EDITORIAL: Multi-disciplinary research in corporate governance

Dear readers!

This issue of the journal has been composed of papers that are mostly empirical and contribute new ideas to the major issues of corporate governance, such as board of directors, accounting, auditing, social responsibility, firm performance, ownership, etc. We have the pleasure to inform you that scholars from many countries of the world are authors of these papers. This makes the recent issue of the journal very interesting for the readers. These papers provide a solid contribution to the previous research by Abbadi et al. (2021), Kostyuk et al. (2018), Cranmer (2017), Santen and Donker (2009), and Guerra et al. (2008).

Udayan Karnatak set conceptual links, trends, and emerging insights into initial public offering (IPO) literature that will be relevant for scholars to further research on IPOs and their implications on firms' sustainability. The author identified 579 relevant articles on IPO research by collecting data from Scopus and applying predefined criteria (IPO topics). These articles cover the period from 1986 to 2024. Citation and co-citation analysis revealed three clusters with key themes, including research on underpricing and long-term corporate value.

Ibtissem Jilani investigated the impact of earnings quality on the value of excess cash holdings using a dataset of 95 French firms over the period 2005–2020, totaling 1,520 firm-year observations. This research explores whether the quality of financial reporting can explain such differences in valuation. Empirical findings demonstrate a strong positive relationship between high-quality accruals and the valuation of excess liquidity. Specifically, firms with more reliable and transparent earnings information experience a higher market valuation of their excess cash, suggesting that investors associate superior earnings quality with sound financial management and efficient capital allocation.

Rahul Kumar, *Rojers P. Joseph*, and *Renjith Ramachandran* examined how India's mandatory corporate social responsibility (CSR) expenditure affects firms' environmental, social, and governance (ESG) performance within a unique dual regulatory setting. Drawing on stakeholder theory, the authors argue that CSR obligations prioritize indirect community stakeholders, while ESG performance reflects outcomes valued by direct stakeholders such as investors, employees, and customers.

Michael Babbel, *Jochen Hundsdoerfer*, and *Paul Pronobis* examined the impact of shareholder-level tax incentives on corporate capital structure. The authors conjecture and find that the largest shareholder's tax incentive for debt positively influences leverage. They also find that the second-largest shareholder's tax incentive for debt is incrementally relevant for leverage. Tax incentive heterogeneity between the two largest shareholders reduces the positive impact of the largest shareholder's tax incentive on leverage. Finally, they document that the relevance of the largest shareholder's tax incentive for capital structure decisions is increasing in the level of voting rights power.

Xiang Long, *Dylan Norris*, and *Hai Van Le* investigated the impact of executive gender on firm performance during the COVID-19 crisis, framed through the lens of behavioural finance. The authors argue that leadership traits associated with female executives — such as lower overconfidence and a more collaborative, risk-averse approach — serve as a corporate governance mechanism that enhances organizational resilience. Analysing U.S. firms, difference-in-differences models show that female-led firms exhibited superior financial performance during the pandemic.

S. Vasumathy Hariharan investigated how promoter and institutional ownership influence firm-specific risk — both market-based (stock return volatility) and fundamental (Altman Z-score) — using a decade-long panel of Indian listed firms (2014–2024). Unlike prior studies that analyze ownership types in isolation, this research offers a unified empirical model incorporating both risk measures. The key contribution of the paper is the simultaneous estimation of the effect of ownership structures on two complementary dimensions of firm risk. The findings reveal that institutional ownership significantly reduces volatility, while promoter holding shows no significant impact on risk.

Mansoor Khan offered a critical evaluation of the conceptual frameworks and practical implementations of deposit and financing structures within prominent Islamic banks around the world. Comparative data and empirical analysis indicate that the returns on Islamic banking products are statistically indistinguishable from those of conventional banks. While these products comply with Shariah requirements in form, they often replicate the economic substance of interest-based instruments.

Simone Philp and *Patrick Ulrich* examined the sustainability performance and Corporate Sustainability Reporting Directive (CSRD) readiness of leading companies in the healthcare sector. The selection of this industry is particularly relevant due to its significant societal impact and the growing demand for transparent, sustainable business practices. The central research question is: To what extent does sustainability performance for CSRD readiness differ between companies in the healthcare sector? To explore this, a comparative analysis was conducted on the datasets of sustainability reports of 14 global leaders in healthcare, spanning pharmaceuticals, medical technology, and service providers.

Monia Chikhaoui examined whether governance quality affects the effectiveness of business strategies in Tunisian banks. Using data from ten commercial banks observed from 2000 to 2021, the study analyzes how internal governance mechanisms influence strategic outcomes such as net banking income (NBI), market share, and credit policy. The results indicate that institutional investors and an effective board structure enhance strategic performance, while excessive control or power concentration reduces flexibility. Bank size and age also significantly affect outcomes, with older banks performing better.

