Corporate Governance and Corporate Social Responsibility – Revisiting Their Inter-Relationship

Tanusree Jain, Copenhagen Business School, Denmark

Adrián Zicari, ESSEC Business School, Paris, France

Ruth V. Aguilera, Northeastern University, USA, and ESADE Business School, Spain

Abstract

With a surge in social, environmental, and corporate governance (ESG) awareness and related misbehaviors, the interplay between corporate governance (CG) and corporate social responsibility (CSR) is becoming more important than ever. Theoretically, one strand of CG-CSR research establishes mechanisms and processes through which CG drives CSR practices and their disclosures. Concomitantly, another strand of the literature argues that socially responsible firms are also well governed at the upper echelon level. The emergence of best practices on responsible governance and of frameworks that subsume both corporate responsibility and corporate governance (such as ESG) reinforce the need to explore and more deeply study the inter-relationships between these domains. This chapter provides an overview of the inter-relationship between CG and CSR situated in the mainstream business, governance and ethics outlets. Based on our review insights, our final section chalks out a comprehensive future research agenda rethinking academic and policy research at this critical intersection.

Key Words: corporate governance, corporate social responsibility, ethics, institutional theory

<A> INTRODUCTION

There is no debate that the 21st century represents a troubled world. With crises overlapping one upon the other namely, the climate crisis, economic inequality, increasing corporate scandals, a global pandemic, and pressing geopolitical tensions, the challenges for business in society are surmounting. In the face of such crises, corporate leadership is more important than ever. While in an otherwise turbulent context, mere compliance with regulations and corporate survival may appear to be a reasonable benchmark for to achieve, intensified stakeholder scrutiny of and expectations from business leaders is raising the bar for what business can and must do as corporate citizens (Friedland & Jain, 2022). Otherwise said, the moral high ground is not simply to refrain from corporate irresponsibility (Jain & Zaman, 2020) but to contribute to much needed solutions, to bring inspiration to society, and to develop a new, positive narrative about business in society (Freeman, Martin, & Parmar, 2020, p. 156).

Accordingly, this chapter explores the interplay between two core tenets guiding corporate behaviors—corporate governance (CG) and corporate social responsibility (CSR)—with the view to present the current state of the art in the field. Furthermore, as companies are embedded in different national business systems (Aguilera & Jackson, 2003; Whitley, 1999), we will further unpack the CG-CSR relationship across cross-national contexts where possible, thus offering a more nuanced view of this intersection. Finally, our conclusion will chalk out a comprehensive future research agenda for advancing both theoretical, empirical, and policy research in this field. At the outset, we contend that this exploration of the interface of CG-CSR is both timely and necessary. One, it provides theoretical rigor to ongoing initiatives, both national and international, mandatory and voluntary, such as the United Nations Global Compact (UNGC), Environmental, Social and Governance (ESG) disclosures, the Global Reporting Initiative (GRI), and the Integrated Reporting Directive.

Second, while most of these initiatives frequently focus on the outcomes of corporate action, the CG-CSR interface helps to identify, elaborate, and fine-tune the process through which corporations can initiate change. To that extent, understanding this interface is key for successful sustainability transitions.

<A> CORPORATE GOVERNANCE: DEFINITIONS AND TYPOLOGY

The classical view of corporate governance (CG) is rooted in the agency theory. Indeed, CG was initially conceived as a remedy for the assumed conflict between principal-shareholders and agents-managers (Berle & Means, 1932; Fama & Jensen, 1983). Assuming that both groups have opposing interests, contrasting viewpoints and asymmetrical access to information, the agency theory claims that managers are likely to engage in opportunistic actions such as increasing their compensation, engaging in empire building behaviors and the like (Jensen & Meckling, 1976), even when such behaviors are at the cost of shareholder welfare. Furthermore, the agency theory assumes that managerial opportunism does not only include usage of corporate resources directly for managers themselves, but also undertaking social activities on behalf of the organization, without clear benefits for shareholders (Friedman, 1970). In such a context, CG is viewed as a collection of rules that provide a formal structure to the relationship between boards of directors, shareholders, and managers in a manner that promotes shareholder primacy and financial efficiency (Berle & Means, 1932). Interestingly, this conventional, relatively simplistic, understanding of CG—suggesting that the main tensions for a firm reside inside of it—has remained prolific for long time. Yet, more recently, there is increasing realization that the agency approach remains ‘under contextualized’ (Aguilera *et al.*, 2008, p. 475) for attachment to a closed-system view and by extension its oversight of the organizational environment.

Accordingly, the meaning and the scope of CG has since expanded to include a broader conceptualization of firm performance, in an attempt to address the expectations of a wider set of stakeholders (Gill, 2008; Windsor, 2006; Zaman *et al.*, 2022). In this context, CG refers to the mechanisms that relate to the 'rights and responsibilities among the parties with a *stake* in the firm' (Aoki, 2000, p. 11), thus opening the path for the consideration of both financial and non-financial performance for the firm (Aguilera, 2008; Jain & Jamali, 2016). Such a broader scope of firm performance brings forth a more realistic and nuanced understanding of the role of managers and firm responsibility. Concomitantly, it also allows for the consideration of non-shareholder stakeholders focused perspectives in furthering the theoretical underpinning of CG.

Here, the *institutional theory* (Meyer & Rowan, 1977) holds promise, with its claim that managerial decisions are not exclusively dictated by economic motives, but also by the need to adapt to legal, social and political context within which the company is embedded. Specifically, the *National Business Systems* approach (Whitley, 1999), with roots in institutional theory, is particularly fruitful to explore how companies deploy their particular CG practices in different national contexts. Another useful perspective where the emphasis goes beyond monitoring or constraining managers (as it was the case of the agency theory), is offered by the *resource dependence theory* (Pfeffer & Salancik, 1978) and the *stewardship theory* (Davis *et al.*, 1997). Resource dependence theory highlights the role of boards and board members as dynamic actors who bring knowledge, networks and experience to the company. Here the emphasis is on bringing further guidance and support to managerial decision making (de Villiers, Naiker, & van Staden, 2011; Hillman & Dalziel, 2003). Similarly, the *stewardship theory* presents an anthropologic perspective where human beings can be pro-social, loyal to their principals and strive to act in the best interests of the organization (Caldwell *et al.*, 2010; Ghoshal, 2005) as opposed to the agency theory that presumes conflict between principal and agents. Per the *stewardship theory,* the manager as a 'steward (…) believes that by working toward organizational, collective ends, personal needs are met.' (Davis *et al.*, 1997, p. 25). Finally, *stakeholder theory* (Freeman, 1984) highlights the role and expectations of a wider set of actors, who also have a stake in the company, over and above shareholders. Since managers would have to make decisions taking into considerations their multiple and perhaps even conflicting interests, CG would have to facilitate and implement a much needed engagement of all stakeholders with the firm (Jamali & Jain, 2016).

