EDITORIAL

Dear readers!

The recent issue of the Corporate Ownership and Control journal pays attention to issues of board composition, women directors, corporate governance codes, CEO pay, corporate social responsibility, wasteful and fruitless expenditure, discretionary accruals, credit risk etc.

Barbara Sveva Magnanelli, Elisa Raoli and Riccardo Tiscini investigate the state of art of female directors in terms of presence, role and remuneration for Italian corporate boards. The analysis highlights the changes occurred after the introduction of the mandatory female quotas legislation in 2012 and checks how many firms are already complying with the law after 2 years. A significant result concerning the presence of female directors stands in the difference between family and non-family firms: the first are those with higher number of female members in the board.

Marc Eulerich, Carolin van Uum and Sarah Zipfel evaluate the similarities and differences of the Corporate Governance Codes (CGC) in various Central and Eastern European (CEE) countries. To do so, the CGCs of Romania, Slovakia, Slovenia, Hungary and Poland are illustrated and compared to the German Corporate Governance Code. On the basis of a broad theoretical model, the national characteristics of the CEE countries are linked to the respective code and the central components are evaluated in detail.

Hugh Grove and Mac Clouse explore the performance of the Board of Directors' compensation committees that currently have no pay provisions requiring CEO or top executives' compensation claw-backs for market capitalization destruction which could have huge impacts on such top executive pay. For example, CEO pay was correlated with market capitalization performance for 24 companies in the metal mining, primary metal, and coal mining industries.

*A.M. Al-Baidhani, A. Abdullah, M. Ariff, F.F. Cheng and Y. Karbhari*describe the new findings from applying portfolio method, which shows a much bigger earnings impact on share prices (ERC) compared to the erstwhile reports of ERC using individual events, averaged over the sample. The authors estimate cumulative abnormal returns, CAR, across a test window for each quarterly earnings announcement event across one accounting year.

Simeon E.H. Davies and Talent Moyo aim to conduct a case study of community perceptions of the CSR programme at Ajax Cape Town Football Club who play in the Professional Soccer League (PSL). The study employed a mixed methods design in order to generate both quantitative and qualitative data for a nuanced and relevant data analysis. It should be noted that a number of established high profile European football clubs have recognised the importance of CSR, for example Barcelona FC whose exemplary CSR structure has been beneficial to the club, as well as their immediate community. The research can facilitate a better understanding of how sport organisations can maximise their organisational performance from their CSR and furthermore also show the social and economic benefits of sport.

Shewangu Dzomira analyses public expenditure and governance in South Africa's public sector. The study followed a qualitative research approach based on an interpretative philosophy which examined meaningful and symbolic content of qualitative data from 24 General Reports on The Provincial Audit Outcomes for the three periods (2012-2013; 2013-2014 and 2014-2015). The research results propose that public sector financial governance in South Africa is pitiable as the public agencies perpetrate an act of financial misdemeanour as they continue to errantly make irregular expenditures, unauthorised expenditures and, fruitless and wasteful expenditures. It is recommended that governments should implement integrated financial management systems which allows for integrated budgeting, financial management, procurement and supply chain management.

George Kyriazopoulos investigates the relationship between corporate governance and firm performance employing data from 203 firms listed on the Athens Stock Exchange between 2005 and 2014. This period encompass the sovereign debt crisis erupted in Greece in 2010 and still continues to hit households and businesses alike. The results from the panel regression analysis signify the role of corporate governance in determining the firm performance of the Greek listed firms.

Nassima Debab and Ayman Matter Al Mahari examine whether country credit rating changes announcement has a significant impact on GCC Stock Market Index. The study evaluates the relationship between the credit rating agency Moody's and GCC stock markets indexes over 11 years period between 2004 to 2015. The sample of this study is relatively related to GCC stock markets indexes, it focuses on all the long-term country credit rating decisions by Moody's and its impact on short-terms investments and stock markets. Moreover it considers the gap between long-terms and the short-terms investor singular events.

Francesco Grimaldi and Anna Lucia Muserra explore the relationship between ownership structure or concentrated ownership and earnings management in the Italian context, characterized by concentrated ownership and the dominance of the largest shareholder who exercises typically significant influences on management decisions directly or indirectly. Existing literature suggests, in an unequivocal way, the effect of the ownership structure on earnings management.

Andrea Quintiliani focuses on bank-firm relationship in an economic deeply changing environment. The objectives of the study are two-fold: to understand, compared to the overall banking system, if the lending activities and economic-financial performances of Italian local banks have changed after the outbreak of the financial crisis; and to understand what are the conditions that allow to develop a model of a local bank capable of supporting the development routes of SMEs, by an appropriate risk/return profile. The study is useful to stimulate the debate of experts as well as to focus on the studies of local banks in particular in the light of their anti-cyclic role.

Hadri Kusuma and Hanifah Dina Zain consider the effect of the corporate governance on the discretionary accruals. The main findings show that the corporate governance efficiency significantly correlated to the Islamic bank' discretionary accruals, implying that good corporate governance can minimize earning management and therefore improve earning quality. The efficiency level of the corporate governance also improved significantly during the research period. Additional results indicated that the control variables of risk and gender board of director were not significant, but the percentage gender board and board size significantly influenced the discretionary accruals. The results of the study draw some implications that help academicians, banks and investors of the banking sector.