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CONTENTS

the rationale behind the issuance of convertible bonds, the empirical evidence about the major issuance reasons and the subsequent wealth impacts for the issuer remains mixed. The purpose of our study is to evaluate the relevance of these various theoretical approaches to explain empirically the motivation and characteristics of a company when issuing convertible debt and the resulting wealth effects for the company's shareholders.

Changes in the regulatory environment in China since 2002 with respect to related-party disclosure were a sign that China wished to make its corporate sector more transparent and accountable. It was expected that the introduction of mandatory disclosure might also lead to higher levels of voluntary disclosure than had previously been the case. Our investigation of a large sample of listed Chinese companies finds that a significant increase in the extent of related-party disclosure occurred after the introduction of *The Code of Corporate Governance for Listed Companies in China* (*The Code*). This suggests that *The Code* issued by the China Securities Regulatory Commission have worked as 'soft' corporate directives as well as insisting on legally enforceable mandatory disclosure requirements, to effectively improve the extent of corporate disclosure in the sensitive area of related-party transactions.

The influence of local culture on the way business is conducted has been recognized by a whole array of literature (e.g. Hofstede, 2001). Due to the focus on the financial industry throughout the last years, other vital sectors like the extractive industry have been neglected by academic research. This is even more surprising given the fact that the extractive industry is a particularly exciting study object. Its main capital is mining rights to explore and exploit the natural resources in a specific geographic area. Once a corporation decides to start exploitation, the venture is most likely to employ lots of workers out of the communities around the plant. This entangles the companies unavoidably closely with local and national politics. This paper inquires into the reporting of corporate governance in the extractive industry. For the purpose of this study, four Russian companies in the Oil and Gas sector and four South African gold producers were chosen. Besides obvious differences in the mining process, both sectors are vital to the economies of both nations and both are under strong influence of regulations and politics. Both groups report about their corporate governance on a very high level. The paper concludes that the notion of closed and opaque Russian companies does not hold any longer.

ICN Pharmaceuticals, Inc. (today Valeant Pharmaceuticals International) was a drug developer and manufacturer, known in the medical field for its development of Ribavirin, an antiviral compound used to treat various viral infections. However, ICN will probably be remembered mostly as an example of problematic and inefficient corporate governance. Changes in the management structure of ICN occurred almost at the same time when corporations, like Enron, WorldCom, Tyco, were dealing with financial scandals caused by problems in corporate governance. Since ICN was not a powerful corporation and found a way to deal with its problems, it was not subject of any big financial scandal. Nevertheless, it is interesting how ICN managed to operate, in some years even successfully, with so many corporate governance problems and how Milan Panic managed to stay at the top of ICN for 42 years, in spite of his numerous expensive law suits, scandals and bad decisions.

SECTION 2. BOARD PRACTICES

This paper was extracted

We find that substantial changes in board size, either an increase or a decrease of three or more directors at one time, are permanent movements rather than temporary changes, but the large changes are followed by small reversal in the subsequent years. Empirical evidence shows that all types of directors (inside, affiliated, and independent) are strongly affected by board size expansions (or reductions). Large changes in board size provide a good opportunity for a firm to optimize its board structure by increasing board independence and retiring elder directors. Further analysis indicates that such substantial changes in board size are associated with more frequent board meetings, a higher likelihood of CEO transitions, and firm size expansions. However, we find no evidence that large decreases (or increases) in board size add (or destroy) firm value for shareholders in the long run.

The purpose of this paper is to investigate the educational qualifications and experience of executive and non-executive members of directorial boards in Australia. Inspired by Galbraith's (1967) analysis of the 'technostructure', we examine the educational qualifications of managerial (executive) directors and non-executive directors to assess the extent of divergences in the relevance (to the company's operations) of executives' and non-executives' educational qualifications. In addition, we measure the 'relatedness' of executives' and non-executives' educational qualifications to determine the extent to which the set of educational qualifications of executive directors diverges from that of non-executive directors. We find significant differences in the relevance of the educational qualifications possessed by executives and non-executives. We also find very low relatedness between the two sets of educational qualifications. The advantages of board diversity on the one hand and the disadvantages that may attend potentially sub-optimal technical information flow on the other are discussed.

Most prior studies have argued that the relationship between firm complexity and board size is a monotonic one: complex firm tend to have a large board size. Contrary to previous work, it is hypothesized in this study that this relationship is more likely to be moderated by board leadership structure. Using a sample of 92 Egyptian listed firms over the period from 2000 to 2004, we found that firm complexity exerted a positive and significant coefficient on board size when the firm adopts a leadership structure that separates the roles of CEO and chairman. However, the incremental effect of firm complexity on board size was negative and significant for firms that combine the roles of CEO and chairman (i.e., CEO duality). This study provides supportive evidence for the argument that firms are more likely to manipulate their boards' characteristics to attain organizational adaptation at the minimum total cost. Thus, studying of one main characteristic of the board of directors without taking into account the expected effect of other characteristics may lead to inconclusive evidence. This study offers insights to practising managers and policy makers. If practising managers want to maximize the value of their firms, they need to broaden their insight to understand that board characteristics are multidimensional, contingent and dynamic in their nature and differ not only across firms and industry, but also across countries. Moreover, before developing and launching new and additional corporate governance reforms, policy makers need to realize that differences in corporate governance systems cannot be fully explained outside their institutional environments.

SECTION 3. CORPORATE GOVERNANCE: JAPAN