<A> CORPORATE SOCIAL RESPONSIBILITY: DEFINITIONS AND TYPOLOGY

In a paper published in 2008, Dahlsrud identified 37 different definitions for corporate social responsibility (CSR). One may imagine that the list of definitions has only expanded since, following the surge and evolution of different types of initiatives that are understood as CSR as well as the different institutional and regulatory framings for CSR (Jain, Aguilera, & Jamali, 2017). Although there are some definitions that include only voluntary corporate actions within the purview of CSR, in this chapter we adopt a broader view of CSR as a collection of 'policies, processes, and practices (including disclosures) that firms put in place to improve the social state and well-being of their stakeholders and society' (Zaman *et al.*, 2022, p. 692). Here, we include the environment as a stakeholder and include actions that corporations adopt as CSR irrespective of whether they are voluntary or mandated in nature.

From a theoretical standpoint, Garriga and Melé (2004) present a panorama of the different approaches for CSR, distinguishing four types of theories: instrumental, political, integrative and ethical theories. *Instrumental theories* see CSR as a means to increase profits, and that views CSR as legitimate as long as it increases financial benefits to shareholders. This happens for instance when corporate donations are aligned with strategy (Porter & Kramer, 2002), environmental investments give a competitive edge to the firm (Hart, 1995) and companies serve the poor profitably (Prahalad & Hammond, 2002). All in all, these kind of CSR practices are in line with the agency theory.

Political theories emphasize the social power of business, the importance of using that power responsibly and putting forward the need for companies to take part in the life of society beyond the mere creation of wealth (Davis, 1960). This would imply for instance, working with NGOs, contributing to the local community or taking part in the public debate. *Integrative theories* point to the prevalence of an implied social contract between firms and its wider set of stakeholders (Freeman, 1984), the need of listening and being responsive to societal demands (Donaldson & Dunfee, 1994; 1999). Finally, e*thical theories* emphasize the importance of doing the right thing, irrespective of profits or social pressures. Among several ethical approaches, one can mention the universal rights as presented for instance in the UNGC, and the notion of common good (Smith, 1999). One may see that the three later types of theories (i.e., political, integrative and ethical) go beyond the simplistic framework of the agency model. Institutional theory and resource dependence theory focus on the corporate environment, thus being consistent with political and integrative approaches for CSR. stakeholder theory is coherent with integrative and instrumental approaches for CSR, while stewardship theory is conversant with ethical views for CSR.

<A> INTERPLAY BETWEEN CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

In this section, we address the mutual interactions between CG and CSR. From a review of the literature in the field, there are two possible ways that the relationship between CG and CSR unfolds. The first and the more prolific area explores and evaluates how CG structures, mechanisms and processes have the potential to drive responsible behaviors, practices and their disclosures at the firm level. Here, CG comprises a collection of mechanisms that can originate inside the firm (e.g., board structural composition and processes, corporate ownership and managerial incentives), and outside the corporate boundaries (e.g., market for corporate control, legal constraints, media coverage, shareholder activism, external audit and rating organizations) (Aguilera *et al.*, 2015). Collectively, this research domain seeks to evaluate how various combinations and permutations of external and internal governance mechanisms can drive (encourage or constrain) CSR outcomes.

The second area of research underpins how responsible organizations are also better managed and governed at the firm level, in terms of adoption of structures and processes that are more inclusive, transparent, and accountable towards multiple stakeholders. Here, it is important to understand the distinction between internal and external responsible behaviors. The former kind of relate to internal firm actors, for instance trainings, corporate ombudsman, employee representation on committees, and codes of conduct, (Rodríguez-Domínguez, Gallego-Alvarez, & García-Sánchez, 2009), while the latter involve external actors, for instance, partnerships with NGOs, CSR awards, participation in sustainability indexes (Zicari, 2017), and corporate philanthropy (Gautier & Pache, 2015; Halme & Laurila, 2009). The internal and external forms of CSR can also drive adoption of responsible governance behaviors within the firm. For instance, if a firm rallies and supports pro-diversity narratives in public-debate such as through corporate advertisements and publicity (external CSR), it is also likely to push such firms towards adopting more diverse structures and practices at its own leadership level (diversity on boards).

<b> From Corporate Governance to Corporate Social Responsibility

Jain & Jamali (2016) present a comprehensive review of the literature that explores how CG structures and mechanisms drive firm CSR behaviors. It is important to note that such mechanisms emerge at multiple levels: institutional level (i.e., the context where companies are situated), firm level, board level, and individual level. This multilevel analysis can be useful, as it can help to better understand and explain the nuances of CG in different national contexts and their implications for firms.

At the institutional level, the different legal, social and political systems provide the contexts where firms operate. Some of these institutional contexts are more shareholder-oriented, while others are more supportive of stakeholders (Matten & Moon, 2008). For instance, Kang and Moon (2011) identify three models of capitalism: liberal market economies (LMEs), which include the UK and the US, coordinated market economies (CMEs), which include some Continental Europe countries and Japan, and State-led market economies (SLMEs), which include France and South Korea. However, this typology does not include emerging economies, and logically, does not include socialist countries, like Cuba. Schneider (2013) coins a complementary category, hierarchical economies, that would correspond to the reality of Latin American countries.

Another more comprehensive taxonomy is presented by Witt *et al.* (2017) who in their analysis of 61 countries prescribe nine different types of economies. Similarly, Fainshmidt *et al.* (2018, p. 307) propose the varieties of institutional systems (VIS) framework which captures 'the diverse and unique institutional contexts of understudied economies in Africa, Middle East, East Europe, Latin America, and Asia.' It is interesting to note that while these categorizations are highly useful in their attempt at clustering together countries that exhibit similar patterns of legal, social and political dynamics, differences still remain. For instance, Witt *et al.* (2017) include in the same category (emerging economies) countries as diverse as Argentina, Bangladesh and Philippines. Even for the LMEs, who share the emblematic Anglo-American shareholder model, Aguilera *et al.* (2006) identify relevant differences between the US and the UK in terms of their CG practices. All in all, these categories of countries matter, as they depict different environments where companies are embedded, with different emphasis either on shareholders or stakeholders. Yet, these categorizations are not written in stone. They can evolve in time, as countries change their legislations, policies and social priorities (see Jamali *et al.*, 2020).

