EDITORIAL: From cross-country to multi-disciplinary research in corporate governance

Dear readers!

The recent issue of the journal has been composed of the papers which are mostly empirical and contribute new ideas to the major issues of corporate governance such as board of directors, chief executive officer (CEO) pay, shareholder activism, accounting, auditing, social responsibility, family firms, firm performance, social capital in corporate governance, etc. We are pleased to inform you that scholars from many countries of the world are authors of these papers. They represent the USA, Canada, Germany, Italy, Switzerland, New Zealand, Hong Kong, India, Tunisia, etc. This makes the recent issue of the journal very interesting for the readers. These papers provide a solid contribution to the previous research by Abbadi, Abuaddous, and Alwashah (2021), Kostyuk, Mozghovyi, and Govorun (2018), Cranmer (2017), Santen and Donker (2009), Guerra, Fischmann, and Machado Filho (2008).

Rainer Lueg and *Janice Wobst* have created an English-German cost accounting dictionary to improve a common understanding of cost accounting terminology. The authors translate all terms using well-established textbooks and the authors' expertise. This dictionary provides a tool for students and practitioners to study relevant cost accounting terminology. Thereby, the dictionary contributes to the accounting profession and education by creating a common reference frame for communication.

Kwok Yip Cheung and *Chi Veng Chung* examined the relationship between board characteristics and the diversity of audit committee members in Hong Kong after the Asian financial crisis in 2008. The authors found — for a sample of Hong Kong Hang Seng Composite Index 1,700 firm-year observations between 2010 and 2015 — that board independence, board size, board directorships, and board tenure are important determinants of diversities in audit committee members. In addition, our control variables show that board state ownership, board of directors' political connection, and family members on the board are also important determinants of diversities in audit committee members.

Thomas Rautenstrauch and *Janis Hummel* studied the phenomenon of shareholder activism using a case study methodology as a qualitative research approach. Three affected Swiss public companies have been selected on the basis of an evaluation of all corresponding reports published by *Finanz und Wirtschaft* (*FuW*). The study covers the period from 2015 to 2019. The chosen companies, Meyer Burger, GAM (Global Asset Management), and Clariant, were examined over this period. The authors found that individual activist investors were able to generate substantial profits for themselves during the period studied, but not in a long-term and sustainable manner. Shareholder activism manifested itself in various forms and strategies within the scope of individual cases. However, the authors were able to identify a general scheme of engagement for shareholder activists.

Monica Banyi and *Rebecca A. Bull Schaefer* examined whether the signatories made discernible changes to executive compensation structures to align executive incentives with a broader stakeholder view. The authors observed the compensation committee reports of 135 signatory firms' proxy statements for the fiscal year ending 2020, to identify whether each firm's incentive compensation structure included measures aligned with the firm's commitment to a stakeholder focus. Nearly half of the sample firms continued to reward executives exclusively using measures to assess financial objectives, although thirteen made promises to include stakeholder corporate performance measures in their 2021 compensation programs.

Houda Ben Said attempted to identify the firm-specific determinants of the capital structure of a sample of non-financial firms listed on the SBF 120 French index between 2009 and 2019 and to test whether the determinants offered by the two principal financial theories (e.g., trade-off theory and pecking order theory) are able to provide convincing explanations for their behavior in terms of financing decisions. Capital structure determinants discussed are size, profitability, asset tangibility, growth opportunities, liquidity, effective tax rate, and risk. Empirical results showed that the majority of determinants had been significant. The size of the firm and its previous leverage have been found positively related to present leverage. The growth opportunities and the profitability have been found negatively related and the asset tangibility, the effective tax rate, and the firm risk were not significant.

Gabriel Dickey, *William E. Wilcox*, and *Ryan Cahalan* use a combination of prior research and industry experience to develop a potential solution for chief audit executives to facilitate agility within their internal audit departments. This potential solution is the development of a set of Agile Strategy Development and Implementation (ASD&I) teams. The article also provides a roadmap for how ASD&I teams can be incorporated into practice.

Justin Jin, *Suyi Liu*, and *Khalid Nainar* examined the relationship between financial literacy and crime incidence using financial literacy data and crime data in the U.S. from 2009 to 2018. The authors posit that citizens' financial literacy is negatively associated with the crime rate because financially literate citizens are better at managing their wealth and improving their economic condition. They are less likely to have unfulfilled basic needs, and thus are less prone to crimes, especially crimes driven by economic need. The authors find that the financial literacy of citizens is negatively associated with crime rates.

