EDITORIAL: Corporate governance, earnings quality, and sustainability management

Dear readers!

We are pleased to present to you the recent issue of our journal *Corporate Governance and Organizational Behavior Review*, which is focused on corporate governance and accounting quality, and sustainability management.

Corporate governance describes the relationships between the principal and agents of the organization (Jensen & Meckling, 1976) and addresses organizational issues related to the boards' fiduciary duties, executives' responsibilities, and even the processes under which board and board committees' members are appointed (Turker, 2018; Dimitropoulos & Chatzigianni, 2022).

Extant empirical and qualitative evidence document that corporate governance is a significant determinant of corporate transparency and accountability, by allowing the publication of timely, transparent, and accurate financial information to the public and allowing the effective monitoring of discretionary behavior of managers by the shareholders and other interested parties (Turker, 2018; Dimitropoulos & Koronios, 2021; Kostyuk, Kostyuk, & Shcherbak, 2016).

Over the last two decades, corporate governance has extended its orientation having a stakeholder-centered focus. This was initiated by the public awareness of several social and environmental issues and the perception that corporations must meet the needs and expectations of several stakeholders, leading to the integration of corporate governance with sustainability. This fact has important implications for the accountability and financial reporting of firms.

Moreover, effective corporate governance structures and mechanisms are expected to have informational value relevance for investors, lenders, shareholders, and other stakeholders having a direct or indirect association with the firm. In addition, corporate governance could provide useful indications of the firms' ability to manage risks and opportunities, correct organizational inefficiencies, and even adhere to economic hazardous events (Dimitropoulos & Koronios, 2021; Hogan & Kostyuk, 2021).

Effective governance mechanisms contribute toward a more accountable corporation, providing financial information of enhanced accounting quality, and exerting financial and commercial benefits for the firm (Dimitropoulos & Asteriou, 2010). Prior research documented that the quality of corporate governance directly influences the behavior of earnings management because of the complex interactions between the owners and managers. The characteristics of the board are also a critical factor that influences the firms' accounting quality. The board of directors monitors managers' performance and decides the strategic goals as well as the compensation plans. However, the basis for decision-making of the board is provided by the management teams, which may reduce the effectiveness of monitoring. Consequently, the monitoring committee, the independent directors, and the audit committee have the duty to ensure the quality of earnings and published corporate information (Buertey, Sun, Lee, & Hwang, 2020; Moscariello, Pizzo, Govorun, & Kostyuk, 2019; Katmon & Al Farooque, 2017).

The studies included in the current issue extend the literature on corporate governance, accounting quality, and accountability management in several ways. For example, the study by *Vishwa Hamendra Prasad, Vishal Deepak Sharma, Shabnam Sazma Bano,* and *Melvin Nitesh Chand* examines the impact of corporate governance on economic performance of firms in Fiji. They focus on three large public corporations and document the importance of effective governance mechanisms in controlling and avoiding corporate collapses due to lack of transparency and mismanagement. The study also offers useful policy implications for regulators and managers on the Fijian economy and other similar economic environments.

Moreover, the study by *Mohyedin Hamza* examines the contribution of external auditing (as a monitoring mechanism) to the accounting quality and going concern ability of firms in Jordan. The study collects primary data from 457 auditors and reaches useful conclusions relating to the importance of auditors' independence and professional conduct on the quality of the audit reports and the overall quality of published accounting information.

In a similar vein, the study by *Yoga Pratama Nugroho, Doddy Setiawan,* and *Linda Kusumaning Wedari* examines the role of the audit committee on earnings quality. Audit committees is a governance mechanism with the responsibility to monitor the quality of the financial information. So, this study utilizes a sample of manufacturing Indonesian firms and examines the impact of the audit committee's effectiveness on earnings management behavior, documenting that an effective audit committee contributes to the reduction of earnings management behavior thus, to enhancing accounting quality.

Furthermore, *Ijaz Ali, Saif Sami, Nabil Ahmed Mareai Senan, Asif Baig,* and *Imran Ahmad Khan* consider the sustainability balanced scorecard as a mechanism of sustainability performance assessment using the case study methodology on large firms. Their goal is to systematically evaluate the functions and usefulness of sustainability performance for firms' survival and their conclusions have important implications for firms' transparency and accountability.

Also, the study by *Mohammad Abdalkarim Alzuod* and *Laith Abdullah Alqhaiwi* examines how the strategic flexibility of Jordanian banks improves their crisis management ability during the recent pandemic period.

Finally, two studies in the current issue examine the intersection of accountability and public governance. *Annetjie Van Staden, David J. Fourie,* and *Natasja Holtzhausen* consider public procurement as a framework of accountability in South Africa. Specifically, they address various determinants that enforce an accountability framework like internal control mechanisms, procurement systems, risk management, records management, value for money, and consequence management. Their study offers useful implications for public management and accountability.

In the same vein, *Meiryani, Mutiara Ericka Alya Abiyyah, Ang Swat Lin Lindawati, Dianka Wahyuningtias,* and *Tommy Andrian* consider public service accountability and taxpayer compliance in Bekasi City. The results of this study are in accordance with the attribution theory stating that a person's behavior is influenced by external factors.

Overall, the papers included in this issue address corporate governance and accountability under various theoretical perspectives and methodological lenses. We hope that the readers of this issue will benefit from those perspectives and evidence from both developed and developing economies and reach into useful directions for future research.

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