

Guest editorial: Special issue – an introduction

The global economy is undergoing profound structural changes driven by rapid technological development and increasing societal demands for sustainable development. Advances in digital technologies, including digital finance and artificial intelligence, are transforming how firms operate, process information and interact with financial markets. At the same time, growing concerns over climate change, environmental responsibility and social accountability have elevated sustainability considerations to the forefront of corporate decision-making and financial regulation. These developments are reshaping the research landscape in accounting and finance, particularly in relation to corporate governance, information transparency and financial market dynamics.

This special issue, titled “*Accounting and Finance in the Sustainable and AI Era from the Pacific Region*,” brings together new research that explores these challenges from multiple perspectives and institutional settings. The papers in this issue examine how governance mechanisms, corporate disclosure practices and financial policies influence firm behaviour and market outcomes in a rapidly changing economic environment. By bringing together evidence from different countries and institutional contexts across the Pacific region, the special issue contributes to a deeper understanding of how firms and financial systems adapt to emerging technological and sustainability-related transformations.

The call for papers for this special issue was launched in July 2024 and attracted submissions from scholars representing diverse institutional contexts, including China, New Zealand, Australia, Macau SAR, South Africa and India. In April 2025, a research seminar hosted by Nanjing University of Finance and Economics brought together authors and discussants to present and discuss preliminary versions of the papers in a hybrid format combining in-person and online participation. Following extensive feedback and multiple rounds of rigorous peer review, eight papers were selected for publication in this special issue.

The first group of papers examines how leadership characteristics and internal governance structures influence firms’ strategic responses to technological change and environmental challenges. These studies highlight the critical role of executive characteristics and governance incentives in shaping firms’ strategic responses to both technological and environmental challenges:

- Wang, Lu, Yang, and Zou (2026) investigate the role of CEO overseas experience in shaping corporate digital transformation among Chinese listed firms. Drawing on human capital theory, the authors show that CEOs with international experience significantly enhance firms’ digitalisation levels by reducing information asymmetry.
- Wang, Wang, Wu, Huang, and Wang (2026) examine the relationship between managerial ownership and corporate carbon performance and document an inverted U-shaped relationship. The finding suggests that moderate ownership aligns managerial incentives with environmental objectives, while excessive ownership may increase agency costs.
- Cao et al. (2026) explore how CEO celebrity status affects corporate ESG performance. They find a robust, positive relationship between celebrity CEOs and corporate ESG performance: the stronger the “star effect” (measured by the frequency of a CEO’s appearances on prestigious rankings), the greater the improvement in the firm’s ESG outcomes.



The *second group* of papers focuses on sustainability disclosure and corporate transparency. Collectively, these studies shed light on the growing literature on ESG reporting and accountability by demonstrating how industry characteristics, governance structures and institutional environments shape firms' sustainability disclosure incentives and transparency practices:

- Peng, Anderson, Chi, and Liao (2026) investigate ESG disclosure behaviour among firms in socially preferred industries in New Zealand and find that these firms disclose less ESG information than other firms, suggesting that reputational advantages may reduce disclosure incentives.
- Adebayo and Ackers (2026) conduct a comparative analysis of sustainability disclosure among state-owned enterprises (SOEs) in Australia and New Zealand. They find that sustainability reporting remains uneven and generally limited across both countries, although Australian SOEs are more transparent in sustainability disclosure than New Zealand SOEs.

The *third group* of papers examines how financial systems and policy initiatives shape corporate behaviour and financial market dynamics in the context of sustainability transitions. They contribute to the literature on financial innovation and sustainability transitions by demonstrating how digital financial technologies, green finance policies and climate-related financial instruments influence corporate incentives, improve information environments and affect financial market stability:

- Peng, Chen, and Xuan (2026) investigate the impact of green finance policies on corporate exploratory innovation and show that green finance can stimulate high-risk innovation activities by alleviating financing constraints and encouraging long-term strategic investment.
- Yin, Wang and Zhu (2026) examine how digital finance affects corporate stock price crash risk. They find that digital finance and its subdimensions reduces stock crash risk, partially through enhancing the quality of information environment such as reduced greenwashing.
- Paridhi et al. (2026) analyse volatility spillovers among carbon-efficient financial indices across developed and developing markets. They document significant cross-market interconnectedness, highlighting the growing integration of climate-related financial markets worldwide.

Taken together, the papers in this special issue make several contributions to the accounting and finance literature. First, they highlight the importance of corporate governance and leadership characteristics in shaping firms' strategic responses to emerging technological and environmental challenges. Second, they contribute to the literature on ESG disclosure and corporate transparency by demonstrating that sustainability reporting is strongly influenced by institutional environments, governance mechanisms and industry characteristics. Third, the studies extend research on financial systems and sustainability transitions, illustrating how financial innovation, green finance policies and climate-related financial markets influence corporate behaviour and systemic risk.

More broadly, the studies in this issue underscore the central role of information environments and governance mechanisms in shaping corporate and market outcomes. Whether through executive leadership facilitating digital transformation, governance structures influencing environmental performance or financial innovations improving market

transparency, reducing informational frictions emerges as a key mechanism through which firms and financial markets adapt to technological and sustainability-related change.

By bringing together insights from diverse institutional settings across the Pacific region, this special issue provides a comprehensive perspective on how firms, governance systems and financial markets are responding to the evolving challenges of technological transformation and sustainability expectations. The findings offer important implications for researchers, policymakers and practitioners seeking to understand and navigate the rapidly changing landscape of accounting and finance.

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