Vishwa Hamendra Prasad, *Vishal Sharma*, *Shoma Prakash*, *Arun Lata*, and *Moreen Maharaj* draw on established theoretical frameworks to formulate propositions and outline a future research agenda concerning the impact of internal control on corporate governance. Specifically, it leverages institutional theory alongside Marx's circuit of industrial capital to construct theoretically grounded and defensible propositions. Internal control effectiveness has been found to mediate the relationship between governance mechanisms and organizational performance, underscoring the intertwined nature of governance, risk management, and business outcomes.

Seshadev Sahoo and *Vedika Saxena* investigated the impact of disclosed use of offer proceeds on the issue price and listing price, thereby providing a more comprehensive understanding of price formation in the primary market. Utilizing a sample of 195 IPOs issued between 2010 and 2021, the authors examine the impact of the intended use of proceeds disclosure on the offer price and the average listing price. The findings suggest that allocations for capital expenditure and debt repayment are positively associated with higher prices.

Imen Achek and *Souad Chaieb* examined the relationship between the efficacy of corporate boards and the strength of auditing and reporting standards (SARS) in African countries and tested whether the ethical behavior of firms affects this relationship. The dataset in this study comprises 96 observations spanning the years 2015 to 2017. The findings contribute to the theoretical advancement of corporate governance research by demonstrating that the efficacy of corporate boards plays a pivotal role in enhancing the SARS in African countries.

Pina Puntillo, *Carmela Gulluscio*, and *Stefania Veltri* employed a robust systematic literature review analysis, which sequentially combined a systematic literature review with both bibliometric analysis and content analysis to examine a final sample of 34 theoretical and empirical studies. The main results indicate that research interest primarily surged between 2019 and 2021, though growth has since slowed. The findings also reveal a predominant reliance on qualitative research approaches within this emerging field, with the majority of contributions being literature reviews and normative or policy-oriented works.

Dalenda Ben Ahmed explored how financial gains can influence employee satisfaction, motivation, and the reduction of absenteeism and turnover. Our study, conducted using French and Canadian companies as examples, focused on the dynamics of contributions, discounts, and the percentage of employee shares over a five-year period. The results of the study show that employee motivation, satisfaction, and the reduction of absenteeism and turnover are explained by the evolution of discount, matching contribution, and percentage of employee shares.

Having contributed to numerous previous research such as Mantovani et al. (2022), Arora and Singh (2021), Antwi et al. (2021), Gigante and Venezia (2021), etc., these papers deliver an excellent background for the further research in corporate governance and related fields of research from the cross-culture perspective. I hope that readers will enjoy exploring the results of these studies.

Alexander Kostyuk, Ph.D., DBA, Professor,
Virtus Global Center for Corporate Governance, Ukraine,
Co-Editor-in-Chief, Corporate Ownership and Control journal

REFERENCES

Abbadi, S., Abuaddous, M., & Alwashah, A. (2021). Impact of board gender diversity on the financial performance of the manufacturing and service companies listed on the Amman Stock Exchange. *Corporate Governance and Organizational Behavior Review, 5*(2), 8–16. https://doi.org/10.22495/cgobrv5i2p1

Antwi, I. F., Carvalho, C., & Carmo, C. (2021). Corporate governance and firm performance in the emerging market: A review of the empirical literature. *Journal of Governance & Regulation, 10*(1), 96–111. https://doi.org/10.22495/jgrv10i1art10

Arora, A., & Singh, A. (2021). Board characteristics and financial performance: A comprehensive literature review. *Corporate Ownership & Control, 19*(1), 188–198. https://doi.org/10.22495/cocv19i1art14

Cranmer, L. (2017). Corporate responsibility and the idea of the firm. *Corporate Governance and Organizational Behavior Review, 1*(1), 13–24. https://doi.org/10.22495/cgobr_v1_i1_p2

Gigante, G., & Venezia, M. V. (2021). Corporate ownership and shareholder activism: The case of Italy. *Corporate Ownership & Control, 19*(1), 159–168. https://doi.org/10.22495/cocv19i1art12

Guerra, S., Fischmann, A., & Machado Filho, C. A. P. (2008). An agenda for board research. *Corporate Board: Role, Duties and Composition, 4*(1), 50–56. https://doi.org/10.22495/cbv4i1art4

Kostyuk, A., Mozghovyi, Y., & Govorun, D. (2018). Corporate governance, ownership and control: A review of recent scholarly research. *Corporate Board: Role, Duties and Composition, 14*(1), 50–56. https://doi.org/10.22495/cbv14i1art4

Mantovani, G. M., Kostyuk, A., & Govorun, D. (Eds.). (2022). *Corporate governance: Theory and practice*. Virtus Interpress. https://doi.org/10.22495/cgtap

Santen, B., & Donker, H. (2009). Board diversity in the perspective of financial distress: Empirical evidence from the Netherlands. *Corporate Board: Role, Duties and Composition, 5*(2), 23–35. https://doi.org/10.22495/cbv5i2art3