EDITORIAL

Dear readers!

The recent issue of the journal Corporate Ownership and Control is devoted to the questions of accountancy practice, firm performance, positive and negative cash flows, corporate social responsibility, earnings management, audit quality, SMEs, board structure, family businesses, fraud schemes, fraud consequences, ownership structure, payout policy, etc.

Antonella Cugini and Silvia Pilonato study issues related to cost accounting systems and customer profitability analysis in professional service firms (PSFs), which have rapidly increased in Europe during the last decade. Because few research studies on cost accounting and customer profitability in PSFs have been reported, one of the main paper's contributions relies on exploring the informative advantages of activity-based costing (ABC) compared to the cost centre accounting system.

Domenico Rocco Cambrea, Giorgia Lussana, Fabio Quarato and Paola Varacca Capello investigate relationship between top management team (TMT) diversity and firm performance in the fashion and luxury industries. Predictions from the relevant theoretical perspectives – namely, Upper Echelons and Social Psychology theories – are often conflicting, and the controversial nature of this phenomenon together with the lack of empirical studies in the fashion and luxury industries have inspired the research question to investigate the link between TMT diversity and firm performance.

Hossein Rezaei Ranjabr describes the role of cash flows volatilities on the extent and level of current investments in companies. Research sample includes companies listed on the Tehran Stock Exchange during 2004-2014. Data have been extracted from financial statements of companies with the use of multiple linear regressions and have been studied in the form of panel data. Results obtained from research hypotheses test indicate that cash flows volatilities have a positive and significant relationship with current investments in companies.

Vincenzo Scafarto, Federica Ricci, Gaetano Della Corte and Pasquale De Luca investigate the interplay between board-level governance characteristics, ownership concentration and firm performance in the Italian corporate landscape, which is characterized by high (though varying) degrees of ownership concentration. The empirical setting of this study is the Italian stock market and specifically a sample of non-financial firms included in FTSE MIB and mid-cap index of Milan stock exchange, spanning a five-year time period from 2011 up to 2015.

Shirley Yeung and David Chui's research goal is to reflect the commitment of organizations in ESR reporting and explore ways to integrate ISO 26000 CSR Guidelines, ESG Reporting, and UN Sustainable Development Goals for innovations in CSR performance, focusing participation of women in the workforce and CSR training provided to employees.

Tariq Bhatti examines the factors affecting adoption of cloud-based enterprise resource planning (ERP) systems by UAE SMEs using one of the theories of Diffusion of Innovation (DOI). The technology-organization-environment (TOE) framework used in this study integrates factors in the technological, environmental and organizational contexts of organizations.

Yulius Kurnia Susanto and Arya Pradipta investigate the factors that affect qualified opinion. The study uses earnings management, audit quality, audit tenure, firm size, leverage, liquidity, inventories, and losses to predict qualified opinion. The qualified opinion was measured using dummy variables, value 0 for unqualified opinion, 1 other unqualified opinion (Blandón & Bosch, 2013).

Josefine Boehm, Daniel Voll and Henning Zülch study TCC AG which is a fast-growing bicycle production company and is headed by an ambitious top management team that wants to reinforce the firm's expansion strategy with a sophisticated financial funding scheme. However, combined with an income decline, the financing strategy unexpectedly poses an existential threat to TCC. Complex accounting questions arise including the likely breach of a financial covenant, the detailed contractual clauses of a prospectus and the execution of a debt-for-equity swap.

Bambang Dwi Suseno, Christantius Dwiatmadja and Ahyar Yuniawan aim to provide clear explanation and answer based on the research gap of previous studies that studied about the relationship between managerial trait from family business and managerial performance. The study also investigates the phenomenon about low managerial performance that triggered low continuity of bus industry belonged to family business in Indonesia.

Majed Alharthi identifies the factors that can impact on the profitability and stability of GCC banks, using data from the period 2005-2014, to achieve GCC Vision 2030. The profitability indicators are: return on assets (ROA), return on equity (ROE), and net interest margin (NIM). In terms of stability, this can be presented through z-score and capital ratio. The statistical regressions in this study are generalised least squares (GLS) and generalised method of moments (GMM). Using both statistical indicators (GLS and GMM) is highly limited in previous studies. The main results for profitability show that stable banks are typically more profitable than instable banks.

Andrews Owusu, Mark Holmes, Jacob Agyemang analyse the performance consequences of board structure changes in Ghana for the study period 2000 to 2009. In 2003, the Ghanaian listed firms adopted the Ghanaian Corporate Governance Code on comply or explain basis but no study to date has analysed the pre-2003 and post-2003 board structure changes impact on firm performance in the Ghanaian environment.

Francesco Sotti investigates value relevance of consolidated financial statements prepared according to IASs/IFRSs and whether presence or absence of non-controlling interests is relevant to capital markets investors.

Simona Alfiero, Massimo Cane, Ruggiero Doronzo and Alfredo Esposito study changes in how corporate information is both perceived and published. Many company Boards of Directors (BoD) voluntarily adopt a new communication tool, known as Integrated Reporting, (IR) which is a single disclosure document that satisfies stakeholders' increasing need for information. This study wants to contribute to existing literature on the relationship between corporate governance and IR, investigating if board configuration (size, gender, and average age) influences its adoption.

Juan Pablo Gonzales-Bustos, Ana Beatriz Hernández-Lara and Xiaoni Li contribute to the literature on corporate governance and innovation, providing empirical evidence with respect to the evolution of board composition and innovation over time, comparing between family and non-family businesses. Data were collected from 86 Spanish companies belonging to innovative sectors during the period 2003 to 2014.

Michalis Bekiaris, Georgios Papachristou investigate fraud, fraudster's business profile and its consequences. Fraud costs economy, businesses, investors and society more than $3 trillion every year. It is a serious problem that, after a series of corporate and accounting scandals, has recently received considerable attention. This essay reviews fraud concept and presents the main fraud schemes and causes that lead people to unethical behavior. We describe fraudster's personal characteristics and discuss fraud evolution from 2004 to 2016, according to the Association of Fraud Examiners' Reports to the Nations. This research is one of the few to focus on fraudster's business profile using a weighted measure of impact in terms of likelihood. In this way, we contribute to the existing fraud literature providing useful information to professionals and academics to further explore firms' internal environment characteristics that may affect fraudulent behavior.

Husam-Aldin Nizar Al-Malkawi examines the effect of ownership structure and firm-specific factors on the payout policy of firms listed on the largest stock market in the Gulf Cooperation Council (GCC) region namely the Saudi Stock Exchange (SSE). The paper uses a balanced panel dataset of 69 nonfinancial companies (552 firm-year observations) and employs the random effects Tobit specification.