

EDITORIAL

Dear readers!

The recent issue of the journal Risk Governance and Control: Financial Markets and Institutions pays attention to issues of risk management, audit, debt management, corporate diversification, innovations and transparency etc. More detailed issues are given below.

María del Carmen Martínez Serna, Javier Eduardo Vega Martínez and Neftalí Párga Montoya evaluate the strength of the relation of entrepreneurial orientation and business performance in the context of 81 small and medium agribusinesses of Aguascalientes, México. *Uwalomwa Uwuigbe, Jinadu Olugbenga, Olubukola Ranti Uwuigbe, Daramola Sunday Peters and Otekunrin Adegbola* examine the degree of comprehensiveness of ethical reporting in annual reports of listed firms in Nigeria; recommend the need for a stand-alone report for corporate ethical issues in annual reports of companies in Nigeria. *Udo Braendle, Assaad Farah and Patrick Balian* try to link corporate governance, intellectual capital and organizational performance in the public sector in the Gulf Cooperation Council (GCC). To do so the authors collected data from 371 managers in public entities within the GCC region. *Godrey Cyprian Maphanga and Osden Jokonya* adopt the qualitative research methodology which enabled the researcher to investigate end-users' attitudes towards information security compliance in the organization; using a single case study. The study results indicate that end-user resistance is mainly a result of lack of training and awareness of information security policies in the organization. *Shirley Malope, Thobeka Ncanywa and Tony Matlasedi* look at how financial development based on debt, stock, money and foreign markets affect investment. The Johansen cointegration and Vector Error Correction Model (VECM) are used to estimate the short and long run relationship and test for the speed of adjustment. Granger causality test inform about direction of causality, variance decompositions and impulse response indicated effects of shocks. *Wadesango N., Chinamasa T., Mhaka C. and Wadesango V.O.* examine and discuss what different authorities say on the methodologies adopted in determining whether management and staff appreciates the significance and roles of the audit function in parastatals as well as determining the responsibility of management towards risk management process and the implementation of audit recommendations. *Katerina Ivanov* develops a rational expectation equilibrium model of capital insurance to identify too big to fail banks. The main results of this model include (1) too big to fail banks can be identified explicitly by a systemic risk measure, loss betas, of all banks in the entire financial sector; (2) the too big to fail feature can be largely justified by a high level of loss beta; (3) the capital insurance proposal benefits market participants and reduces the systemic risk; (4) the implicit guarantee subsidy can be estimated endogenously; and lastly, (5) the capital insurance proposal can be used to resolve the moral hazard issue.

We hope that you will enjoy reading the journal and in future we will receive new papers, outlining the most important issues and best practices of risk governance!