EDITORIAL: Corporate governance and sustainability issues

Dear readers!

It is of great honour to introduce the first issue (Volume 7) of the journal *Corporate Governance and Sustainability Review* in 2023.

Governance and sustainability issues are still subject to debates among scholars, practitioners, regulators, and policymakers. They are matters of critical issues relevant to companies' commitment to corporate social responsibility (CSR), climate change, and sustainable performance towards circular ecosystems and sustainable development goals (SDGs) (Alkaraan, Elmarzouky et al., 2023). The five papers published in this issue are valuable contributions to governance and sustainability issues in different contexts and settings.

The nexus between best practices of corporate governance mechanisms and organisational performance remains a current issue in governance for stakeholders including regulators, standards setters, academics, and other stakeholders. The impact of boardrooms' homogeneous and heterogeneousness has been examined in different contexts and settings. *Victor Onuorah Dike* and *Joseph Kwadwo Tuffour* examine the moderating impacts of women on board on the nexus between board characteristics and bank performance in Nigeria. The findings of their study reveal that female representation has a significant negative impact on the relationship between audit and remuneration committees and bank performance. Another strand of research focuses on other related paradigms corporate risk disclosure and key audit matters, audit cost, and corporate bankruptcy (Alkaraan & Floyd, 2020; Elmarzouky et al., 2022; Elmarzouky et al., 2023).

The study of *Showkat Ahmad Busru* and *Fahad P* examines the effectiveness of corporate governance mechanisms in mitigating earnings management practices in listed Indian firms. The findings of their study indicate that governance mechanisms, particularly through ownership and board committee are statistically insignificant in controlling earnings management. Further, their study explores how board structure, activities, characteristics, and environmental, social, and governance, expressed by ESG disclosures have a significant negative impact on discretionary accruals measured through the modified Jones model.

Ibrahim Nandom Yakubu, *Alhassan Bunyaminu*, *Musah Osumanu Doumbia*, and *Mohammed Abdul-Fatawu* examine the effect of board characteristics and corporate life-cycle on the performance of listed firms in Ghana over the period 2009–2018. Their study utilizes the approach propounded by Dickinson (2011) to cater to proxy measures of firms' life cycle stages. Using the pooled estimated generalized least squares (EGLS), the findings of their study show that tenure has a positive significant effect on performance. The presence of inside directors negatively and significantly influences performance. The results further indicate that at different levels of statistical significance, the various stages of the firm's life cycle have a negative impact on the main dependent variable (ROA). However, only the growth and maturity stages exert a significant effect on performance. They argued that firms should reduce the proportion of executive directors and appoint more non-executive directors to the board to boost performance. Also, firms should endeavour to increase investment in research and development (R&D) at every stage of their production to ensure steady profit growth.

Saeedeh Anvari, *Cathy Macharis*, and *Metin Turkay* articulate how sustainable operations are becoming important for companies, after the United Nations 2030 agenda that emerges countries to move toward sustainable development. Taking care of the environment, society, local communities, and related stakeholders are components of sustainable development that are affected by companies' operations. The facility location/demand allocation/route assignment decisions for a company are an operation that has varying economic, environmental, and social outcomes, three pillars, for the company and the related stakeholders. Their study shed a light on decision support framework that considers three pillars simultaneously and incorporates stakeholders' preferences seems necessary in the network design to reach a sustainable network and promote sustainable development. This framework is missing in the literature. They develop a framework that integrates multi-objective mathematical modeling and multi-actor multi-criteria analysis that generates a pool of feasible sustainable solutions based on three pillars. They applied their results to an original case to establish the network for a juice company in Turkey using real data.

Based on legitimacy theory, the study of *Sheikh Ali Tanzil* investigates the impact of COVID-19 on CSR reporting of listed entities in the South Pacific Stock Exchange (SPX) through a content analysis of annual reports of selected companies listed on the SPX over two years, using a mixed approach of qualitative and quantitative methods, including a case study methodology with archival data and word count analysis. The results of this study reveal how the pandemic has significantly affected CSR reporting, with companies focusing on societal needs related to the crisis rather than traditional CSR activities. This study highlights the need for companies to be more transparent in their CSR reporting, especially during a crisis such as COVID-19, to build trust and confidence with stakeholders. Other studies examine the quality of financial reports using critical discourse analysis rooted in upper-echelon theory and impression management lens to examine the influence of governance weaknesses on companies' failures (Alkaraan & Floyd, 2020; Alkaraan, Albahloul et al., 2023).

The above papers contribute to previous research findings and articulate the nexus between corporate governance and sustainability issues. Future studies on corporate governance and sustainability include but are not limited to, the impact of innovation strategies (Radicic & Alkaraan, 2022), governance, sustainability and culture, corporate environmental engagement and investment in environmental projects (Alkaraan, 2020; Zhang et al., 2021; Kong et al., 2023), pollution, human capital, and CSR performance (Liu et al., 2021), the influence of governance mechanisms on nexus between Industry 4.0 and circular economy and sustainable strategic investment decision-making practices (Alkaraan, 2021a, 2021b, 2022a, 2022b; Alkaraan, Elmarzouky et al., 2023; Alkaraan, Albahloul et al., 2023). Yet, corporate governance and sustainability research remain open for debate from different perspectives, contexts, and settings.

Enjoy the reading!

Fadi Alkaraan, PhD
Adjunct Visiting Professor, IMT, Dubai, the UAE,
Senior Lecturer in Accounting and Finance,
University of Lincoln, the UK,
Editorial Board member of Corporate Governance and Sustainability Review

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