

EDITORIAL

Dear readers!

The recent issue of the journal *Corporate Ownership and Control* pays attention to issues of financial crisis, current investments, external auditing, corporate governance mechanism, cash flows volatilities etc. More detailed issues are given below.

Afroditi Papadaki, Christos Tzovas investigate whether firms engage more intensively in earnings management in a period of financial crisis. *Alicja Brodzka, Krzysztof Biernacki, Magdalena Chodorek* analyze the impact of taxation on the effective income tax rates paid by Polish companies. *Samin Kohansal, Shoeyb Rostami, Zeynab Rostami* examine the impact of corporate governance mechanisms on financial reporting transparency in Tehran Stock Exchange over a seven year period (from 2006 to 2012). *Jose Paulo de Angelo Sanchez, Julio Cesar Donadone* investigate how the discourse of flexibility could be used instrumentally by organizational elites in their disputes for power within the firms and how this phenomenon can affect some aspects of organizational behavior. *Efthalia Tabouratzi, Christos Lemonakis, Alexandros Garefalakis* run a panel regression model with correction for fixed effects in both the cross-section and period dimensions using as dependent variable the calculated Z-Score of each firm, and as independent variables several financial ratios, as well as the exporting activity and the use of International Financial Reporting Standards (IFRS Accounting Standards). *Lilis Sulistyani, Imam Ghozali, Jaka Isgiyarta* examine the effect of diagnostic control system and interactive control system on organizational performance with organizational capability as intervening variable. *Massimiliano Farina Briamonte, Felice Addeo, Fabio Fiano, Marco Sorrentino* examine the relationship between the practices of earnings management and the adoption of a pyramidal group structure within the Italian financial market. *Ahmad Fahmi Sheikh Hassan, Yusuf Karbhari, Ahmad Afendi Mohamad Isa, Nazrul Hisyam Ab Razak* investigate the impact of an important governance mechanism, i.e. the board of directors on performance of 32 Malaysian listed GLCs for the period 2008 to 2013.

Loai Alsaïd focuses on how audit firms handle and learn from errors. In doing so the study used both qualitative and quantitative research methods. *Muhannad Akram Ahmad, Hussein Mohammed Alrabba* investigate the role of external auditing in activating the governance for controlling banking risk.

Zahid Irshad Younas, Christian Klein, Bernhard Zwergel examine the relationship between ownership concentration, firm growth and sustainability measures comparatively. *Germar Ebner, Johannes Hottmann, Henning Zülch* investigate the German enforcement setting whether error announcements lead to abnormal turnover of audit teams and audit firms than comparable non-error firms by using logistic regression and analyzes whether audit team or audit firm turnover results in improved accounting quality.

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 corporate governance!