CORPORATE OWNERSHIP & CONTROL

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This study relies on preference heterogeneity and locus of control research to hypothesize about the impact of control types on firm valuation. We investigate whether market participants discriminate between control types when making investment decisions. Our empirical results of Swiss data suggest that control types represent discrete governance contexts with a unique set of conditions each related to a different level of principal-principal agency costs. Specifically, we find that firms with family ownership and professional management are valued more highly relative to other control configurations and that owners can use board and share structures to signal good governance. Our study thus provides support for a psychological and socio-political perspective of principal-principal conflicts of interests and expropriation of minority investors.

The purpose of this paper is to examining the impact of government ownership on firm performance and leverage in Malaysia. In this paper, we examine governance mechanism and firm performance and leverage of 200 Malaysian firms over 5 year periods from 2005 - 2009. We use fixed effect panel regression model in predicting capital structure of Malaysian firms. We use two indicators as independent variables which are debt ratio and debt over equity ratios. This paper is to determine whether after controlling firm specific characteristics such as corporate governance, agency cost, growth, risk and profitability, government involvement will influence decision on debt policy of the firm. This study may enable the firms to make better decision on their external financing. The inverse association of leverage and profitability implies that the firms are able to get the required capital easily due to the higher level of profits. The existence of government support and backup also will ensure the level in the firms is at the controllable. Therefore, the findings will be able to add new knowledge to the corporate managers and policy makers especially on decision-making on capital structure.

This paper reviews the theoretical and empirical corporate governance literature in China, concentrating on relationships between ownership, board characteristics and firm performance. In addition, we explore the recent floatation of non-tradable shares and relationship contracting (Guanxi), which are two unique corporate governance issues in China. Overall, the understanding of the key driving forces of firm organizational structure, corporate governance practices, and performance remains largely inconclusive and we make recommendations for future research direction.

This paper develops a theoretical model to study features of the evolving ownership structures of private enterprises in Zhejiang Province, China. The model predicts that in a developing economy where the market environment is immature or unstable, the ownership structure of a typical private enterprise involves a cooperative arrangement between a party with management skills and another party with Guanxi (connections). As the market environment becomes more stable, the ownership share of the party with management skills increases. This result is confirmed by empirical evidence of 296 surveyed firms in Ningbo city of China, showing that the perceived importance of both government and family Guanxi declined with perceived improvements in market stability.

SECTION 2. CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

The aim of this paper is to investigate the relationship between the concept of corporate social responsibility and the most important characteristics of banking – the efficiency and stability in a sample of twelve Ukrainian banks, which are the biggest banks in Ukraine according to the classification of the National Bank of Ukraine (NBU). Our research covers the period from 2006 to 2012. Based on the literature review we construct two main hypothesis related to the impact on the corporate social responsibility concept (CSR) of the following independent variables: 1 – efficiency (as a short term period characteristics of banking), 2 – stability (as a long term characteristics of banking).

This paper aims at empirically supporting, in a cross-country and cross-industry analysis, the instrumental role of stakeholder management by adopting a disaggregated approach to the corporate social performance measurement. By using a sample of 250 European industrial listed firms, from 10 European countries, in the period 2001-2003, we find the following evidence: i) the firm is not socially responsible towards all stakeholders, but invests more in key-stakeholders, those who are (perceived as) more influential on its business and have a more valuable impact on its financial performance; ii) a null or weak significance of the relationship between corporate social performance (CSP) and corporate financial performance (CFP) in the whole sample hides highly significant opposite relationships in two separate sub-samples (i.e. firms with positive and negative relationship, respectively): the sign of the CSP-CFP link cannot be expected to be univocal, since the marginal reward-cost equilibrium of social investment is firm-specific.

SECTION 3. CORPORATE GOVERNANCE IN ITALY

This research has a twofold target. For one extent it embraces on a wider historical period previous analyzed related to the innovative bodies of law introduced by the Vietti's Reform in 2004, providing an overall evidence related to the Italian corporate system, ranging from consistency and dynamics of the different forms of legal entities, to their corporate governance and ownership structures. For another extent it proposes completely new data about other patterns of "Corporate Italy" which have never been enquired in a systematic way before. The paper provides a wide analysis of the ownership structures of unlisted joint stock Italian companies and of the limited liability companies describing the number of all the M&A deals or corporations' transformation or liquidation during 2012.

The paper focuses on listed companies controlled by other (listed or not listed) entities. The decision-making power of listed subsidiary's boards could be strongly influenced by (or instead could be autonomous from) the parent companies' board. However, so far literature on corporate governance seems not to have considered adequately this aspect as well as the impact of that influence on listed