CORPORATE OWNERSHIP & CONTROL

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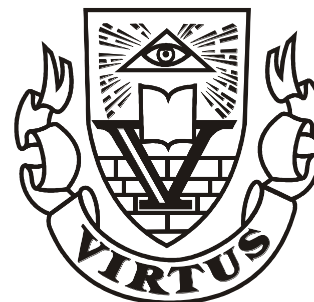
CONTENTS



EDITORIAL 4

SECTION 1. ACADEMIC INVESTIGATIONS AND CONCEPTS

BOARD DIVERSITY AND STRUCTURE: WHAT IMPLICATIONS FOR INVESTMENTS IN INNOVATION? EMPIRICAL EVIDENCE FROM ITALIAN CONTEXT 9

Silvio Bianchi Martini, Antonio Corvino, Alessandra Rigolini

The aim of this paper is to investigate the relationship between the board diversity and the investments in innovation in a sample of companies listed on the Italian Stock Exchange (named Borsa Italiana) and operating in the consumer goods and in the consumer services industry. This sample covers the period from 2006 to 2010 and contains 345 observations. Drawing on the literature review, we pinpointed six hypotheses related to the impact on the investments in innovation of the following independent variables: 1. presence of outside directors; 2. average number of the other positions held by the members of the board; 3. minority shareholder representatives on the board; 4. presence of women on the board of directors; 5. number of committees; 6. frequency of board meetings. Furthermore, on the basis of the previous empirical studies, to measure the investments in innovation (the dependent variable), we chose these accounting ratios: total intangible assets divided by total assets and total R&D costs divided by total sales. From the methodology standpoint, we used both the bivariate statistic (i.e. Pearson Correlations and Anova one way) and the multivariate one (i.e. OLS regression analysis with robust standard errors calculated by the Newey-West, HAC method). Our findings confirm the previous studies and show that, also for the Italian listed companies operating in the industries mentioned earlier, the outsiders as well as the frequency of meetings held by the Strategy Committee assume a relevant role in supporting the investments in innovation. Conversely, the other independent variables concerning board diversity (i.e. women, minority shareholder representatives etc.) are not statistically significant and, as a result, do not influence the investments in innovation.

SOCIAL REPORTING IN THE ANNUAL REPORTS OF IRANIAN LISTED COMPANIES 26

Ali Yaftian, Victoria Wise, Kathie Cooper, Soheila Mirshekary

This paper examines corporate social reporting (CSR) in the annual reports of companies listed on the Tehran Stock Exchange (TSE) in Iran. Descriptive analysis and multiple linear regression techniques are used to analyse the extent of CSR disclosure and to test hypotheses regarding the relationships between CSR disclosure and four company characteristics namely size, profitability, financial leverage and industry type. Among five important themes of social disclosure (human resources, environmental performance and policies, community activities, energy consumption, and customer satisfaction and product quality) the human resources theme was found to be the most common type of disclosure made. Only the size of the disclosing company was found to be significantly related to the level of overall CSR disclosure.

STRATEGIC DYNAMICS AND CORPORATE GOVERNANCE EFFECTIVENESS IN A FAMILY FIRM **34**

Paolo Di Toma

This paper employs a case-study approach to address linkages between corporate governance and a firm's strategic dynamics. It investigates a family firm which moved from a state of crisis to a renewed growth and profitability stage to analyze how establishing appropriate governance practices may contribute to strategic renewal and value creation. Creating an effective system of corporate governance is a crucial task for all firms, requiring an appropriate balance between accountability and entrepreneurial dimensions to carry out the firm's strategies. Data reveal how corporate governance variations over time may help a family firm to move through its organizational life cycle, by creating an appropriate fit with the evolving strategic needs.

THE USEFULNESS OF OPERATING CASH FLOW INFORMATION: DOES FORMAT MATTER? **44**

Shadi Farshadfar

This study investigates whether the direct method of presenting cash flows from operations is superior to the indirect method in its ability to forecast future cash flows. It also considers the effect of industry characteristics on the relative usefulness of direct and indirect methods of cash flow presentation. The study, which uses a sample of Australian firms, finds that both the direct and indirect methods improve the forecast of future cash flows. However, the indirect method of reporting cash flows from operations is more relevant than the direct method in predicting future cash flows. Evidence from the industry-level analysis overall reinforces the main results.