Notwithstanding the diverse institutional level categorizations of country contexts that literature has to offer, a particularly important mechanism for firm CG practices correspond to the rules that discipline managers. These include the relative leeway vis-à-vis shareholders, anti-self-dealing laws as well as protections for minority shareholders. In terms of the impact of such rules on CSR practices, some studies (e.g., Ioannou & Serafeim, 2012; Jo & Harjoto, 2014) suggest that there is an inverse relation between rules that constrain managerial discretion and CSR performance, such that CSR performance is higher when managers have more discretion i.e., are more protected from profit maximization pressures from shareholders. Furthermore, not all institutions are formal, indeed informal institutions also matter. These informal institutions do not influence in coercive ways, as it is the case of regulations, but by the means of mimetic or normative pressures on firms (DiMaggio & Powell, 1983). For instance, the corporate culture of a country can be more individualistic or more collectivistic (Wieland, 2005), with consequences on the type, nature, extent, and implicitization and explicitization of CSR activities (Matten & Moon, 2008; 2020). Similarly, countries can be more or less gender equal, with consequences on the employment of women on boards. While, gender equity impacting boardroom appointments could be driven by egalitarian culture or/and formal quota regulations, its positive impact on corporate non-financial performance is evident (Byron & Post, 2016). Consequently, both formal and informal institutions interact to define external CG mechanisms.

At the firm level, a key CG mechanism that shapes firms' CSR decision making is the nature and type of ownership (Federo *et al.*, 2020). Block owners or concentrated ownership is critical here since such owners have the motivation, resources and the power to curb managerial discretion with respect to decision making. While the agency logic would predict that block owners will prevent managers from spending corporate money on social issues, unless they are instrumental to firms' financial goals; the stakeholder logic would claim that block owners are typically long term investors and CSR investments can help communicate firms' commitment towards non-investing stakeholders (Cui, Jo, & Na., 2018), thereby reducing conflict of interests (agency costs) between managers and stakeholders (Buchanan *et al.*, 2018; Hill & Jones, 1992).

Beyond the nature of ownership as concentrated or dispersed, emerging CG research is questioning the assumption of homogeneity of ownership. It is suggested that concentrated owners are rather diverse in type and this diversity informs both their incentive and capacity to influence corporations (Aguilera & Crespi-Cladera, 2016; Desender *et al.*, 2013). They also have different investment horizons that impacts how they perceive and support CSR. Categorizations such as insiders versus outsiders, foreign versus domestic, the state (Tihanyi *et al.*, 2019), shareholder activists (Chung & Talaulicar, 2010; Goronova & Ryan, 2014), family owners (Jamali *et al.*, 2020; Ponomareva, Nordqvist, & Umans, 2019), and sovereign wealth funds (Liang & Renneboog, 2020) highlight the heterogeneity of firm ownership.

Furthermore, different national contexts tend to witness a greater presence of certain type of owners. At the same time, the same type of owner may exhibit different motivations and henceforth drive CSR differently. In the context of Continental Europe, Mazzucato (2018) puts forward the role of the State in achieving social missions by the means of its investments and entrepreneurial activities. Jain & Jamali (2016) find that a higher State stake in corporate ownership relates with higher CSR performance, possibly as the State has the coercive power to impose CSR policies. However, State political objectives (i.e., welfare, national development) may not always coincide with strong corporate interests, thus opening the possibility to a neutral or diminished CSR (Zhang, Rezaee, & Zhu, 2010). For example, the State has a more strategic, rather than welfare, view of its investments in Brazil (Musacchio & Lazzarini, 2014).

Aguilera *et al.* (2006), in their comparison of US and UK corporate governance practices, highlight the more salient role of insurance companies and pension funds in the UK, compared to the dominant role of mutual funds and money management firms in the US. In the case of the UK, the aforementioned institutional investors have longer investment horizons, lower portfolio turnover and consequently engage in longer term relations thereby encouraging CSR. The US institutional investors instead, have shorter term horizons, higher portfolio turnover and a tendency to exit (i.e., the Wall Street walk), thus constraining CSR. Similarly, even family owners tend to behave differently in their preference and support for CSR, as evidenced in the Middle East and North Africa region (see Farah *et al.*, 2021; Jamali *et al.*, 2020).

At the board level, extant research had investigated board structures and their impact on CSR. This includes aspects such as board size, board independence and board gender diversity that are found to be positively related with CSR performance outcomes. These findings would support the stakeholder-agency logic, suggesting that larger, more independent and a gender diverse group of directors allow for a better representation of different stakeholder voices thereby supporting more stakeholder responsibility of firms. At the same time, from a resource dependence logic, higher board interlocks and experience also positively impact CSR. Interestingly, most ESG board committees are staffed with female directors (PwC 2021, Annual Corporate Directors' Survey).

At the individual level, CG mechanisms are more complex, as they deal with demographic variables such as gender and educational background, and socio-psychological traits. While female CEOs compared to male CEOs do not seem to decide differently in terms of CSR (Glass, Cook, & Ingersoll, 2015), educational background seems to matter (Delmas & Toffel, 2008; Finkelstein, Hambrick, & Canella, 2009). It is also well-known that women in boards are more risk averse and engage in less fraud (Jain & Zaman, 2020). For example, countries where managers usually have a generalist background (e.g., an MBA) tend to have a more financial orientation compared to countries where managers usually have scientific specializations (e.g., a PhD in engineering) (Aguilera & Jackson, 2003). There are also studies about CEOs political bent and their consequent inclination to more or less social involvement (Schwartz, 1996).

In conclusion, these four levels (institutional, firm, board and individual) are interdependent and interact with each other, thus influencing how CSR is deployed. While the relationship between CG-CSR is not yet clear-cut, one can see that there is a clear case for CG being an antecedent or a driver of CSR.

<b> From Corporate Social Responsibility to Corporate Governance

While less intuitive, and less explored thus far, the impact of CSR on CG also merits to be examined. Although comprising of only 12% of all the studies at the intersection between CG and CSR, there is an important strand of literature that argues that socially responsible firms are also well governed at the upper echelon level (Zaman *et al.*, 2022). For instance, Cui, Jo, and Li (2015) explore the impact of CSR activities on insider trading, while Jian and Lee (2015) and Rekker, Benson, and Faff (2014) explore the association between CSR and CEO compensation. Moreover, although nascent, the relationship between CSR and CG is also evidenced to be context dependent. For example, Shin and Zicari (2018) in their comparison of telecommunication firms in South Korea and Brazil, show that despite the supposedly global dissemination of the same CSR requirements, the companies analyzed still followed practices more consistent with their respective national business systems.

Studies contextualized in LME countries find conflicting results, highlighting the need for more intensified efforts in this nascent but important field of inquiry. For example, Jian and Lee (2015) find that firms with more CSR investments tend to have lower total CEO compensation (higher compensation being a signal of hubris), although Berrone and Gomez-

Mejia (2009) find contrasting results. Similarly, corporate giving is found to have both positive and negative effects on firm governance such that it can lead to better media coverage and reputation, while highlighting lower levels of board monitoring.

