

EDITORIAL: Embracing diversity and sustainability in business

Dear readers!

In today's rapidly evolving landscape, businesses and educational institutions alike are facing unprecedented challenges and opportunities. From corporate governance to academic research, the importance of diversity and sustainability has never been clearer.

As businesses and educational institutions grapple with the challenges of the 21st century, it is clear that diversity and sustainability must be at the forefront of decision-making. By embracing diverse perspectives and adopting sustainable practices, we can build a brighter future for generations to come.

In this issue of the *Corporate Ownership and Control*, we present articles that examine several arguments, such as earnings management, auditing, corporate social responsibility (CSR), and elements of the ESG (environmental, social, governance) paradigm.

Patrick Velte links corporate biodiversity reporting (CBR) to earnings management, moderated by board gender diversity (BGD). Findings suggest a positive relationship between CBR and earnings management, attenuated by female board representation. Integrated thinking is highlighted for future research and practice.

Vikram Desai, Linda A. Kidwell, Julia Y. Davidyan, and Renu Desai investigated post-SOX era audit opinion shopping among U.S. public firms receiving going concern opinions (GCOs). Analyzing data from 2004 to 2015, they found evidence of successful shopping for clean audit opinions, particularly among firms switching to non-Big 4 auditors.

Shadi Farshadfar focused on a Canadian group project based on the Public Sector Accounting Handbook enhances students' skills and understanding of public sector financial reporting. Positive feedback from surveys and interviews confirms its effectiveness in meeting learning objectives.

Mohamad Ktit and Bashar Abu Khalaf explored the relationship between CSR, corporate governance, and dividend policies in European firms. Analyzing 360 firms across 10 European countries, they found that CSR, firm size, board size, and profitability significantly impact dividend payout ratios, with corporate governance playing a supporting role.

Scott Dell, Mfon Akpan, and Abraham Carr delved into AI's integration in accounting, revealing transformative opportunities and ethical challenges. They proposed an innovative Accounting Framework for AI Ethics (AFAIE), aligning AI adoption with professional values, emphasizing accountability and transparency to navigate complexities and foster innovation with integrity.

Cristina De Silva, Andrea Odille Bosio, and Anna Gervasoni made a bibliometric literature review on the relationship between ESG paradigm and venture capital (VC). Growing interest in ESG, socially responsible investing (SRI), and impact investing prompts examination of their intersection with venture capital. Institutional and policy support for sustainable practices drives this shift, offering challenges and opportunities. Their bibliometric review identified research trends, informing future directions and advocating for comprehensive integration in academia, practice, and policy.

Hugh Grove, Maclyn Clouse, and Tracy Xu proposed methods for board oversight and facilitation of mandatory ESG reporting, addressing a gap in literature. Future research can explore ESG's value to stakeholder.

Xian Chen, Sanjib Guha, and Tahsina Haque Simu addressed the challenge of empirically testing common ownership's effect on corporate innovation. By analyzing corporate innovation activities post-financial institutional mergers, they found no significant impact on R&D but a positive effect on exploitative innovation strategy, contributing to anti-competitive evidence and theoretical understanding.

Sushil Kalyani and *Rima Mondal* made a systematic review, exploring the impact of ESG disclosures on financial performance, analyzing 650 articles. Their research highlighted the growing importance of integrating ESG factors in corporate reporting, emphasizing enhanced financial performance associated with ESG disclosures, albeit with variations across industries and regions.

Muhammad M. T. Bajwa, *Sean Geobey*, *Olaf Weber*, and *Michael O. Wood* explored how workforce practices influence environmental and social performance in 224 Canadian firms. Findings suggest a significant direct impact, mediated by financial performance. Additionally, firm age moderates this relationship. Signaling theory guides analysis, offering insights for firms to enhance sustainability through tailored workforce management.

K. Riyazahmed investigated the impact of goods and service tax (GST) on Indian firms' financials, analyzing data from 123 companies over a decade. Results show increased operating profits post-GST, while return on assets decreased and working capital requirements rose. Sector-wise differences highlight GST's varied effects, informing researchers and policymakers.

Abdel Monem Ghrairi explored the impact of democratic leadership (DL) on job satisfaction (JS) and organizational citizenship behavior (OCB) in Tunisia's telecommunication sector. Findings indicated DL positively affects JS, OCB, and management control systems, underscoring its role in fostering satisfaction and citizenship behavior through organizational mechanisms.

Rakesh Yadav, *Pankaj Sharma*, *Rahul B. Hiremath*, and *Ameya Anil Patil* proposed an empirical study which investigates the relationship between board gender diversity and greenhouse gas (GHG) emissions in German-listed companies. While overall diversity does not significantly impact GHG emissions, a critical mass of women (at least 25%) on boards correlates with reduced emissions, supporting social loafing and critical mass theories.

Mythili Kolluru and *Chinue Uecker* investigated sustainability approaches of 13 top universities. Using a theoretical framework encompassing strategic positioning, transition management, diversity, partnerships, and technology access, qualitative analysis and case studies reveal insights crucial for advancing strategic sustainability in higher education.

These papers contribute to the wide spectrum of previous research including Landi et al. (2022), Maglio et al. (2020), and Rey et al. (2020).

Our Editorial team hopes that you will enjoy reading these papers.

*Andrea Rey, Ph.D., Assistant Professor (RtdB) in Accounting,
Department of Economics, Management and Institutions (DEMI)
University of Naples "Federico II", Italy,
Editorial Board Member of Corporate Ownership and Control journal*

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