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Editorial introduction

Economic theory is expected to simplify reality in order to identify and analyse the core mechanisms that drive it. In practice, this means that what constitutes a whole field of scientific inquiry for one person can be summarised in a single, simple sentence by an economist. For instance, an economist might say that a CEO is simply an economic agent who maximises income for the shareholders of the company.

The current issue of *Economics and Business Review* serves as a reminder that this is much easier said than done. This is because this issue focuses strongly on the challenges faced by many CEOs around the world (which turn out to be surprisingly common despite the diversity of countries covered by the six presented studies). Engagement in ESG practices or fair trade, obligations arising from diversity regulations, and managing employee voice and commitment are examples of the complex matters discussed in this issue, all of which must be dealt with by a CEO in order to generate income for shareholders. Moreover, as one of the studies included shows, a useful guide for navigating these challenges is not necessarily economic theory but rather the values that CEOs share and communicate. However, economic theory remains useful for understanding the broader context. For instance, as another article demonstrates, it helps to explain how corporate governance translates into economic growth.

Given its focus, this issue of *Economics and Business Review* can be recommended not only to economists and finance researchers, but also to management scholars and business practitioners. It has been prepared by 14 researchers working in Germany, Pakistan, Poland, Türkiye and the United Kingdom. A short description of their contributions is presented below.

The issue opens with a paper authored by Ashura Salim, Aleksandra Kowalska, and Louise Manning, titled **Fair trade and its role in sustainable development of agri-food system: A systematic literature review**. The study delineates key thematic areas and synthesises main conclusions from the body of literature examining the impact of fair trade certification. The review applies the PRISMA methodology in combination with SWOT analysis to examine Scopus-indexed publications from the years 2015 to 2024. The effectiveness of fair trade certification is shown to be shaped by the interplay of both demand-side and supply-side determinants. The findings offer valuable insights that may inform and support future research efforts aligned with Sustainable Development Goal 12: Responsible Consumption and Production.

The subsequent article, authored by Mustafa Kilinc and Talat Ulussever, and entitled **Corporate governance, financial markets, and economic growth: Does corporate governance moderate the finance-growth nexus?**, makes an empirical contribution to the extensive literature on the relationship between the financial sector and economic growth. The analysis encompasses a diverse sample of 39 economies over the period 2006–2020. The study provides an affirmative answer to the central research question, demonstrating that corporate governance moderates the finance-growth nexus. The findings underscore that both quantitative and qualitative dimensions should be considered in the design of the institutional framework for financial systems. In doing so, the paper offers valuable guidance for policymakers and contributes to the advancement of the Sustainable Development Goals, particularly SDG 16: Peace, Justice, and Strong Institutions.

The third article, **CEO values and corporate performance: A text mining and LLM-based approach**, written by Paweł Oleksy, Matthias Reccius and Marcin Czupryna, investigates whether the values of CEO's as captured using Schwartz's Theory of Basic Human Values translate into key performance indicators of the companies that they lead. These values are extracted from 4300 interviews, which are analyzed in two ways: via text-mining and a large language model (ChatGPT). The authors find that some CEO values do indeed seem to affect corporate performance, notably, Security is linked with the financial stability measures when using either of the method. A valuable contribution of this paper is that it makes excellent use of large language models to study economic phenomena, which are benchmarked against an older method (text mining).

The fourth article, **Clustering S&P 500 companies by machine learning for sustainable decision-making** by Cansu Ergenç and Rafet Aktaş, is yet another in this issue that makes use of various techniques to aggregate companies from the S&P 500 index into ESG-clusters. Three clustering techniques are used, namely *K*-Means, Gaussian Mixture Model, and Agglomerative Clustering: the first of these, as the authors have shown, offers the best performance. The article contributes to the still thriving literature focusing on environmental, social, and governance aspects of corporate activity. These remain important for many investors.

The fifth article, Sobia Shakeel and Mohsin Khawaja's **Gender diversity in corporate boards and firm risk-taking: Evidence from Pakistan**, makes a valuable contribution to the literature investigating the effects of having more women on corporate boards. In accordance with decades of research showing that women are on average less likely to take risks, the authors reveal that increasing the number of women on corporate boards of 49 companies from Pakistan leads to the companies having lower financial leverage and less volatile earnings. A strength of the paper is that it relies on a ”shock”—a change in regulations in Pakistan—to establish causality.

Inferences are further strengthened through Difference-in-Differences and Markov Switching models.

The last article in this issue, **Speaking up in financial co-operatives: How values and job type shape employee commitment**, by Przemysław Piasecki and Maciej Ławrynowicz, draws on a unique dataset comprising 217 employees from eight UK building societies. The authors distinguish between supportive and challenging employee voice. The positive effect of both types of employee voice is more pronounced in co-operatives perceived as less oriented toward co-operative values and principles, while job type (front- or back-office) plays only a minor role in moderating the relationship under study. The guidance for managers of financial co-operatives derived from the findings aligns well with the priorities of Sustainable Development Goal 8: Decent Work and Economic Growth.

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