Research in non-LME countries is rather scarce. For instance, Jun (2016) explores the deployment of socially responsible investing in South Korea and its consequent impact on corporate governance of local firms; Kong (2013) explores the relation between CSR and minority investor participation in China. Both studies find a positive impact on governance. Studies contextualized in Spain also show a positive impact of CSR on CR (Gras-Gil *et al.*, 2016; Rodríguez Bolívar, Garde Sánchez, & López Hernández, 2015). In conclusion, the core idea behind this emerging literature is that more responsible firms (as exemplified by higher levels of CSR) can contribute to responsible governance by favoring stakeholder engagement, improving internal CG structures and mechanisms, and eventually shaping responsible business models (Zaman *et al.*, 2022).

<A> THE WAY FORWARD

Through this review, we have taken stock of the growing research addressing the overlaps between two inter-related constructs of corporate governance and CSR. By categorizing and organizing extant research across two strands: namely the impact of governance on responsible behaviors and the impact of responsible behaviors on the quality of governance within firms, below we seek to chart out the future of research at this critical intersection.

<b> A World Beyond the Liberal Market Economies

While majority of the literature on the CG-CSR relationship is located in the emblematic Liberal Market Economies (LME), there are other ways to view the world and its regional clusters (e.g., Fainshmidt *et al.*, 2018; Jamali *et al.*, 2020; Witt *et al.*, 2017). Despite the emergence of new world orders, growing importance of economies outside the LME in terms of population, GDP, environmental impact and the experience of grand challenges (Jain, Kourula, & Riaz, forthcoming), academic research at the intersection of CG and CSR continues to be scant in terms of its embeddedness in these emerging regions. While some hyper-norms apply more globally to the understanding of both CG and CSR, these constructs and practices are highly context dependent (Jain & Jamali, 2017).

We suggest that it will be useful if future research is sympathetic of the existence of institutional differences among different country clusters and international comparative research develops in view of geo-political idiosyncrasies (Jackson & Apostolakou, 2010; Maignan & Ralston, 2002; Matten & Moon, 2008). Simultaneously, the underlying assumption of institutional homogeneity and stability within country clusters (Koleva, 2018) is also problematic. We believe it is also important to advance international CG and CSR scholarship by emphasizing the dynamicity and continuously changing aspect of institutions themselves (Alon *et al.*, 2020; Gaur & Kumar, 2018) and by adding new dimensions to existing knowledge frameworks (Fainshmidt *et al.*, 2018). This will enable research to better glean complex contexts with global geopolitical upheavals such as those caused by regional and global events namely, the Arab Spring (Frederick Littrell & Bertsch, 2013; Zahra, 2011), School Strikes for Climate Change, and the Occupy Wall Street Movement among others. We maintain that institutions are more fluid and heterogeneous (Abdelnour *et al.*, 2017), even among countries clustered together, than currently acknowledged in existing CG and CSR research.

<b> Governance of Non-Shareholder Stakeholders

As the Business Roundtable has reinvigorated the debate on the purpose of a business, an interesting emerging area of research at the intersection of CG and CSR is the governance of non-shareholder stakeholders. The management of different stakeholders can require governance innovations that can be as simple as introducing a sustainability committee on the board to more complex tools such as strategizing on how to accommodate the conflicting interests of the numerous stakeholders. Bacq and Aguilera (2021) have developed a framework that looks at how value is managed from when it is created by its different stakeholders, to when it is captured by the firm and how in turn this value is distributed among all the stakeholders, including non-contributing stakeholders. They categorize stakeholders according to the power that they have on firms' resources and value creation (coercive, normative and utilitarian), and discuss the mechanisms through which different stakeholders can appropriate and capture value. In their framework, deliberative governance (Scherer & Voegtlin, 2020), where stakeholders have a participatory voice on how value is allocated is quite prominent. While Bacq and Aguilera (2021) take a sociological approach to stakeholder value governance, McGahan (2021) offers a new stakeholder theory based on resource-based view, that covers five main areas: organizational formation, resource development, claims on value, governance, and performance.

As the economy and society evolve (not always for the best), so does corporate governance and CSR as well as their relationship. We propose that there are three key ways in which the broadening of the boundaries of the purpose of the firm will impact CG and CSR research. First, there is a realization that governments alone cannot tackle the grand societal challenges related to climate change, inequality and immigration, health pandemics, and political conflicts to mention a few (Jain, Kourula, & Riaz, forthcoming). This means that traditionally shareholder-oriented societies, like the UK, are debating through initiatives such as the Better Business Act whether firms' charters of incorporation should explicitly support *stakeholderism* as it is the case of, for example, in Japan and to certain degree Germany. This would entail that some CSR practices currently earmarked as such would become a part of governance requirements. Second, we have entered a phase of capitalism where we have new organizational forms such as those relying on artificial intelligence (AI) where part of the decision making is drawn from algorithms and where there is a greater risk of biases

(Chhillar & Aguilera, forthcoming). Can robots be programmed to champion CSR and responsible business? Related to the digital world, there exist several organizations that are born as platform operations. The challenge in platform governance is to delimitate where the organization ends, as they tend to be part of a broader ecosystem where the stakeholders are not at arm's length, but very much part of the business model. Lastly, there are firms that are directly or indirectly controlled by the state. The state, as a type of owner, has also evolved and may look to their investee firms to advancing specific industries (aligned with national agendas) or meeting the expectations of certain electorate. In these cases, the boundary between the corporate governance of the firm, led by the state, and its CSR is more closely intertwined and needs further study.

<b> Global Social Movements and Their Impact for CG and CSR

Social movements can be defined as campaigns that are loosely organized in support of social goals, and that aim at implementing or preventing changes in societal structures and/or values (McCarthy & Zald, 1977). Recent examples of different social movements, such as the #Metoo movement, Black Lives Matter, Peoples Climate movement, the Occupy movement, the Arab Spring, Yellow Vests protests, Gender and Racial Pay Equity movements highlight that social movements touch upon various causes, ranging from general to more specific, and a wide reach with several of them spreading across countries to acquire a more global character. Importantly, social movements have started exerting stronger influence on firms, especially on matters of international corporate governance and shaping their responsibility agendas (Clark *et al.*, forthcoming).

Till date, there are only a few studies that have explored the interplay of global social movements and its impact for firms' governance structures (Zaman *et al.*, 2022). For example, Clark, Arora, and Galbaldon (2021) find that in the context of Europe, more progress towards gender representation on boards takes places when there is a greater alignment between the social consciousness of firms and both formal and informal institutions, such as the adoption of gender quota norms and gender equity at the country level. They also find that more socially conscious firms make the most progress, often going beyond the minimum female quota regulatory benchmarks. Here, it is likely that global social movements and their narrative and pressure help shape the social consciousness of firms. For example, more and more firms are now seen as adopting codes of ethics (COEs) that guide their stakeholder responsibility towards customers, the environment and also shape work practices such as rules around gift giving and operating in foreign lands (Jain & Xie, forthcoming).

