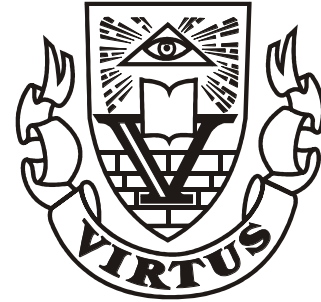


CORPORATE OWNERSHIP & CONTROL

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CONTENTS



EDITORIAL 4

SECTION 1. ACADEMIC INVESTIGATIONS AND CONCEPTS

AGENCY CONFLICTS AND THE WEALTH EFFECTS OF PROXY CONTESTS 8

Gurmeet Singh Bhabra, Chris Wood

In this paper authors examine the shareholder wealth impact of proxy contests and find that over the three years preceding the contest, target stock prices significantly underperform their industry peers. In addition, consistent with the monitoring role of proxy contests, the announcement and full contest periods result in a positive stock price reaction suggesting that the market views the initiation of a proxy contest as good news.

REGIONAL TAX COMPLIANCE AND TAX MOTIVATED EARNINGS MANAGEMENT: EVIDENCE FROM THE 2008 ITALIAN TAX REFORM 31

Marco Maria Mattei

The author investigates whether regional tax compliance affects earnings management activity in response to a decrease in the corporate tax rate and finds evidence that the higher the regional tax compliance where the company is based, the less managers engage in tax motivated earnings management. Finally, sensitivity tests show that both the intensity of earnings management for tax purposes and the effect of regional tax compliance are more material for small firms.

PRACTICAL GUIDELINES TO FORMULATE AN OPERATIONAL RISK APPETITE STATEMENT FOR CORPORATE ORGANISATIONS: A SOUTH AFRICAN PERSPECTIVE 46

J. Young

The paper approaches a risk appetite statement from an operational risk perspective, which could serve as a platform for other risk types. Therefore, the significance of this research aims to provide guidelines to corporate organisations during the setting of a realistic operational risk appetite statement that could add value during the pursuance of business objectives within the approved tolerance levels.

SECTION 2. CORPORATE BOARD PRACTICES

DEVELOPING A MODEL TO EVALUATE THE INFORMATION TECHNOLOGY COMPETENCE OF BOARDS OF DIRECTORS

63

Shafi Mohamad, Mary Hendrick, Conor O'Leary, Peter Best

This paper develops a model of IT competences boards should have, to achieve appropriate IT governance. The model is then pilot tested, using Ireland as a case study, to evaluate two issues. Firstly, whether these are the appropriate competences current boards need and second, whether boards appear to have those competences. A survey was completed by Chief Information Officers (CIOs) of Irish listed companies. Results indicate the model is an appropriate method with which to evaluate board IT competence, and companies in Ireland appear to be at a satisfactory competence level. The significance of the research is that the model can now be used to evaluate board IT competence in other jurisdictions. Furthermore comparisons of managements' evaluations and boards' evaluations can be assessed.

CHALLENGING GOVERNANCE BETWEEN INTERNAL AND EXTERNAL ACTORS: A RESOURCE DEPENDENCE APPROACH FOR STUDYING BOARD DYNAMICS AND INTERACTIONS

75

Andrea Tomo, Alessandro Hinna, Danila Scarozza, Ernesto De Nito, Gianluigi Mangia

The authors aim to investigate continuation of a previous systematic research conducted few years ago by some of the authors (Hinna et al. 2010, 2014). In order to focus on the need to deepen the study on board dynamics in public organizations, this study presents an overview of international literature regarding boards in public organizations, in order to evidence if, and in which terms "board dynamics and interactions" has been a topic of research in public governance in recent years. Then, using a resource dependence approach the paper tries to understand how external factors and pressures can influence board composition and board interaction. The results will contribute and provide suggestions to further research on board dynamics in public organizations.

ARE EFFICIENT CEOs HIGHER REMUNERATED? A DATA ENVELOPMENT ANALYSIS OF SELECTED JOHANNESBURG SECURITY EXCHANGE COMPANIES

92

Merwe Oberholzer

The author aims to determine whether there is a difference in remuneration of CEOs who are efficient and inefficient, as estimated by data envelopment analysis. A sample of 167 Johannesburg Stock Exchange-listed companies, divided into large, medium and small, from the industrial and resource sectors is empirically investigated. According to the Student t test, the study found that there is no statistically significant difference between the remuneration of efficient and inefficient CEOs of large and small companies, but for medium-sized companies, the inefficient CEOs are statistically significantly higher remunerated.

LESSON LEARNT FROM QUALITY CEO – CREATIVITY DEVELOPMENT FOR LEARNING ORGANIZATION WITH IMPACTS

105

Shirley Mo-Ching Yeung

The purpose of this paper is to explore the factors to develop creativity for building a learning organization. Methods of developing creativity from a quality CEO have also been investigated. This paper draws conclusions from a qualitative content analysis with reporting on the CEO of Apple in 2011 to identify the key factors for a quality CEO to develop creativity. The paper details the elements for developing creativity in a learning organization; and this is important for the sustainability of different kinds of organizations in the business world.

SECTION 3. CORPORATE GOVERNANCE IN DEVELOPING COUNTRIES

THE IMPACT OF GOVERNANCE AND OWNERSHIP STRUCTURE ON DISCLOSURE PATTERNS TRANSCENDING MAJOR REGULATORY CHANGE IN MALAYSIA

114

Poh-Ling Ho, Grantley Taylor

This study intends to investigate the extent of voluntary disclosures between 2006 and 2009 that transcends major regulatory and governance changes in Malaysia and to assess the association between strength of corporate governance structure, and ownership structure on the extent of voluntary disclosures of Malaysian listed firms over that period. Firms with concentrated ownership structure are associated with more extensive voluntary disclosures. These findings highlight the importance of an effective governance regime and concentrated ownership structure in reducing information asymmetry and agency costs and thereby enhancing the level of voluntary disclosures. These findings also have practical implications for policy-makers, analysts, auditors and regulators in Malaysia as well as East Asian countries.

GROWTH OPPORTUNITIES AND DIVIDEND POLICY: SOME EVIDENCE ON THE ROLE OF ETHNICITY IN AN EMERGING ECONOMY

126

Ravichandran K. Subramaniam, Mohammed Shaiban, Susela Devi K. Suppiah

This article examines the association between growth opportunities and dividend payouts and moderates the relationship between growth opportunities and dividend payouts. The sample consisted of the Malaysian top 300 public listed companies (in terms of market capitalization) for a period from 2004 to 2011. Based on a specified selection process, the sample contained 1330 firm-year observations, after excluding firms with missing data. This paper finds that growth opportunities is associated with less dividends payouts and that this relationship is weaker for Bumiputera ethnic controlled firms. Furthermore, the results show that this negative association exists only for non-Government Linked Controlled firms.

AN EMPIRICAL STUDY OF IPO UNDERPRICING: EVIDENCE FROM CHINESE STOCK MARKET

139

Tianxiang Xu, Yujie Zhao

This article is conducted for the question why Chinese IPO are so heavily underpriced and the determinants of IPO underpricing, also the possibility of IPO be underpriced in China. We confirm again that Chinese IPOs are heavily underpriced and the average underpricing level is about 110%. Further, Chinese IPO will experience a negative short term return starting from 10 days after listing, and there are significantly different characteristics for state owned IPOs and private IPOs. This study finds that information asymmetry, proportion of state owned share and risk are the mainly determinants of IPO underpricing in China.

SUBSCRIPTION DETAILS

153