THE IMPACT OF LITIGATION RISK ON CORPORATE PROSPECTIVE DISCLOSURE: A REVIEW OF THE EMPIRICAL LITERATURE **53**

Gerry Gallery, Jodie Nelson, Chan Guo

We review the literature on the impact of litigation risk (a form of external governance) on corporate prospective disclosure decisions as reflected in management earnings forecasts. From this analysis we identify four key areas for future research. First, litigation risk warrants more attention from researchers; currently it tends to be treated as a secondary factor impacting MEF decisions. Second, it would be informative from a governance perspective for researchers to explore why litigation risk has a differential impact on MEF decisions across countries. Third, understanding the interaction between litigation risk and forecast/firm-specific characteristics is important from management, investor and regulatory perspectives but is currently under-explored Last, research on the litigation risk and MEF attributes link is piecemeal and incomplete, requiring more integrated and expanded analysis.

CORPORATE GOVERNANCE AND PERFORMANCE IN TURNAROUND: A SYNTHETIC INDEX **62**

Giovanna Mariani, Delio Panaro

In this work we carried out an empirical research on a panel of companies in turnaround SMEs, venture capital backed, with the objective of deepening the analysis: Firstly, if warning signs were submitted from firms in turnaround. Secondly, we tried to verify the role played by the Corporate Governance in restructuring, with the definition of an index of good Governance for SMEs (scG) and Performance ad hoc index (scP). Thirdly, the definition of a Synthetic Index (SI) aggregates the two kinds of information: Corporate Governance Quality and Performance. We conducted an analysis of the balance sheets of the companies in turnaround participated by a turnaround fund, in the years 2004 and 2009. In relation to the total number of firms involved in turnaround in the period in question, which were 26 in total; it was possible to reconstruct the historic trend only for 12 of them, for the others the balance sheets could not be found. In conclusion, it can be noted that the analysis of important aspects of management through the development of Z-score, and scG, scP, and SI can summarize complex concepts into a number and allows for comparisons between situations that are not readily comparable in terms of accounting. This study can suggest the definition of Corporate

Governance Index for SME in critical situations. This study offers some ideas about the opportunity of stimulating the SME to introduce the Corporate Governance System spread to listed companies.

SECTION 2. CORPORATE GOVERNANCE IN BANKS

BANK CAPITAL AND BASEL 3 IMPACTS ON ITALIAN BANKS **75**

Franco Tutino, Giuliana Birindelli, Paola Ferretti

The issues raised by Basel III, with specific reference to the introduction of more stringent capital requirements, are numerous and touch upon different aspects, such as cost and profitability-related problems and the repercussions concerning strategies implemented by banks. Our aim is to clarify the impact on Italian banks. We will first present some general considerations addressing the main implications for bank management, before illustrating the results of a survey aimed at detecting possible fears and doubts, on the part of banks, with reference to the extent to which some of the capitalisation proposals included in the reform can actually be pursued.

BANKING SECTOR REFORMS IN KENYA: PROGRESS AND CHALLENGES **88**

Sheilla Nyasha, NM Odhiambo

This paper gives an overview of the banking sector in Kenya; it highlights the reforms since the country's independence in 1963; it tracks the growth of the banking sector in response to the reforms implemented over the past four decades; and finally, it highlights the challenges facing the banking sector in Kenya. The country's banking sector consists of more than 40 commercial banks, with the Central Bank of Kenya, which is the country's central bank, at the apex. Since the 1980s, the Kenyan government has implemented a number of banking sector reforms – in order to safeguard and improve the banking sector. The response to these reforms by the banking sector has been varied. As a result of these reforms, there has been a shift in the dominance from the State-owned banks to the private commercial banks. There has also been an improvement in the Central Bank's oversight of the financial institutions, and an enforcement of the banks' capital-adequacy requirements. By the standards of African countries, Kenya currently has one of the most developed banking systems in Africa. The country has enjoyed a substantial bank-based financial sector development over the years, and its institutional framework has also grown stronger. However, like many other developing countries' financial systems, the Kenyan banking system still faces wide-ranging challenges, such as high interest rate spreads and financial inclusion challenges.

