

2020-12-11

Environmental, social and corporate governance framework for corporate disclosure: a multicriteria dimension analysis approach

Zopounidis, Constantin

Emerald Publishing Limited

<http://hdl.handle.net/11728/12095>

Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository

Environmental, social and corporate governance framework for corporate disclosure: a multicriteria dimension analysis approach

Social and corporate governance framework

Received 1 October 2019
Revised 8 December 2019
Accepted 19 December 2019

Constantin Zopounidis

*School of Production Engineering and Management,
Technical University of Crete University Campus, Chania, Greece and
Audencia Business School, Institute of Finance, Nantes, France*

Alexandros Garefalakis

*Department of Business Administration and Tourism,
Hellenic Mediterranean University, Heraklion, Greece*

Christos Lemonakis

*Administrative Economics and Decision Systems' Lab-AEDS,
Management Science and Technology Department,
Hellenic Mediterranean University, Ag. Nikolaos, Greece, and*

Ioannis Passas

*Department of Business Administration and Tourism,
Hellenic Mediterranean University, Heraklion, Greece*

Abstract

Purpose – The purpose of this paper is to provide to the Board of Directors and CEOs of a firm to be aware of and accountable for the information they provide to the public. As long as the quality of the companies' public information is high, it will be able to retain its investors as well as to obtain new ones more easily.

Design/methodology/approach – This paper introduces a Multi-Criteria Decision Aid (MCDA) tool with the use of the PROMETHEE II method to formulate an alternative aggregate ESG quality approach. We conduct comparisons in a sectorial and regional based perspective during different exam periods before and after the implementation of International Financial Reporting Standards (IFRS), in an attempt to provide a robust framework for corporate disclosure reporting.

Findings – The findings are of particular interest to both scholars and decision-makers, including providers of corporate governance indices and rating agencies. The innovation of this paper lies among others in using the MCDA method with the ESG framework, which proposes a combination of qualitative and quantitative criteria, enabling experienced and/or not experienced analysts to avoid manipulating techniques in business information.

Research limitations/implications – The sample of companies based on the US and Europe companies incorporating only large-sized ones.

Practical implications – Findings are of particular interest to both scholars and decision-makers including providers of corporate governance indices and rating agencies.

Social implications – Better understanding features pay key importance for increasing the “quality” information in firms financial statements, especially after the use of IFRS in reporting standards.

Originality/value – The authors proceed to analysis using a multiple perspective use that is decomposed into the following options: (a) Time-period oriented option, (b) Regional-oriented option and (c) Sectorial-oriented option respectively.

Keywords ESG disclosures, Narrative information, Management commentary, Composite KPI'S, Ma.Co.Index, MCDA methods, Prometheé II

Paper type Research paper

