

## EDITORIAL

Dear readers!

The recent issue of the journal *Corporate Ownership and Control* pays attention to issues of tax evasion, internal audit, earnings management, management control systems, internal ownership, corporate risk disclosure, auditor independence etc.

*Stavroula Kourdoumpalou* examines the tax behaviour of listed companies when operating in an accounting environment characterized by a high level of book - tax conformity. According to international practice, tax evasion is estimated by using two different measures: the tax evasion rate and the tax gap. Companies with higher rates of tax evasion have more liquidity, more debt (especially short-term liabilities), are less effective and efficient in generating earnings and are smaller in size. Companies with higher amounts of tax gap are larger in size, have more liquidity, more debt (especially short-term liabilities) and are more effective.

*Anas Najeeb Mosa Ghazalat, Md.Aminul Islam and Idris Bin Mohd Noor* attempt to review on how the effectiveness of board of directors and the executive compensations are moderated by internal ownership such as managerial and family ownership to mitigate earnings management. The study revisits the literature on the relationship between the factors of effectiveness of the board of directors in the individual level such as board independence, size, meeting frequency, CEO duality, and multiple directorship etc. and as a bundle through creating a score of effectiveness on the earnings management practices. It also reviews on whether the managerial and family ownership can moderate the relationship between the factors of effectiveness of the board of directors (as a score) and the total executive compensation with the earnings management practices.

*Sunday Samson Babalola and Ajibola Ishola* explore the influence of collective bargaining and satisfaction with bargaining on employees' job performance. The results revealed two models, with the first model indicating that satisfaction with collective bargaining was a significant direct predictor of job performance among employees. The second model showed 35% incremental change in employees' job performance. This indicated that age and educational qualification were significant independent predictors of employees job performance.

*Christo Ackermann* examines internal audit's internal control functioning, by adopting a data transformation triangulation design. It was found that internal audit functions (IAFs) are important role players in assisting audit committees in their internal control oversight responsibility and that a broad range of internal control work is performed by internal audit. However, in the public eye, there is scant information on IAFs' functioning and a gap exists between what IAFs actually do and what is presented in public annual reports.

*Christian Vium Andersen and Rainer Lueg* aim to prove the interaction of management control systems (MCS) with both national culture and corporate culture. MCS are considered as a package in relation to macro (national), meso (organizational) and micro culture (upper echelon theory). The literature reviewed suggests that evidence on the interaction of culture and MCS is highly fragmented. The main reason for these inconsistent findings is that studies investigating organizational MCS tend to focus only on one aspect of culture (macro, meso, or micro).

*Omer Saeed Habtoor and Norsiah Ahmad* investigate Saudi's unique social and cultural context and its impact on board attributes and corporate risk disclosure (CRD) by addressing the relationship between royal family members on the board and CRD. Using content analysis of a sample of 307 company-year observations over the period of 2008-2011, the results from the descriptive statistics show a moderate level of CRD practices among firms.

*Mamdouh Abdulaziz Saleh Al-Faryan* gauges, both qualitatively and quantitatively, the pertinent variables to corporate governance practices and their relationship to business productivity in the context of the Kingdom of Saudi Arabia. The study found two variables to have a significant negative relation: chief executive officer turnover and independent board members. Thus, greater rates of chief executive officer turnover are associated with negative firm performance. In addition, independent board directors' negative value was found to be very close to zero and significant only at the 10% level..

*Carlesi Ada, Mariani Giovanna and Scarfò Alfredo Antonino* describe the results of an empirical research on academic spin-offs of the University of Pisa, with the purpose to capture both the benefits generated in the local area and their contribution to relation capital of the university, but also their difficulties in growth. Authors found that academic spin-offs have produced important effects on local economies, especially with new jobs, but they reveal some criticisms of financial management behavior, which hampers their development. The role of the Capital market Union actions by promoting “financing for innovation” for the growth of academic spin-offs was also considered.

*Matteo Pedrini and Francesca Spina* provide a review of the literature on women's empowerment. In particular, the study explains women's empowerment and how it has been defined by various authors over time. It also aims at showing studies conducted on empowerment within microfinance and it reports research on the relevance of context as well as the negative aspects of women's empowerment.

*Qasim Albaqali and Gagan Kukreja* assess the relationship between the presumed Auditor Independence (AI) influencing factors and AI from the standpoint of auditors in Bahrain. Authors investigated the subject matter in a way that intended to assess the AI influencing factors in a Bahraini context. The findings signified the substantial role of the audit regulations and related provisions in enhancing AI and impartiality, when compared to other presumed factors.

*Stefano Bonini, Vincenzo Capizzi, Renato Giovannini and Stefano Rossoni* investigate the strength and direction of a relationship between the role of investment banks appointed as advisors in M&A deals and the yields earned by their clients before and after Lehman Brothers collapse. The analysis, which uses an original composite metric in order to measure the reputation variable, is focused on the transactions that took place between listed companies in two time frames specifically pre and post the Lehman Brothers bankruptcy.