CORPORATE OWNERSHIP & CONTROL

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administration viewpoint, the case of L'Oréal offers insights on how strategic alliances can help sustain competitive advantage in firms that compete globally.

This paper was extracted

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Accounting scandals in recent years have exposed that a high risk in business operations and caught the public attention. Thus, the Taiwanese government has strengthened the necessary regulations to protect shareholders' rights, emphasizing breach of trust by managers and irresponsibility by board of directors (BOD). Situations such as class action lawsuits filed by investors against firms for deficiency in disclosures revealed that firms could purchase directors & officers liability insurance (D&O insurance)to reduce and diversify the potential risks that result in severe harms by management and board decisions. Our study also shows that decisions to purchase D&O insurance may influence the decision making process of BOD and high-level management, and it may even impact the likelihood of management turnover.

The purpose of the study is to examine the main determinants that would influence the firm's decision on whether to purchase D&O insurance. From empirical evidence, we find the purchase of D&O insurance is more likely when firms are greater in BOD independence, higher BOD average compensation, with greater high level management turnover, larger in size, and in the electronics industry. On the other hand, firms are less likely to purchase D&O insurance when there are higher frequencies in change of external auditors, greater deviation of ultimate controlling shareholders cash flow rights and equity control rights, and when firms are with greater in BOD directors serving as firm managers. However, no relationship is found for firms' D&O insurance purchase relates to information disclosure transparency, and duality of CEO and BOD chairman.

Yongqiang Li, Abdi Hassan, Esse Abdirashid, Bruno Zeller, Miaoli Du

The last decade witnessed dramatic growth of the Islamic banking and finance sector, which had largely been credited to its adoption of the profit and loss sharing principles. However, in practice, the Islamic banks mostly reply on debt-like financing methods such as mark-up and leasing finance instead. Consequently, the investors are exposed to default risks. This study empirically examines the impact of investor protection on financial performance of Islamic banks based on an unbalanced panel data collected from 91 Islamic banks and financial institutions worldwide across 1991-2010. Econometric techniques are adopted to specify the models. Results show that stronger investor protection results in better financial performance in the Islamic banking and financial institutions. The paper concludes with acknowledging the limitations and discussion of future research directions.

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Corporate governance has changed into a very crucial investment decision making element for investors. The amount of investors' investment increases as much as the observing of corporate governance principles increase. Thus, companies' ranking regarding corporate governance can present valuable information for users. Corporate governance criterion is a criterion through which the amount of observing the principles of corporate governance by the companies is shown. The existence of this criterion besides company rankings can be effective for investors, auditors and the public to judge about these companies. So in this paper we will try to propose our new criterion entitled: "Fuzzy corporate governance criterion" and its fundamental concepts based on fuzzy logical theory. The methodology based on fuzzy logical theory has improved and developed inexact and vague estimates of traditional assessment methods. This methodology has presented a new type of corporate governance (CG) criterion called Fuzzy corporate governance (FCG). Transparency and disclosure, ownership

SECTION 2. CORPORATE OWNERSHIP

SECTION 3. CORPORATE GOVERNANCE IN MALAYSIA

This study aims to examine the impact of Theory of Planned Behavior components – attitude, subjective norms and perceived control behavior on perceived socially responsible investment (SRI) behavior among fund managers of unit trust fund companies with intention to engage in SRI as a mediating variable. This cross sectional study employs questionnaire to collect the opinion from respondents. Three hundred and twenty questionnaires have been distributed but only 84 have been returned by the fund managers, with a response rate of 26.25 per cent. A scan of such questionnaires further revealed that only 73 could be taken up for analysis. Thus, the usable rate is 22.81 percent. Structural Equation Modeling (SEM) that has been used in the study has revealed that the model has a good fit for the model (above minimum requirements for goodness of fit criteria) which indicates the appropriateness of instrument and measurement. The analysis shows that subjective norms have significant and positive direct effect on perceived SRI behavior. In addition, subjective norms also have a significant and positive indirect effect on perceived SRI behavior through intention to engage in SRI. Attitude has a positive and significant direct impact on intention, while it does not have a significant direct effect on perceived SRI behavior. Besides, the study has evidenced significant direct effect of intention on perceived SRI behavior. However, the study has not found any evidence to support the association of perceived control behavior with intention and perceived SRI behavior. The major limitation of this existing study is a lower response rate; nevertheless it provides good understanding on the interaction of attitude, subjective norms, perceived control behavior, intention and behavior in the context of socially responsible investment in emerging economies like Malaysia.

This study examines the effect of firm-level corporate governance variables on foreign equity ownership (FEO) in Malaysia. Foreign equity ownership can be an important source of capital for companies to fund their expansion and growth. To attract FEO, good corporate governance practices are vital because these practices are used to reduce or mitigate agency cost. Based on a sample of listed firms on Bursa Malaysia and employing multiple regression analysis, the study finds that a number of corporate governance mechanisms significantly improve the ability of companies to attract foreign equity ownership, especially, Insider Ownership, Government Ownership, Firm Size, Dividend Yield and Tobin's Q. The results of the study indicate that firm-level efforts for better corporate governance sends positive signals and confidence to foreign investors.