. The law regulates bond restructuring in Germany and contains collective action clauses that intend to make the amendment of bond terms easy compared to the U.S. where these clauses are not common. The authors found that bond restructuring is relatively convenient under the German Bond Act, as the majority of restructuring attempts are successful. The authors focused on how bond holdings of retail investors impact bond restructuring and found that participation rates, the probability to constitute quorums in bondholder meetings, and most importantly, the probability to successfully amend bond terms, are negatively related to the degree of bond holdings of retail investors.

Alberto Tron and *Federico Colantoni* investigated if the use of several types (currency, interest rate, and commodity) of financial derivatives can affect the value of a company. Findings show that the use of derivatives does not affect the firm value in the Italian market. Results confirm the role of corporate governance mechanisms on the relationship between firm value and the use of derivatives and that their impact is country-specific. Previous research by Firmansyah, Utami, Umar, and Mulyani (2020), Till (2015), Pezzuto (2014) are in the line with this paper.

Akshay Damani and *Nandip Vaidya* attempted to compare and correlate global actively managed equity mutual funds' performance across time intervals, to evaluate and establish how predicting future performance can be made meaningful for investors using analysis of historical data (March 2009–March 2021). Of the top 500 global equity mutual funds based on market-cap (on March 31, 2021), the paper evaluated 180 actively managed funds adding up to approximately USD 5 trillion of the fund assets as of March 31, 2021. It was found that the market timing abilities of fund managers were unstable across periods and could not be used for predicting performance.

The authors of these papers provide an excellent overview of the most interesting practices of corporate governance and social responsibility, public sector governance, financial management and firm performance. We expect that you will enjoy reading this issue of the journal.

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