We suggest that more research in needed to assess whether, to what extent and how corporate boards consider GSMs into their board level decision making processes. We also need more deeper understanding of how social movements are shaping national and international institutional priorities around grand challenges such as inequality, gender pay gap, the environment. This will help to more fully understand the potential of social movements to reframe the role of business in society. Relatedly, such research can also help equip organizations with the tools and processes needed to deal effectively with global disruptions.

<b> Regulations and Their Implications for CG and CSR

There is a growing literature about different regulations, deployed across multiple levels (e.g., local, national, international) that adopt different regimes (e.g., laws, stock exchange rules, voluntary guidelines). These regulations, oftentimes acting in a combined way (Chelli *et al.*, 2018), can be understood as complex external CG mechanisms with high impact on CSR practices and other CG mechanisms. For example, the rapid evolution of regulations regarding non-financial disclosures, both in their soft and hard versions, relate not only to corporate sustainability and CSR reports, but also to information and accountability over investment products (SEC, 2020) and project investments (The Equator Principles, 2020). Similarly, a recent disclosure initiative is the EU Green Taxonomy, a comprehensive classification system for economic activities in Europe according to their greenhouse gas emissions, also impacts how firms engage with the environment (as part of their CSR) as well as touches upon the corporate governance for sustainability (Schütze & Stede, 2021; Soundararajan *et al.*, 2021).

A promising (and much needed) point of exploration here relates to how normativity is achieved, that is, how actors end up adopting and implementing different regulations for disclosure. One may imagine that by simply mandating CSR disclosure, firms would adopt and implement it (Jain, 2017). However, Luque-Vílchez and Larrinaga (2016) claim that it was not the case in Spain, while Agostini, Costa, and Korca (2022) find that the quantity, but not the quality, of CSR disclosures increased in Italy after legislation. Senn and Giordano-Spring (2020), in their study of French firms, conclude that firms do not always apply rules homogenously and that actors may have different interpretations of them. Bebbington, Kirk, and Larrinaga (2012) compare the case of environmental disclosure among electricity firms in Spain and in the UK. Despite laws officially mandating environmental disclosure in Spain, their actual implementation was partial. Curiously, effective environmental disclosure was higher among comparable firms in the UK. In that case, there were no rules, but a reporting award, led by a professional organization. Bebbington, Kirk, and Larrinaga (2012) conclude that the mere approval of a law in the parliament does not equate to normativity, while normativity can also be reached despite the lack of a formal rule, that is, by the means of a soft-law instrument. Finally, Chelli *et al.* (2018) make another international comparison, in this case between France and Canada, and at a later period, which allows them to study the influence of the Global Reporting Initiative (GRI), an example of transnational soft-law initiative (Djelic & Sahlin-Andersson, 2006). Their study compares the effects of two different regimes of CSR disclosure: one based on the hard law (the case of France), and another based on stock exchange rules (the case of Canada). While the French system leads to more CSR disclosure, both in France and Canada disclosure improves by the influence of the transnational GRI initiative. This case illustrates the fruitful interaction of soft law with two different regimes of hard law, and it is a further testimony to the nuances of normativity.

The above illustrates the complex relationship between external CG mechanisms and CSR, and that the regulations for disclosure and transparency, and the actual implementation of them has policy and practice implications for both CG and CSR not only of companies (Jain, 2017), but also of professionals (de Villiers, Low, & Samkin, 2014), auditors (Larrinaga *et al.*, 2020), investors and fund managers (ICI, 2020; PRI, 2020). Besides, this panorama is still in state of flux, as new initiatives appear (e.g., the Value Balancing Alliance), existing ones update and expand (e.g., the Global Reporting Initiative), while some of them merge (e.g., SASB and Integrated Reporting). We believe more research at this intersection of CG and CSR is needed.

<b> Artificial Intelligence, CG and CSR

Kaplan and Haenlein (2019, p. 17) define AI as ‘a system’s ability to interpret external data correctly, to learn from such data, and to use those learnings to achieve specific goals and tasks through flexible adaptation’. While the concept of AI is far from new (indeed, the expression was coined in the 1950s), its popularity and consequent academic interest has increased rapidly in recent years. Despite this surge in interest, studies are still scarce and patchy, and a clear panorama for the relations among AI, CR and CS does not seem to emerge easily.

AI technologies hold the promise of profound changes in many different industries, with potential implications for CSR. For instance, Damoah, Ayakwah, and Tingbani (2021) present a case study where drones, using AI technology, improve the delivery of medicines in

Ghana. The authors present AI as an enabler for achieving social results, reducing delivery costs, and reducing environmental impact, as the drones fly on batteries having implications for responsible governance. In this case, AI technology makes possible a radical change in processes, with a consequent improvement in CSR results. Furthermore, Tiwary and Kahn (2020) probe into the role of different information technologies, including AI, in sustainability accounting. They specifically study which topics of CSR disclosure, according to the GRI guidelines, would be influenced by the use of these technologies. For instance, they explore whether and how AI technologies can enable a better and more efficient collection of data needed for CSR reports. The latter has important implications for data governance.

From a theoretical perspective, the interactions between AI and CSR can take place at three different levels (Du & Xie, 2021), with societal expectations emerging at each level. At the product level, some AI-enabled products with multiple functions can entail more privacy and security risks, while at the same time are less prone to algorithm biases, as they collect data from different sources (as compared to products with less functions). Similarly, AI-enabled products may have different kinds of interactions with human beings (i.e., more or less frequency, synchronous or asynchronous exchanges). Consequently, companies need to address the AI-related governance risks posed by their products, which will differ according to the aforementioned characteristics. At the firm level, firms would need to identify the potential impact of AI technology on their stakeholders so to prevent potential risks. Given that some stakeholders may be more sensitive or more impacted by AI, it would call for differentiated governance responses emerging from the upper echelon level. This would include for example who gets a seat at the board room table, or for instance issue salience for the board. At an institutional level, there are soft and hard regulations related to the use of AI technology. These regulations, both at the national and transnational levels, are likely to impact how firms and industries interact with AI. While this field is in its infancy, the increasing use of such technologies warrants a greater emphasis on understanding the interactions among AI, CG and CSR.

<A> CONCLUSION

The widescale disruptions facing business and society and indeed our planet present complex new challenges for firms as they strategize, adopt and implement governance and responsibility practices. Through this chapter, we set out on an objective to provide a bird's eye view of how corporate governance and corporate social responsibility overlap and impact each other. We highlight that while progress has been made towards improving both the theory and practice of CG and CSR, this field is dynamic and evolving in the face of new emerging changes in society. It is important to maintain the momentum of research in this domain because the critical intersection of CG and CSR has the capability to effectively tackling grand challenges and wicked problems, while placing firms and the contexts within which they function at the center of this challenge.

REFERENCES

Abdelnour, S., Hasselbladh, H., & Kallinikos, J. (2017). Agency and institutions in organization studies. *Organization Studies*, 38(12), 1775-1792.

