Corporate Governance
An International Review

Call for Papers
Corporate Governance: An International Review
Special Issue on
"Corporate Governance and Evolving Corporate Disclosures:
Global Challenges and Opportunities for Research and Policy"

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BACKGROUND

The aim of this special issue is to bring together research that will help us achieve a deeper understanding of the fundamental association between corporate governance structures and evolving corporate disclosures. Accounting is increasingly developing beyond financial statements at an international level, to include mandatory and voluntary disclosures of financial and non-financial, qualitative and quantitative information about the company's financial position and performance, strategy and business model, risks, uncertainties and future prospects, and social and environmental responsibility. Such developments have been endorsed by national (e.g., US Financial Accounting Standards Board (FASB), UK Financial Reporting Council (FRC)) and supranational (International Accounting Standards Board (IASB)) standard setters and regulators. For example, the U.S. Securities and Exchange Commission (SEC) has recently proposed new rules on climate disclosures (SEC, 2022), the IASB is revising the practice statement on Management Commentary (IASB, 2021), and the International Sustainability Standards Board is currently working on devising an international sustainability reporting framework (ISSB, 2022). Along with the new or updated types of information, channels of corporate financial communication have also expanded, with online platforms and social media enabling more timely information flows to stakeholders (Ang, Hsu, Tang, & Wu, 2021; Blankespoor, 2018).

Extant research on corporate governance has focused extensively on examining the link to financial accounting (Armstrong, Balakrishnan, & Cohen, 2012), with some streams focusing on the association with remaining corporate disclosures (e.g., annual reports, management forecasts, non-GAAP reporting). On this association, research delves on the direct role of managerial compensation (including managerial stock ownership, see, e.g., Hidalgo, Garcia-Meca, & Martinez, 2011; Isidiro & Marques, 2013) and of different types of corporate ownership (Ahblom & Christner, 2022; Eng & Mak, 2003). A number of papers examine the empirical association between corporate governance and different types of voluntary disclosure (e.g., Gul & Leung, 2004; Jizi, Salama, Dixon, & Stratling, 2014; Lagasio & Cucari, 2019; Li, Pike, & Haniffa, 2008; Wang & Hussainey, 2014). Papers in this stream often rely on a generic theoretical framework (e.g., agency theory, stakeholder theory, legitimacy theory) to predict an impact of governance structures on disclosure, yet do not unravel the channels through which such structures affect the content and length of corporate disclosures. A potential hurdle in investigating these channels is our limited understanding of the groups involved in preparing corporate disclosures and shaping investor communications. Moreover, the global landscape in the requirements for the disclosure of financial and non-financial information is constantly evolving. It is hence of primary importance to gain further insights into how governance structures can or should adapt to this ever-changing corporate environment.

Research on corporate governance often alludes to evidence on corporate boards' inefficiency or challenges in improving transparency. A deeper understanding of the channels through which corporate boards shape evolving corporate disclosures and communication channels could reinforce firms' dynamic adjustments to optimal governance arrangements (e.g., Gibbons & Murphy, 1992). Insights will be useful to both top management and the corporate boards as they act dependently and independently in shaping corporate disclosures (Luciano, Nahrgang, & Shropshire, 2020). A focal point for investigation would be the effects of continuous corporate disclosure reforms across the world (emanating from regulators, stock exchanges or others), which either target new content in corporate disclosures, e.g., issues on environmental and social responsibility, non-financial performance indicators, or more timely communication. We have a limited understanding of whether such reforms have spill-over effects on governance. To the extent such effects exist, they can unravel an additional channel through which corporate disclosure reforms affect organisational performance.

TYPES OF SUBMISSIONS SOLICITED

We consider the following topics and indicative research questions of particular importance and relevance for this special issue:

1. Boards, top management team (TMT) and corporate disclosures.

How is the board involved in the preparation of annual reports? What are the interactions with TMT in shaping the content of disclosures? Prior research alludes to multiple players being involved in different stages of the disclosure (reporting) process e.g., CEO, CFO, company secretary, lawyers, auditors (Chahed & Goh, 2019) – what is the timing and ways that corporate boards intervene in the process? Research focusing on broader communication channels unravels further information intermediaries, e.g., investor communication experts, corporate reporting consultants, financial analysts (Bushee & Miller, 2012) – how do these intermediaries intervene in the disclosure process and how can corporate governance affect such intervention?

