

## EDITORIAL

*Dear readers!*

We are pleased to present the summer issue of the journal in 2018. The recent volume of the journal "Corporate Ownership and Control" is devoted to the issues of dividend policy, cost management, public sector, leadership, earnings announcements, share prices, earnings relevance, concentrated ownership, financial reporting, risk disclosures, public listing, profitability, initial public offerings, market timing, company performance, board diversity, CEO characteristics, board independence, ownership network, national intelligence, earnings management, securities class actions, auditor litigation, audit quality, reverse mergers etc.

Starting from 2003, Corporate Ownership & Control has been delving into a wide array of corporate governance problems and issues that are of pressing importance to various audiences across the globe. The initial emphasis placed on formal or contractual mechanisms of control, such as board of directors' monitoring, top management incentives, markets for corporate control, regulatory frameworks, financial reporting and disclosure, coincided with an increased incidence of accounting frauds, organizational failures and executive misconduct in the context of both developed and emerging economies. Weaknesses in corporate governance regimes in different countries of the world stimulated a heightened interest of scholars in the analysis of optimal ways of dealing with challenges associated with the separation of ownership and control in modern corporations.

However, after years of continuous research in the field, the evidence started to point to inconsistent results in the deployment of various contractual governance devices, unveiling many potential deficiencies associated with the exclusive reliance on formal attributes of monitoring. Theoreticians' and practitioners' focus began gradually shifting toward the examination of the role that social or relational mechanisms of control can play in regulating complex interactions among stakeholders in the extant corporate governance arena. An increasing number of scientific articles on positive governance externalities of interpersonal trust, stewardship and shared vision, board of directors' advice, ethics and moral behavior, network participation, interfirm collaboration and identity management found their readership in Corporate Ownership & Control.

Nowadays, the contractual-relational duality and coexistence of multiple governance devices in different organizational, industrial, and national settings and their association with corporate outcomes remain one of the most relevant research questions. As you will be able to witness when exploring the contents of the current issue of the journal, the included articles acknowledge and embrace this new and constantly evolving reality of the multifaceted nature of corporate governance. On the one hand, some scientific contributions in this issue of Corporate Ownership & Control tackle the effectiveness of formal governance attributes, including companies' dividend policy, risk and accounting earnings' disclosures, public listing and capital markets, ownership networks, and private securities' class action lawsuits. On the other hand, a couple of articles draw promising associations between organizational outcomes and social aspects of governance, such as the political ideologies of the state, managerial value systems, national intelligence and secretive cultural disposition.

Furthermore, the studies featured in this issue provide an updated account of the peculiarities of corporate governance infrastructures in both developed nations (i.e., Germany, Japan, Sweden, Switzerland, United Kingdom and United States) and emerging markets (i.e., China, Egypt, India, Malaysia and Mexico). Relying on data sets that were accessed primarily through secondary sources, the authors shed more explanatory light on the complex dynamics of governance systems in a number of industrial sectors, including electricity, manufacturing, and banking. From the methodological standpoint, although many included contributions make use of quantitative techniques (e.g., multivariate regression analyses), as is typical in most corporate governance investigations, few of them choose to employ other types of approaches, such as case studies and structured literature reviews.

In particular, *Nádia Genebra Ahmad, Victor Barros and Joaquim Miranda Sarmiento* examine the determinants of firms' dividend policy, measured by dividend yield, using a sample of firms that belong to the Euronext 100 index for a period between 2007 and 2016. *Loai Ali Alsaïd and Jean Claude Mutiganda* analyse the relationship between the state's political ideologies and the implementation of cost management strategies during the re-privatisation of a public sector organisation. *Ahmed M. Al-Baidhani* aims to evaluate the usefulness and relevance of accounting earnings disclosures, as the key determinant of stock price changes. *Michael Dobler and Melissa Luckner* investigate risk disclosures by German non-listed firms in relation to key attributes of governance and ownership. *Miri Park, Hyeonji Song and Jijun Niu* explore the impact of public listing on bank profitability. *Manas Mayur* examines investor sentiment and IPO pricing on Indian capital market. *Bushra Khan, André Nijhof, Rosalien A. Diepeveen and Daniëlle A. M. Melis* disclose proven relationships between good corporate governance variables and the financial and/or non-financial performance of companies based on a meta-analysis of relevant studies. *Mirko Di Giacomo and Marisa Cenci* consider ownership networks to quantify the ease with which a company can be controlled due to the shareholding relationships in which it is involved. *Thomas Loy* proposes novel insights at the intersection of psychology and corporate governance at the country-level. *Nancy Chun Feng and Ross D. Fuerman* provide the first empirical evidence documenting the determinants and outcomes of private securities class action lawsuits filed in the US and Canada against Chinese companies and their auditors.

Some of the aspects of the topics studied in mentioned papers were explored in the academic literature previously. For example, the determinants of bank profitability were the subject of different studies (Adelopo, Lloydking & Tauringana, 2018; Bolt, De Haan, Hoeberichts, Van Oordt & Swank, 2012; Goddard, Liu, Molyneux & Wilson, 2011; Lazarides, 2017; Muttakin & Ullah, 2012) however the research of the impact of public listing on bank profitability is presented for the first time. Widely debated issues in recent years are securities class actions (Chapple, Clout & Tan, 2014; Clout, 2017; Humphery-Jenner, 2012) however they were not put into Chinese perspective as it is done in the paper published in the current issue. The topic of risk disclosure, governance and ownership investigated in this issue of the journal contributes in certain way to the previous literature in this field (Cordazzo, Papa & Rossi, 2017; Kleinow & Horsch, 2014; Probohudono, Tower & Rusmin, 2013). The issues of investor sentiment and IPO pricing are also very polemical (Dash & Mahakud, 2012; Iyer & Harper, 2017; Samarakoon & Perera, 2018) so that their review in Indian context becomes relevant enough. The topic of corporate control and ownership structure has been previously considered by the authors too and made a contribution to the existing literature in this field (Li, Wang, Sun & Liu, 2010; Weifeng, Zhang Zhaoguo & Shasha, 2008). Overall, this issue of the journal is composed of papers which consider many fundamental issues of corporate governance which have been described in a whole by other scholars (Epaphra & Nyantori, 2018; Grove & Clouse, 2017; Nerantzidis, Filos & Lazarides, 2012; Puaschunder, 2018). It is only a small note regarding the novelty of the papers. We think that other papers in this issue of the journal are burning as well.

We hope the articles in this issue can open up the lines of communication between academics and practitioners. Bridging the gap between the two communities, the opportunities of the progress and contribution of corporate governance research are boundless.

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