Agostini, M., Costa, E., & Korca, B. (2022). Non-financial disclosure and corporate financial performance under directive 2014/95/EU: evidence from Italian listed companies. *Accounting in Europe*, 19(1), 78-109.

Aguilera, R., Capapé, J., & Santiso, J. (2015). Sovereign wealth funds: a strategic governance vie. *Academy of Management Perspectives*, 30(1), 5-23.

Aguilera, R. V., & Crespi-Cladera, R. (2016). Global corporate governance: On the relevance of firms' ownership structure. *Journal of World Business*, 51(1), 50-57.

Aguilera, R., Filatotchev, I., Gospel, H., & Jackson, G. (2008). An organizational approach to comparative corporate governance: costs, contingencies, and complementarities. *Organization Science*, 19(3), 475-492.

Aguilera, R., & Jackson, G. (2003). The cross-national diversity of corporate governance: dimensions and determinants. *Academy of Management Review*, 28(3), 447-465.

Aguilera, R., & Williams, C. (2009). "Law and finance": Inaccurate, incomplete, and important. *Brigham Young University Law Review*, 2009(6), 1413-1434.

Aguilera, R., Williams, C., Conley, J., & Rupp, D. (2006). Corporate governance and social responsibility: A comparative analysis of the UK and the US, Corporate Governance and Social Responsibility. *Corporate Governance: An International Review*, 14(3), 147-158.

Alon, I., Mersland, R., Musteen, M., & Randøy, T. (2020). The research frontier on internationalization of social enterprises. *Journal of World Business*, 55(5), 101091.

Aoki, M. (2000). *Information, corporate governance and institutional diversity: competitiveness in Japan, the USA, and the transitional economies*. Oxford University Press.

Arora, P., & Dharwadkar, R. (2011). Corporate governance and corporate social responsibility (CSR): The moderating roles of attainment discrepancy and organization slack. *Corporate Governance: An International Review*, 19(2), 136-152.

Bacq, S., & Aguilera, R. V. (2021). Stakeholder governance for responsible innovation: A theory of value creation, appropriation, and distribution. *Journal of Management Studies*, 59(1), 29-60.

Bebbington, J., Kirk, E., & Larrinaga C. (2012). The production of normativity: A comparison of reporting regimes in Spain and the UK. *Accounting, Organizations and Society*, 37(2), 78-94.

Berle, A., & Means, G. (1932). *The modern corporation and private property*. Macmillan.

Berrone, P., & Gomez-Mejia, L. R. (2009). The pros and cons of rewarding social responsibility at the top. *Human Resource Management*, 48(6), 959-971.

Buchanan, B., Cao, C., & Chen, C. (2018). Corporate social responsibility, firm value, and influential institutional ownership. *Journal of Corporate Finance*, 52, 73-95.

Byron, K., & Post, C. (2016). Women on boards of directors and corporate social performance: A meta-analysis. *Corporate Governance: An International Review*, 24(4), 428-442.

Chelli, M., Durocher, S., & Fortin, A. (2018). Normativity in environmental reporting: A comparison of three regimes. *Journal of Business Ethics*, 149(2), 285-311.

Chhillar, D. and Aguilera, R. V. (forthcoming). An eye for artificial intelligence: Insights into the governance of artificial intelligence and vision for future research. *Business and Society*.

Chung, H., & Talaulicar, T. (2010). Forms and effects of shareholder activism. *Corporate Governance: An International Review*, 18(4), 253-257.

Clark, C. E., Arora, P., & Gabaldon, P. (2021). Female representation on corporate boards in Europe: The interplay of organizational social consciousness and institutions. *Journal of Business Ethics*, 1-22.

Clark, C. E., Jain, T., Arora, P., & Gabaldon, P. (forthcoming). Global social movements and the governance of the firm. *Corporate Governance: An International Review*.

Cui, J., Jo, H., & Li, Y. (2015). Corporate social responsibility and insider trading. *Journal of Business Ethics*, 130(4), 869-887.

Cui, J., Jo, H., & Na, H. (2018). Does corporate social responsibility affect information asymmetry? *Journal of Business Ethics*, 148(3), 549-572.

Dahlsrud, A., (2008). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15(1), 1-13.

Damoah, I., Ayakwah, A., & Tingbani, I. (2021). Artificial intelligence (AI)-enhanced medical drones in the healthcare supply chain (HSC) for sustainability development: a case study. *Journal of Cleaner Production*, 328(1), 129598.

de Villiers, C., Low, M., & Samkin, G. (2014). The institutionalisation of mining company sustainability disclosures. *Journal of Cleaner Production*, 84(1), 51-58.

de Villiers, C., Naiker, V., & van Staden, C. (2011). The effect of board characteristics on firm environmental performance. *Journal of Management,* 37(6), 1636-1663.

Delmas, M., & Toffel, M. (2008). Organizational responses to environmental demands: Opening the black box. *Strategic Management Journal*, 29(10), 1027-1055.

Desender, K. A., Aguilera, R. V., Crespi, R., & García-Cestona, M. (2013). When does ownership matter? Board characteristics and behavior. *Strategic Management Journal*, 34(7), 823-842.

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), 147-160.

Djelic, M.-L., & Sahlin-Andersson, K. (2006). Introduction: A world of governance: The rise of transnational regulation. In M.-L. Djelic & K. Sahlin-Andersson (Eds.). *Transnational governance: Institutional dynamics of regulation* (pp. 1-28). Cambridge University Press.

Donaldson, T., & Dunfee, T. W. (1994). Toward a unified conception of business ethics: Integrative social contracts theory. *Academy of Management Review*, 19(2), 252-284.

Donaldson, T., & Dunfee, T. W. (1999). *Ties that bind: A social contracts approach to business ethics.* Harvard Business School Press.

Du, S., & Xie, C. (2021). Paradoxes of artificial intelligence in consumer markets: Ethical challenges and opportunities. *Journal of Business Research*, 129(1), 961-974.

Fainshmidt, S., Judge, W. Q., Aguilera, R. V., & Smith, A. (2018). Varieties of institutional systems: A contextual taxonomy of understudied countries. *Journal of World Business*, 53(3), 307-322.

Fama, E., & Jensen, M. (1983). Agency problems and residual claims. *Journal of Law & Economics*, 26(2), 327-349.

Farah, B., Elias, R., Aguilera, R., & Abi Saad, E. (2021). Corporate governance in the Middle East and North Africa: A systematic review of current trends and opportunities for future research. *Corporate Governance: An International Review*, 29(6), 630-660.

Federo, R., Ponomareva, Y., Aguilera, R. V., Saz-Carranza, A., & Losada, C. (2020). Bringing owners back on board: A review of the role of ownership type in board governance. *Corporate Governance: An International Review*, 28(6), 348-371.