2. Managerial and director incentives and corporate disclosures.

What is the role of pay and non-pay related incentives of different actors participating in the disclosure process? Does the design of executive pay contracts take into consideration the role of new communication channels and information intermediaries in promoting transparency? Are there spill-over effects related to new disclosure requirements on the design of executive pay contracts?

3. Board structure and content of disclosures.

What is the impact of different board structures on the development process and content of corporate disclosures? What country-specific board characteristics facilitate or interfere with the disclosure process?

4. Corporate governance and corporate disclosure – the demand side.

How does shareholder and/or public demand for both corporate governance and disclosure reforms affect the development and enforcement of new governance and disclosure requirements? How has the prevalence of new corporate communication channels affected the demand for new types of disclosures? Do we observe substantial international differences in such demand?

5. New methods exploring the relationship between corporate disclosures and corporate governance.

An underexplored aspect is the opposite direction of causality where disclosure affects corporate governance. Hermalin and Weisbach (2012) develop a framework for how increases in disclosures levels affect CEO compensation and monitoring and show that reforms associated with increases in disclosure levels are associated with higher CEO compensation (salaries) and turnover rates. To the extent there are feedback effects, i.e., changes in disclosure trigger changes in corporate governance with knock on effects on corporate disclosures, future research can benefit from innovative methods investigating direct and indirect paths through which disclosure (governance) can affect governance (corporate disclosures). Such feedback loops may unravel interesting spill-over effects of disclosure reforms on governance that need to be explicitly investigated.

In line with the journal's aim and scope, this Special Issue embraces the submission of high-quality studies with a theoretical and/or empirical contribution to corporate governance knowledge. It is important, and of particular interest to the *CGIR* readership, that the literature examining the corporate governance and disclosure relationship uses a diversity of theories and research methods (such as interviews, experiments, empirical archival research, surveys), reflecting the benefits of adopting a multi-disciplinary approach in researching this fundamental association (Adams, 2002; Ahmed & Courtis, 1999; Baldini *et al.*, 2016, Filatotchev & Wright, 2017; Liao Luo, & Tang 2015; Pugliese *et al.*, 2009). For this reason, we encourage submissions using a broad range of theoretical frameworks and methodologies (including qualitative and analytical). We particularly welcome papers using state-of-the-art methodological approaches that challenge our current understanding of corporate governance phenomena. We also endorse submissions of papers from scholars operating from a wide variety of disciplines such as accounting, economics, finance, law, management, political science, and sociology.

TIMELINE AND SUBMISSION PROCESS

The deadline for submissions of full papers is October 1, 2023. Late submissions will not be accepted. All submissions must be uploaded to the Manuscript Central/Scholar One website (https://mc.manuscriptcentral.com/cgir) and indicate that the manuscript is intended for this Special Issue. All *CGIR* Author Guidelines must be followed. Submissions that do not adhere to the contributor guidelines will be returned to the authors. Papers will be subject to the *CGIR* standard double-blind reviewing process. The expected publication of the Special Issue is late 2024.

We plan to hold an (optional) Paper Development Workshop at Copenhagen Business School in early Summer 2023 (subject to approval and funding). Authors are encouraged to submit their draft papers for consideration at this workshop. Extended abstracts (10 pages, tables and references excluded) will also be considered for the workshop. Submissions to the workshop are to be made by e-mail to cgir.special.issue@gmail.com. The due date to submit workshop proposals is April 1, 2023. The most promising draft papers and proposals will be selected for presentation at the workshop. Authors will be notified by May 1, 2023 whether their paper or proposal is accepted to be presented and discussed at this conference. Participation in the workshop is recommended but not required for submission to the Special Issue. Please note that acceptance to the workshop does not necessarily guarantee acceptance to the *CGIR* Special Issue.

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