SECTION 3. CORPORATE GOVERNANCE IN SOUTH AFRICA

CEO COMPENSATION AND PERFORMANCE OF STATE OWNED ENTERPRISES IN SOUTH AFRICA **97**

Sam Ngwenya, Mahlomolo Khumalo

The study investigates the relationship between CEO compensation and performance of State Owned Enterprises (SOEs) in South Africa, using data for the period 2009 to 2011. The results indicated that there exist no positive relationship between CEO compensation and SOEs performance as measured by return on assets. The results also indicated a positive relationship between CEO compensation (base salary) and the size of SOEs as measured by total revenue and number of employees. The results suggest that board members of SOEs in South Africa should hold CEOs accountable for the performance of SOEs, and should not pay huge salaries and bonuses to non performing CEOs.

AN EVALUATION OF THE ROLE AND CONDUCT OF MULTINATIONAL CORPORATIONS (MNCS) IN SUB-SAHARAN AFRICA **110**

Johan Hough, Andre Parker, Ernst Neuland

"Africa's not for sissies" is what one often hears when discussing business conditions in sub-Saharan Africa (SSA). However, the good news is that the new millennium increasingly exhibits significant trends in support of the notion that a reversal of SSA's fortunes is underway: annual GDP growth in the region is well ahead of the global average, civil wars in the region have largely come to an end and, for two years running, private equity investment flows into the region have surpassed that of foreign aid, Africa's traditional 'crutch'. Importantly, a small band of early-mover Multinational Corporations (MNCs) are making their presence felt in the region and beginning to make good profits. These firms include the likes of Diageo, The Coca-Cola Company, MTN and SABMiller.
The purpose of this article is to research the nature and the changing face of the MNC, impact on globalization and Foreign Direct Investment (FDI), and some MNC strategies to enter foreign markets.

CORPORATE GOVERNANCE AND THE VALUE OF THE FIRM: AN EMPIRICAL ANALYSIS OF COMPANIES LISTED IN THE JSE SECURITIES EXCHANGE OF SOUTH AFRICA **125**

Nelson M Waweru

This study examines the corporate governance characteristics influencing the value of the value of the firm in South Africa (SA). Corporate governance variables including Block shareholding, Dispensed shareholding, Board size, Proportion of non-executive directors and Audit quality were identified from the corporate governance literature. Using panel data of 247-firm years obtained from the annual reports of the 50 largest companies listed on the JSE Securities Exchange of SA, this study found that block shareholding and the proportion of NEDS as the main corporate governance characteristics influencing the value of the firm in SA. The results of this study are important to the King Committee and other corporate governance regulators in SA, in their effort to improve corporate governance practices and probably minimize corporate failure and protect the wellbeing of the minority shareholders. Furthermore, the study contributes to our understanding of the corporate governance variables affecting firm value in developing economies, especially SA.

CRITICAL SUCCESS FACTORS FOR THE IMPLEMENTATION OF AN OPERATIONAL RISK MANAGEMENT SYSTEM **137**

M.D.Gibson, J. Young

Operational risk has become an increasingly important topic within financial institutions resulting in an increased spend on operational risk management solutions. While this is a positive approach, evidence has shown that information technology implementations have tended to have low rates of success. Research has highlighted that a series of defined critical success factors could reduce the risk of implementation failure. Twenty-nine critical success factors were identified by means of a literature review and confirmed by a questionnaire that was distributed to an identified target group within the South African financial services community. Reponses to the questionnaire revealed that 27 of the 29 critical success factors were deemed important and critical to the implementation of an operational risk management system.

SUBSCRIPTION DETAILS **148**