

## Business Distinguished Scholar Seminar Series

# Governance Convergence and Accounting Harmonization

Despite the regulatory efforts to promote a harmonized reporting regime, differences in local institutions often lead to heterogeneity in reporting outcomes. Our study focuses on corporate governance—a key institution—and examines whether the convergence of corporate governance increases accounting harmonization. Constructing governance convergence indexes based on both firm-level practices and country-level reforms, we find that the similarity in corporate governance increases the comparability of actual accounting practices. Exploring the underlying mechanism, we find that accounting harmonization is driven by increased contractual demand and reduced stakeholder conflicts associated with a harmonized governance regime. Furthermore, we show that accounting harmonization facilitates the role of governance convergence in increasing financial market integration. Additional analyses suggest that our results are not driven by the adoption of global accounting standards, the strength of corporate governance, or improvement in financial reporting quality. Overall, our findings suggest that governance convergence has a harmonizing effect on accounting practices, which, in turn, facilitates globalization.

## Prof. Inder K. Khurana

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Professor Inder K. Khurana is a professor and the Geraldine Trulaske Chair of Accountancy at the University of Missouri, USA. He is a Chartered Accountant from India and he received his Ph.D. from Arizona State University. Professor Khurana's research interests are in the areas of financial accounting and auditing, and his recent research explores issues related to financial statement disclosure and corporate governance in the U.S. and cross-country settings. His work has been published in scholarly journals, including *The Accounting Review*, *Journal of Accounting Research*, *Contemporary Accounting Research* and *Management Science*. He has published more than 60 articles since completing his doctorate. He serves on the editorial boards of several journals including *The Accounting Review* and *Journal of International Business Studies*. He was recently appointed as an editor of *Journal of International Accounting Research*. Professor Khurana is the recipient of numerous teaching and research awards including the 2018 Southeastern conference (SEC) Faculty Achievement Award, which is given to one individual from each SEC university who has excelled in teaching and research.



**Date:** 10 June 2021 (Thursday)

**Time:** 10:30 – 12:00 (HK Time)

**Venue:** Zoom meeting  Meeting ID: 982 0936 4567 Password: 40625682  
Please join Zoom Meeting, link: <https://lingnan.zoom.us/j/98209364567>

**Language:** English

\*\*\* All are Welcome \*\*\*