Finkelstein, S., Hambrick, D., & Cannella, A. (2009). *Strategic leadership: Theory and research on executives, top management teams, and boards.* Oxford University Press.

Freeman, R. (1984). *Strategic management: A stakeholder approach*. Pitman.

Freeman, R. E., Martin, K., & Parmar, B. (2020). *The power of and: Responsible business without trade-offs*. Columbia Business School Publishing.

Frederick Littrell, R., & Bertsch, A. (2013). Traditional and contemporary status of women in the patriarchal belt. *Equality, Diversity and Inclusion*, 32(3), 310-324.

Friedland, J., & Jain, T. (2022). Reframing the purpose of business education: Crowding-in a culture of moral self-awareness. *Journal of Management Inquiry*, 31(1), 15-29.

Friedman, M. (1970). The social responsibility of business is to increase its profits. *New York Times Magazine*, 13 September 1970, 122-126.

Gaur, A. S., & Kumar, M. (2018). A systematic approach to conducting review studies: An assessment of content analysis in 25 years of IB research. *Journal of World Business*, 53(2), 280-289.

Gautier, A., & Pache, A. (2015). Research on corporate philanthropy: A review and assessment. *Journal of Business Ethics*, 126(3), 343-369.

Gill, A. (2008). Corporate governance as social responsibility: A research agenda. *Berkeley Journal of International Law*, 26, article 452.

Glass, C., Cook, A., & Ingersoll, A. (2015). Do women leaders promote sustainability? Analysing the effect of corporate governance composition on environmental performance. *Business Strategy and the Environment*, 25(7), 495-511.

Halme, M., & Laurila, J. (2009). Philanthropy, integration or innovation? Exploring the financial and societal outcomes of different types of corporate responsibility. *Journal of Business Ethics*, 84(3), 325-339.

Hill, C., & Jones, T. (1992). Stakeholder-agency theory. *Journal of Management Studies*, 29(2), 131-154.

Hillman, A., & Dalziel, T. (2003). Board of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, 28(3), 383-396.

ICI – Investment Company Institute (2020). *Funds' use of ESG integration and sustainable investing strategies: An introduction.* Investment Company Institute.

Ioannou, I., & Serafeim, G. (2012). What drives corporate social performance? The role of nation-level institutions. *Journal of International Business Studies*, 43(9), 834-864.

Jackson, G., & Apostolakou, A. (2010). Corporate social responsibility in Western Europe: An institutional mirror or substitute? *Journal of Business Ethics*, 94(3), 371-394.

Jain, T. (2017). Decoupling corporate social orientations: A cross-national analysis. *Business & Society*, 56(7), 1033-1067.

Jain, T., Aguilera, R., & Jamali, D. (2017). Corporate stakeholder orientation in an emerging country context: A longitudinal cross industry analysis. *Journal of Business Ethics*, 143(4), 701-719.

Jain, T., & Jamali, D. (2016). Looking inside the black box: The effect of corporate governance on corporate social responsibility. *Corporate Governance: An International Review*, 24(3), 253-273.

Jain, T., & Jamali, D. (2017). Strategic approaches to corporate social responsibility: A comparative study of India and the Arab World. In D. Jamali, C. Karam, & M. Blowfield (Eds.). *Development-oriented corporate social responsibility* (pp. 71-90). Routledge.

Jain, T., Kourula, A., & Riaz, S. (forthcoming). Reimagining grand challenges as grand ethical challenges: From grandiose to humble solutions. *Journal of Business Ethics*.

Jain, T., & Xie, J. (forthcoming). Corporate ethics codes and practices. In *Oxford encyclopedia of business and management*. Oxford University Press. doi: 10.1093/acrefore/9780190224851.013.325

Jain, T., & Zaman, R. (2020). When boards matter: The case of corporate social irresponsibility. *British Journal of Management*, 31(2), 365-386.

Jamali, D., Jain, T., Samara, G., & Zoghbi, E. (2020). How institutions affect CSR practices in the Middle East and North Africa: A critical review. *Journal of World Business*, 55(5), 101127.

Jensen, M., & Meckling, W. (1976). Theory of the firm: managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-60

Jian, M., & Lee, K. (2015). CEO compensation and corporate social responsibility. *Journal of Multinational Financial Management*, 29(C), 46-65.

Jo, H., & Harjoto, M. (2014). Analyst coverage, corporate social responsibility, and firm risk. *Business Ethics: A European Review*, 23(3), 272-292.

Jun, H. (2016). Corporate governance and the institutionalization of socially responsible investing (SRI) in Korea. *Asia Pacific Business Review*, 22(3), 487-501.

Kang, N., & Moon, J. (2011). Institutional complementarity between corporate governance and corporate social responsibility: A comparative institutional analysis of three capitalisms. *Socio-Economic Review*, 10(1), 85-108.

Kaplan, A., & Haenlein, M. (2019). Siri, siri in my hand, who is the fairest in the land? On the interpretations, illustrations and implications of artificial intelligence. *Business Horizons*, 62(1), 15-25.

Koleva, P. (2018). A systematic review on corporate social responsibility literature in the Middle East: Conceptual gaps and challenges. In S. O. Idowu, C. Sitnikov, D. Simion, & C. G. Bocean (Eds.). *Current issues in corporate social responsibility* (pp. 237-257). Springer.

Kong, D. (2013). Does corporate social responsibility affect the participation of minority shareholders in corporate governance? *Journal of Business Economics and Management*, 14(Suppl. 1), S168-S187.

Larrinaga, C., Rossi, A., Luque-Vílchez, M., & Núñez-Nickel, M. (2020). Institutionalization of the contents of sustainability assurance services: A comparison between Italy and the United States. *Journal of Business Ethics*, 163(1), 67-83.

Liang, H., & Renneboog, L. (2020). The global sustainability footprint of sovereign wealth funds. *Oxford Review of Economic Policy*, 36(2), 380-426.

Luque-Vílchez, M., & Larrinaga, C. (2016). Reporting models do not translate well: Failing to regulate CSR reporting in Spain. *Social and Environmental Accountability Journal*, 36(1), 56-75.

Maignan, I., & Ralston, D. (2002). Corporate social responsibility in Europe and the US: Insights form business' self-presentations. *Journal of International Business Studies*, 33(3), 497-514.

Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, 33(2), 404-424.

Matten, D., & Moon, J. (2020). Reflections on the 2018 decade award: The meaning and dynamics of corporate social responsibility. *Academy of Management Review*, 45(1), 7-28.

Mazzucato, M. (2018). *The value of everything*. Penguin.

McCarthy, J. D., & Zald, M. N. (1977). Resource mobilization and social movements: A partial theory. *American Journal of Sociology*, 82(6), 1212-1241.

McGahan, A. M. (2021). Integrating insights from the resource-based view of the firm into the new stakeholder theory. *Journal of Management*, 47(7), 1734-1756.

