

EDITORIAL: Sustainability investments — Disclosure, board structure, innovation, efficiency, and employee performance

Dear readers!

I am delighted to introduce Volume 7, Issue 2 of the journal *Corporate Governance and Sustainability Review*. I urge you to read each of the papers to get the full flavor of the latest research on sustainability. In this issue, there are contexts ranging from Canadian pension funds to Indian boards of directors, to Philippine financial firms, and more.

Moreover, the diverse range of methodologies applied from content analysis, to data envelopment analysis, to traditional statistical techniques for archival data demonstrate the power of alternative approaches for extracting inferences from data. I am certain you will learn something new from this diverse research collection.

We start with a study by *Basit Ali Bhat, Manpreet Kaur Makkar, and Nitin Gupta* on the relationship between board structure on environmental, social, and governance (ESG) performance for public firms in India. This is an extension of the large stream of research linking board composition to various strategic decisions and financial outcomes. Although this research stream has generally shown mixed results, these authors uncover some interesting and perhaps counterintuitive relationships in this study.

All the usual caveats regarding measuring ESG investments and commitments apply. There remains limited consistency across various rating organizations. The authors' focus on public firms in India and careful statistical analysis make this paper a significant contribution.

This issue continues with *Joy Lynn Robosa Legaspi's* research on sustainability reporting in the Philippines. This paper examines the sustainability reporting practices of public financial firms in light of recent Philippine Securities and Exchange Commission (SEC) regulations. This paper offers an instructive primer on the evolution of global reporting standards and the approach adopted by the Philippine SEC. It also demonstrates the variety of reporting practices individual firms have chosen.

A close look at the approach financial firms have used in the sample raises the question of whether traditional business practices are re-cast as advancing sustainability goals or whether meaningful investments are being made. This research highlights the importance of more standardized reporting practices and more measurable and verifiable indicators of commitment to sustainability goals.

Shirley Mo Ching Yeung's work on transformative learning provides intriguing case analyses integrating the United Nations Sustainable Development Goals (UN SDGs) with entrepreneurial spirit and innovative technologies. The case regarding fundraising for feeding Ukrainian refugees is certain to catch your attention. Using content analysis, *Yeung* offers a format for transformative learning that advances social goals.

Maryam Badrizadeh, Joseph C. Paradi, and Mohammadreza Alirezaee apply data envelopment analysis to the study of the efficiency of pension and mutual funds in Canada. This approach shows the promise of going beyond standard financial ratios when evaluating pension fund efficiency. This is a crucial issue as pension funds have come under increasing pressure. Defined benefit plans are generally under-funded and aging populations will place more demands on these funds. Efficiency is also critical for defined contribution plans.

This issue wraps up with a paper by *Lamaan Sami, Mohd Azhar, Wasi Yazdani, Mohd Junaid Akhtar, and Aamir Aslam*. Another carefully designed study focuses on the Indian travel and tourism industry during COVID-19. The authors address the question of whether investments in corporate social responsibility (CSR) initiatives in the face of financial distress improve performance. They hypothesize that it does due to its positive impact on the psychological capital of the firm and ultimately on employee performance. Through a survey of 300 travel and tourism industry employees, they provide several interesting results.

As with studies of this nature, the details of the survey and measurement of variables such as CSR may influence your interpretation of the results. A key variable is employee satisfaction with the firm's overall COVID-19 response rather than a more general measure of employee satisfaction. As the firm's response to COVID-19 was more closely watched than most business decisions, employee satisfaction with it takes on great importance and has significance for issues beyond this study.

The focus on the tourism industry during COVID-19 provides a useful context for studying many management issues. This industry was decimated by COVID-19 and the regulatory responses to it, with several firms forced into bankruptcy. Perhaps unique to this industry context, the financial distress caused by COVID-19 was likely to be temporary but devastating regardless of the competitive position of the individual firms. This provides an interesting “natural experiment” for considering many important issues.

Enjoy this fascinating issue!

*Thomas A. Turk, PhD
Professor of Strategic Management,
Argyros School of Business and Economics,
Chapman University, the USA,
Editorial Board member of Corporate Governance and Sustainability Review*
