EDITORIAL: Exploring the unseen dimensions of business performance — Enhancing business performance through boardroom diversity, ESG transparency, master data management, digitalization, and corporate social responsibility

Dear readers!

On behalf of the editorial team, I am pleased to present the second issue of the second volume of *Business Performance Review* (2024).

This issue features a collection of scholarly articles that address critical research themes, including boardroom diversity, environmental, social, and governance (ESG) transparency, master data management, digitalization in management and accounting (MAC), and corporate social responsibility (CSR) in the context of business performance.

The articles in this issue explore significant research questions, offering models and empirical evidence that advance our understanding of these complex topics. As businesses continue to navigate in the rapidly evolving global economy, it has become increasingly clear that traditional financial performance measures alone are insufficient for evaluating long-term success. In response, comprehensive approaches that consider multiple dimensions of business performance are becoming essential, particularly as companies prepare for unforeseen challenges, such as “black swan” events.

ESG factors, which include environmental sustainability, social responsibility, and governance practices, have a growing influence on business performance. Effective ESG management enables companies to enhance operational efficiency, reduce costs, minimize financial risks, and strengthen their reputations (Busch et al., 2016; Eccles et al., 2014). However, the relationship between ESG practices and financial performance is complex, with mixed findings across different studies (Alareeni & Hamdan, 2020; Rahman et al., 2023).

In addition, boardroom diversity has been shown to have a dual impact on business performance. While diverse boards can contribute positively through a variety of skills and perspectives, they may also introduce challenges related to communication, decision-making, and potential conflicts. Similarly, the management of master data is crucial, as organizations increasingly rely on high-quality, secure, and consistent data to make informed strategic decisions and maintain operational agility.

Digitalization plays a pivotal role in optimizing data management. The transformation of information into digital form is fundamental for ensuring data accuracy and accessibility, which in turn enhances decision-making. In the field of management accounting, digitalization offers several advantages, such as greater transparency, improved insights, and more effective decision-making (Arnaboldi et al., 2017; Warren et al., 2015). As digital tools reshape management control systems, firms can develop more precise budgets with longer time horizons (Moll & Yigitbasioglu, 2019).

Despite the considerable body of research in the field of business performance, further studies are necessary to refine standards and achieve more robust outcomes.

The first article in this issue, authored by *Richard Yeaw Chong Seow*, investigates the dynamic relationship between boardroom characteristics and ESG disclosures. Integrating stakeholder, agency, and resource dependency theories, this study examines the impact of board attributes on ESG transparency within Malaysian public-listed companies (PLCs). Using data from 63 firms over a five-year period (2018–2022) and employing weighted least squares (WLS) regression, the findings reveal that board expertise, foreign board presence, and board interlocking are positively correlated with ESG disclosure. Conversely, larger board sizes were found to have a negative effect. This research provides valuable insights for policymakers and practitioners, helping to develop strategies that foster enhanced governance and ESG practices, while also offering a foundation for future academic exploration in corporate governance.

The second article by *Matthias Schmuck* introduces a maturity model for master data management (MDM) that aims to improve data quality and reliability across organizational systems. This model, derived from a synthesis of existing research on data governance and practical experience, comprises six maturity levels and 23 assessment factors. It provides a framework for measuring the success of MDM initiatives, enabling firms to enhance decision-making processes, optimize operational efficiency, and swiftly adapt to market changes.

The third article by *Robert Rieg* and *Patrick Ulrich* examines how digitalization in management accounting and control influences corporate performance through the mediation of planning and budgeting processes. Using survey data from German management accountants and conducting a mediated regression analysis, the study finds that digitalization positively affects corporate performance by improving planning and budgeting. This research contributes to understanding the indirect effects of digitalization in management accounting, offering practical insights for both academics and practitioners.

The final article by *Chris Antorine*, *Robert Oguti Etengu*, and *Bosco Opio*, investigates the impact of CSR disclosure on financial performance in a non-mandatory reporting environment. Drawing on panel data from firms listed on the Uganda Securities Exchange (USE) from 2016 to 2022, the study finds no significant impact of governance and environmental disclosures on financial performance. However, social disclosures were found to have either a statistically negative or no effect on financial performance. These findings challenge the stakeholder theory, which posits that meeting stakeholder expectations invariably leads to financial success. The authors suggest that firms should carefully evaluate their social initiatives and allocate resources efficiently to achieve optimal outcomes.

I extend my sincere gratitude to all the authors for their valuable contributions to this issue. Their rigorous research and innovative ideas have made this edition a crucial resource for scholars, policymakers, practitioners, and regulators. I hope that the insights shared in this issue will inspire new research and stimulate further academic and practical discussions.

I would also like to express my appreciation to the authors, readers, reviewers, the editorial team, and the support staff at Virtus Interpress for their continued dedication and support.

Enjoy the reading!

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