Meyer, J., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340-363.

Musacchio, A., & Lazzarini, S. G. (2014). *Reinventing state capitalism*. Harvard University Press.

Pfeffer, J., & Salancik, G. (1978). *The external control of organizations: A resource dependence perspective.* Harper & Row.

Ponomareva, Y., Nordqvist, M., & Umans, T. (2019). Family firm identities and firm outcomes: A corporate governance bundles perspective. In E. Memili & C. Dibrell (Eds.). *The Palgrave handbook of heterogeneity among family firms* (pp. 89-114). Palgrave Macmillan.

PRI – Principles for Responsible Investment (2020). *Investing with outcomes: A five-part framework*. UNPRI. https://www.unpri.org/sustainable-development-goals/investing-with-sdg-outcomes-a-five-part-framework/5895.article [accessed April 25, 2022].

Rekker, S., Benson, K., & Faff, R. (2014). Corporate social responsibility and CEO compensation revisited: Do disaggregation, market stress, gender matter? *Journal of Economics and Business*, 72, 84-103.

Rodríguez Bolívar, M., Garde Sánchez, R., & López Hernández, A. (2015). Managers as drivers of CSR in state-owned enterprises. *Journal of Environmental Planning and Management*, 58(5), 777-801.

Rodríguez-Domínguez, L., Gallego-Alvarez, I., & García-Sánchez, I. (2009). Corporate governance and codes of ethics. *Journal of Business Ethics*, 90(2), 187-202.

Scherer, A. G., & Voegtlin, C. (2020). Corporate governance for responsible innovation: Approaches to corporate governance and their implications for sustainable development. *Academy of Management Perspectives*, 34(2), 182-208.

Schneider, B. R. (2013). *Hierarchical capitalism in Latin America*. Cambridge University Press.

Schütze, F., & Stede, J. (2021). The EU sustainable finance taxonomy and its contribution to climate neutrality. *Journal of Sustainable Finance & Investment*. doi.org/10.1080/20430795.2021.2006129

Schwartz, S. (1996). Value priorities and behaviour: Applying a theory of integrated value systems. In U.C. Seligman, J.M. Olson, & M.P. Zanna (Eds.). *The psychology of values: The Ontario symposium*, Vol. 8 (pp. 1-24). Erlbaum.

SEC – Securities and Exchange Commission. (2020). *Potential recommendations of ESG Subcommittee*. SEC.

Senn, J., & Giordano-Spring, S. (2020). The limits of environmental accounting disclosure: Enforcement of regulations, standards and interpretative strategies. *Accounting, Auditing & Accountability Journal*, 33(6), 1367-1393.

Shin, H., & Zicari, A. (2018). Don't judge a book by its cover! Comparative study of the adaptation and evolution of CSR reporting by telecommunication companies in Brazil and South Korea. In A. Belal & S. Cooper (Eds.). *Sustainability accounting: Education, regulation, reporting and stakeholders. Advances in Environmental Accounting & Management,* Vol. 7 (pp. 135-171). Emerald.

Soundararajan, V., Sahasranamam, S., Khan, T., & Jain, T. (2021). Multinational enterprises and the governance of sustainability practices in emerging market supply chains: an agile governance perspective. *Journal of World Business*, 56(2), 101149.

The Equator Principles (2020). https://equator-principles.com [accessed April 25, 2022].

Tihanyi, L., Aguilera, R. V., Heugens, P., Van Essen, M., Sauerwald, S., Duran, P., & Turturea, R. (2019). State ownership and political connections. *Journal of Management*, 45(6), 2293-2321.

Whitley, R. (1999). *Divergent capitalisms: The social structuring and change of business systems.* Oxford University Press.

Wieland, J. (2005). Corporate Governance, values management, and standards: A European perspective. *Business & Society*, 44(1), 74-93.

Windsor, D. (2006). Corporate social responsibility: three key approaches. *Journal of Management Studies*, 43(1), 93-114.

Witt, M., Kabbach de Castro, L., Amaeshi, K., Mahroum, S., Bohle, D., & Saez, L. (2017). Mapping the business systems of 61 major economies: a taxonomy and implications for varieties of capitalism and business systems research. *Socio-Economic Review*, 16(1), 5-38.

Zahra, S. A. (2011). Doing research in the (new) Middle East: Sailing with the wind. *Academy of Management Perspectives*, 25(4), 6-21.

Zaman, R., Jain, T., Samara, G., & Jamali, D. (2022). Corporate governance meets corporate social responsibility: Mapping the interface. *Business & Society*, 61(3), 690-752.

Zhang, R., Rezaee, Z., & Zhu, J. (2010). Corporate philanthropic disaster response and ownership type: Evidence from Chinese firms' response to the Sichuan earthquake. *Journal of Business Ethics*, 91(1), 51-63.

Zicari, A. (2017). Sustainability Indices in Latin America: can financial markets push for CSR? In L. M. Gómez, L. Vargas-Preciado & D. Crowther (Eds.). *Corporate social responsibility and corporate governance: Developments in corporate governance and responsibility*, Vol. 11 (pp. 3-20). Emerald.

Biographical sketches:

Tanusree Jain is an Associate Professor of Corporate Sustainability at the Department of Management, Society and Communication at Copenhagen Business School and a Visiting

Academic at Trinity College Dublin. She holds a PhD from ESADE Business School on Corporate Governance and CSR. Her research is focused on corporate governance and its links to corporate social responsibility and corporate irresponsibility. She is currently a Section Editor at the *Journal of Business Ethics* and a Consulting Editor at the *International Journal of Management Reviews*.

Adrian Zicari is Teaching Professor in the Accounting and Management Control Department of ESSEC Business School, Paris. He is the Academic Director of the Council on Business & Society. Born in Argentina, he holds a doctorate from Universidad Nacional de Rosario. He is interested in measurement practices in sustainability, and particularly in the potential of the Value-Added Statement as a tool for stakeholder management. His work has appeared in several academic journals, such as *Journal of Business Ethics*, *Journal of Cleaner Production, Comptabilité-Contrôle-Audit, Corporate Social Responsibility, and Environmental Management, Social and Environmental Accountability Journal, BMC Health Services Research*, among others. He is also honorary representative of Buenos Aires City in Paris.

Ruth V. Aguilera (Harvard University, PhD) is the Distinguished Darla and Frederick Brodsky Trustee Professor in Global Business at the D'Amore-McKim School of Business at Northeastern University and a Visiting Professor at ESADE Business School. Her research interests lie at the intersection of strategic organization and global strategy, specializing in international corporate governance and corporate social responsibility/sustainability. She is currently an Associate Editor at *Academy of Management Review* and Consulting Editor at the *Journal of International Business Studies.* She is a Fellow of the *Academy of International Business* and the *Strategic Management Society*.