EDITORIAL: An international outlook of the corporate governance research

Dear readers!

The recent issue of *Corporate Ownership and Control* journal contains both empirical and review papers describing the wide variety of corporate governance issues from the board of directors and chief executive officer (CEO) practices to stock market, ownership, sustainability and reporting. The geographical representation of the papers provides an excellent opportunity for international comparison.

Jayasinghe Hewa Dulige and *Pankaj Sharma* explored the potential impact of the Australian Accounting Standards Board's (AASB) Accounting Standard for Leases, AASB 16, on firm value using data from 2016 to 2022, which covers three years before and four years after adopting AASB 16. By using Australian data, the research fills a gap in the current literature by providing insights into the effects of lease accounting rules on a company's value. The findings of this study will undoubtedly have a significant economic impact on the AASB 16 standard.

Patrick Velte reviewed 85 archival studies on the impact of corporate governance on the subpillars of corporate social performance and reporting. Relying on a stakeholder-agency theoretical framework, this structured literature review includes board characteristics, CEO attributes, and ownership structure as corporate governance. Board (gender) diversity and (long-term) institutional ownership were dominant in this literature review. Although many studies of related corporate governance factors found inconclusive results, there were indications that board gender diversity, board experience and expertise, and long-term institutional ownership are positively related to social performance.

Pei Li and *Leo Tang* studied how traffic congestion affects bond yields in urban areas of the US. While the adverse effects of congestion — such as increased stress and reduced economic activity — have been well documented, this is the first study that investigates its impact on the municipal bond market. Collecting the annual traffic data from the Urban Mobility Reports that were published by the Texas A&M Transportation Institute, the authors examined municipal bonds and found that areas with high traffic congestion exhibit significantly higher bond yields. A one standard deviation increase in traffic congestion corresponds to a 12.8 basis-point increase in overall bond yields.

Yuki Gong, *Ruixue Sun*, *Yanmiao Cai*, and *Li Willa* studied how executive characteristics, including gender, educational attainment, and overseas experience, affect stock price crash risk among firms listed on China's Growth Enterprise Market from 2009 to 2023. The results reveal that firms led by male executives are associated with significantly higher crash risk, whereas executives with higher education levels are linked to lower crash risk. Interestingly, contrary to prevailing expectations, overseas experience is positively related to crash risk. These relationships remain robust after controlling for firm-specific characteristics and addressing potential endogeneity using a Heckman two-stage regression approach.

Bruno Fiesenig and *Louis Schirra* investigated the determinants of dual-class share initial public offerings (IPOs) in the US, with a focus on how these drivers have changed over time. By dividing the sample into two periods, before and after 2014, the authors found a structural shift in the firm characteristics associated with dual-class IPOs. Logistic regression results show that, while many traditional predictors remain stable or insignificant across periods, the technology sector emerges as a key driver in the post-2014 sample, with a strong and statistically significant positive effect on the likelihood of adopting a dual-class structure.

Samira Benelifa and *Faten Nasfi Salem* explored how various contingency factors influence the sophistication of management accounting practices (MAPs) in manufacturing firms in Tunisia, based on the International Federation of Accountants framework. The study uses a robust dataset encompassing responses related to 38 MAPs and eight contingency variables across a representative sample of Tunisian manufacturing firms. Using the non-parametric Kruskal-Wallis test, the findings indicate that organizational structure, business strategy, total quality management, just-in-time systems, advanced manufacturing technology, and environmental uncertainty significantly influence the adoption of advanced MAPs.

Cindy Chen, *Dan He*, *Jasmine Yur-Austin*, and *Qi Zhang* examined wage rigidity and its connection to the pay-for-performance sensitivity of Chinese CEOs. The authors found that Chinese CEOs are compensated for both recurring and non-recurring business gains but are shielded from losses. The asymmetrical effects of gains and losses are differentiated between state-owned enterprises (SOEs) and non-SOEs, as well as between central and local SOEs.