William R. McCumber, *Huan Qiu*, and *Md. Shariful Islam* investigated the degree to which CEO social capital increases or decreases investors' reliance upon traditional accounting metrics when valuing the equity of non-US firms. The authors found, ceteris paribus, that investors rely more heavily on the book value of equity, rather than on earnings per share, to value common stock when the firm is led by a CEO with greater social capital. These findings suggest that CEO social capital erodes investors' confidence in the quality and relevance of earnings; CEOs with higher social capital are entrenched and may engage in rent-seeking behaviors.

Nagendrakumar Nagalingam, *Liyanachchi Mahesha Harshani De Silva*, *Randimal Maduhansa Weerasinghe*, *Tharindu Dilshan Pathirana*, *Chamara Madusanka Rajapaksha*, *Krishan Rasitha Perera*, and *Shivanee Kaneshwaren* studied shocks incorporating corporate social responsibility (CSR) and financial performance (FP) in the tourism industry. The study found a slight but incremental behaviour in CSR disclosure yet a significant slump in FP of hotels. The study is significant since it argues that the present economic crisis is not due to the Easter Sunday attack and COVID-19 pandemic, but it emerged even before the said shocks.

Federica Poli studied the relationship between ownership structure and performances in cooperative banking. Based on a sample of 241 Italian small cooperative banks over the 2013–2018 period, the author finds that bank profitability is positively affected by the membership as in the study conducted by Jones and Kalmi (2015) on Finnish cooperative banking and different from the comparable Austrian empirical research of Gorton and Schmid (1999). Unlike the latter the author did not find an increasing exposure to agency costs as ownership dispersion grows and showed that greater membership raises individual bank financial stability, lowering the cost of credit risk.

Ilaria Galavotti and *Carlotta D'Este* aimed to explore the effect of family firms' corporate governance characteristics on their acquisition propensity: as the extant literature is increasingly emphasizing the heterogeneity of family firms and is calling for further insights into the peculiarities affecting their decision-making processes, our objective lies in identifying corporate governance mechanisms that influence their acquisition attitude. The authors tested a sample of 207 acquisitions executed by Italian listed family firms in the 2014–2020 period. The authors found evidence that family members sitting on the board of directors are negatively associated with acquisitions. However, when family firms are guided by a family versus a non-family CEO, the willingness to embark on acquisitions increases.

Avinash Pratap Singh and *Zillur Rahman* examined the impact of the adoption of Sustainable Development Goals (SDGs) by firms on their financial, environmental, and social performance. 89 selected Indian firms from the NSE 500 were included in the content analysis for data collection. The findings of this study revealed that the adoption of SDGs by firms is significantly and positively associated with their financial, environmental, and social performances.

Guido Giovando analyzed a sample of companies to verify whether the indexes proposed by the National Council of Chartered Accountants and Accounting Experts (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili, CNDCEC) can provide real help in managing a company's state of insolvency and are not merely theoretical management of the situation.

Mehadi Mamun provided empirical evidence on the connexion between the four key dimensions of human resource management (HRM) practices and organisational performance, in response to

the call by earlier researchers that the influence of specific HRM practices on organisational performance needs to be further investigated across different countries and organisational contexts. A survey among small and medium-sized enterprises (SMEs) in the South-Western region of Sydney in Australia was conducted and self-reported measures were applied to attain data on HRM practice aspects and businesses' performance.

Veronica Tibiletti, *Pier Luigi Marchini*, *Federico Bertacchini*, and *Carlotta Magri* analyzed how corporate governance practices evolve to keep up with external complexities. The analysis is carried out on all listed Italian companies in the period 2018–2020. The findings suggest that Committees of the Board of Directors increased in number during the period, and the frequency of their meetings also increased. There was little variation in the frequency of the board of directors meetings.

Having contributed to the numerous previous research such as Nagalingam, Kumarapperuma Malinga, Gayanthika, Amanda, and Perera (2022), Mantovani, Kostyuk, and Govorun (2022), Arora and Singh (2021), Antwi, Carvalho, and Carmo (2021), Gigante and Venezia (2021), etc., these papers deliver an excellent background for the further research in corporate governance and related fields of research from the cross-culture perspective. I hope that readers will enjoy exploring the results of these studies.

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