

AFAANZ Research Grant 2021-2022

Final Report

(1) Name, Position, Contact Details for each applicant

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(2) Project Title

Board reforms and corporate innovation: An international evidence

(3) Updated Project Summary (500 words) including any variations between the project undertaken and the original application

Do board reforms matter for corporate innovation? Using a novel measure of global corporate patent data, this study will investigate whether and how board reforms affect firm innovation, and especially green-related innovation. We hypothesize that the relationship between board reforms and green-related innovation is subject to the nature of reforms. Additionally, we identify the component of board reforms that foster or deter different corporate green-related innovation strategies.

Especially after the US Sarbanes-Oxley Act of 2002, countries across the globe have amended/developed corporate governance codes for listed companies. In such codes, there is a significant emphasis on continual board reforms to promote corporate accountability and green strategies. Although few studies have investigated board reforms on organizational outcomes such as Corporate Social Responsibility (CSR), firm value and capital structure, the innovation implications of board reforms remain unexplored also because previous literature focused on evidence based on single countries samples.

In this project we focus on patent data and the regulations affecting corporate governance on a sample of worldwide countries for the period 2000-2019, we find that the outcoming reforms help to foster green-related innovations by listed companies. Their impacts vary in relation to the country's stringency of regulation, determining also a significantly positive moderating effect of recent policies related to Climate Change on green-related innovations. By controlling for industry and size of the sampled companies, we also analyse the effects of global inequalities indexes across countries. This latter element demonstrates significant inequalities and establishes that the positive effect of board reform on green-related innovation is more pronounced in emerging and developing economies.

Our study provides original evidence that board reforms are drivers of green innovation and contributes to the ongoing discourse on corporate governance effectiveness and the impact of regulatory policies and changes on organizational outcomes.

(4) Funds Granted

\$6031

(5) Detailed Report on Expenditure of Funds against Budget Items, with variations explained

The funds have been used to pay for a Research Assistant (110hrs) who has been involved in collecting the green-patent data, collect and code the board reform qualitative data (40 countries), collect and clean companies sample data, drafting the working paper.

Please find attached Income and Expenditure statement for the period 01 Jul 2021 to 30 Oct 2022

(6) Outcomes, for example, working papers, presentations and publications (give full details, including abstracts)

The project team is finalising a paper that includes the most relevant results.

(7) Future Intentions for this Project (give full details)

a. Conference submissions

b. Journal submissions

c. Grant applications

d. Projects

a. Plan to present at 2023 AFAANZ conference

b. Paper to be submitted to Corporate Governance: an International Review

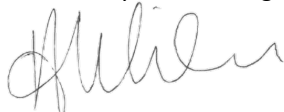
(8) Summary of Outcomes and Benefits

The results of the project show that green innovation strategies are influenced at corporate governance level and the fact that regulatory policies and changes play a relevant role to foster green-related innovation. Our findings contribute to the organisation and institutional literature and lay down fundamental principles for advancing global green innovation strategy. Importantly, by demonstrating that board reform is vital for addressing inequality and the transition to more innovative practices in the green and climate action space, the study can be of use for international organisations and policy makers aiming at harmonising the strategies to advance emerging and developing economies in line with climate actions.

Chief Investigator: Simone Scagnelli
**Project Title: Board reforms and corporate innovation: An international
evidence**
Income and Expenditure statement for the period
01 Jul 2021 to 30 Oct 2022

		\$ Amount \$
Income		
Grant income received	6,031	
Total Receipts		6,031
Expenditure		
Research Assistant	6,031	
Total Expenditure		6,031
Net Surplus/Deficit		0

Income and expenditure shown above is true and correct as reflected in the University's accounting system.



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