Marco Tutino, *Simona Arduini*, *Tommaso Beck*, and *Francesca Capolini* provided a systematic literature review (SLR) on the relationship between corporate governance and sustainability. To highlight this relationship, the authors examined and reviewed the 50 most cited academic sources on the topic, within the timeframe 2014–2025, using the authoritative scientific database Scopus. Findings, classified under "Temporal distribution of sources", "Distribution of citations", "Average citations per publication", "Keywords analysis", and "Purpose, results and implications", offer both theoretical and practical insights in outlining the characteristics and current and prospective trends of research in this field. Specifically, the study highlights that corporate governance and sustainability, when integrated into corporate logics, generate long-term consolidated economic benefits.

Daniele Stanzione explored the different approaches of Italian and the UK law on the topic of assets liquidation in insolvency procedures. In particular, it aims at investigating the reasons of this different approach, which could be found, in author's opinion, in the peculiar legislative philosophy that have inspired, on the one hand, Italian law reform process, essentially devoted to the preservation of the business of the firm even where subject to the insolvency procedure, as far as possible, and, on the other hand, the UK insolvency law, rather pointed towards the expulsion from the market of the firm undergoing the insolvency procedure, because of its inefficiency, for the benefit of the economic system as a whole.

Najul Laskar and *Nitu Maurya* examined the relationship between CEO duality and sustainability reporting based on 200 companies listed on the Bombay Stock Exchange from 2018 to 2023. The findings revealed that, on average, firms disclosed 72 percent of the G4 elements. Regression analysis showed that CEO duality has a significant negative impact on sustainability disclosures, supporting the idea that concentrated leadership power reduces accountability and transparency.

Yasemin Zengin-Karaibrahimoglu and *Laura Georg Schaffner* studies whether companies pay a price for not securing their clients' data. Findings documented that following a data breach, compared to other comparable non-breached companies, the breached company loses its premium for services, particularly for clients with large institutional shareholders. Given companies' dual societal and profit-generating functions, our results suggest that data breaches not only compromise a company's reputation in the capital markets but also erode the trust of their clients, especially in the presence of institutional investors.

Dhananjay Ashri provided a comprehensive SLR of existing research on corporate green bond issuance. Adopting the SLR method, the author reviewed 38 articles published between the years 2019 and 2024 in 23 journals from finance, economics, and management disciplines that have been ranked in the Australian Business Deans Council 2022 list. Key findings show that improving corporate reputation is the key motivation for the issuers. Additional motives could be easing financial constraints or greenwashing.

Graziella Sicoli, *Maria Assunta Baldini*, and *Maurizio Rija* examined, on a sample of companies listed on the Italian Stock Exchange (Borsa Italiana), the extent to which investments in sustainable innovation improve corporate performance according to the sustainable innovation approach of "triple bottom line" (TBL). Three key performance indicators were established to delineate, in accordance with the TBL framework, the sustainable environmental, economic, and social performance of each organisation in the sample.

Souad Chaieb contributed to the growing literature on digital governance and anti-corruption by examining the relationship between digitalization and corruption, and assessing whether firms' ethical behavior moderates this relationship. The sample consists of 114 countries from 2016. Proxies for digitalization are derived from the World Bank's Digital Adoption Index for 2016, while the remaining variables are sourced from the Global Competitiveness Report of the same year. The results reveal a negative and significant association between the overall digitalization score and sub-scores dealing with digitalization adoption by businesses, people, government, and corruption.

Jegoo Lee explores whether risk-based CEO compensation, specifically, the sensitivity of CEO pay to firm risk exposure (CEO risk sensitivity), can serve as an incentive to reduce employee-related corporate social irresponsibility (E-CSI). The author examined whether CEOs treat E-CSI as a risk-mitigating strategy when incentivized with risk sensitivity. Using a panel data of over 17,000 firm-year observations from large US public companies from 1998 to 2018, and fixed effects Poisson regression, it was concluded that higher CEO risk sensitivity is associated with significantly lower E-CSI. This relationship is amplified in firms in contexts characterized by high managerial discretion, across individual, organizational, and industry levels. Findings reveal that risk-sensitivity pay promotes CEOs paying attention to corporate harmful behaviors toward employees.

These papers contribute to the previous research by Porajow et al. (2024), Lizarzaburu et al. (2023), Capuano (2022), Hundal et al. (2022). Also, these papers refer to the previous literature by Elsheikh et al. (2024), Kostyuk (2024), Phuong et al. (2024), and Suhardjo et al. (2024).

The papers published in this issue of the journal are very interesting and useful sources of the literature for both experienced and younger researchers.

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