EDITORIAL

Dear readers!

This issue of the journal is devoted to several issues of corporate governance codes, corporate governance compliance score, top management team, compensation, firm performance, firm size ownership concentration, managerial ownership and audit quality.

Jamal Roudaki and Yousef Shahwan critically evaluate corporate governance disclosures of agriculture companies. Implementation of the content analysis methodology enables this research project to present analysis of the level of compliance with the 2004 Corporate Governance Principles and Guidelines that put forwarded by the New Zealand Stock Exchange (governance related disclosure and their non-listed counterpart as expected providing even less disclosure in this area. The financial and governance reports of these companies are suffering from deficient transparency in the area of corporate governance.

Basmah Altuwaijri and Lakshmi Kalyanaraman study the relationship of top management team's (TMT) pay with firm performance with a sample of 80 firms listed on Saudi stock market. The authors find that firm performance and firm size emerge as significant variables in explaining TMT compensation. This is in line with many of the earlier studies which proxy the firm performance as the ability of the firm to pay higher compensation and firm size as a proxy for complexity of operations. Researchers find that large firms and firms with better financial performance pay higher compensation to their TMT.

Ebrahim Mohammed Al-Matari, Yahya Ali Al-Matari and Sulaiman Abdullah Saif examine the direct impact of concentration and managerial ownership on firm performance (ROA) among non-financial firms in Oman for the years 2010 until 2014. Also, this paper aimed to examine the moderating impact of audit quality on the ownership concentration, managerial ownership-firm performance relationship of the same sample. The study made use of leverage as the control variable. Moreover, in order to test the direct relationship between independent variables and dependent variable, this study used OLS regression. Aside from this, the study focused on the non-financial sector owing to the distinction between the structure and regulations between the two sectors (financial and non-financial sector) for the years 2012-2014.

Karen Watkins-Fassler analyzes if changes in CEO remuneration and the execution of CEO stock options impact firm performance, under an emerging market context. Data is obtained from 88 non-financial companies listed in the Mexican Stock Exchange (2001-2012). A dynamic panel specification is employed, and regressions are run through the Generalized Method of Moments. Some evidence is found on the negative relationship between flat monetary incentives and Mexican firm performance, specifically for normal times. In addition, financial incentives based on results (particularly CEO stock options) do not imply higher firm performance. Results suggest that companies in particular contexts should move towards the development of CEOs, more than promoting mostly monetary incentives for boosting firm performance. Companies operating in Mexico will gain from hiring intrinsically motivated CEOs, together with testing different extrinsic rewards (neither flat nor stock options) in order to attain additive effects on intrinsic motivation.

Baccouri Mouna and Fedhila Hassouna investigate the link between budgetary participation intensity and innovation, using communication, job satisfaction and decentralization as mediators to such relationships. Findings in a developing country setting indicate that budgetary participation intensity is antecedent to communication, job satisfaction and decentralization which in turn affect innovation. Moreover, budgetary participation intensity affects indirectly innovation when these variables are embedded in Path Analysis Modeling as mediators between budgetary participation and innovation.

Anthony O. Nwafor discusses the concept of business rescue as one of the innovative paths towed by the South African Companies Act 71 of 2008. The primary purpose of business rescue, as set down by the law, is to facilitate the rehabilitation of a company that is in financial distress. Attaining that purpose could, however, come at a price to the company's creditors. The paper argues that the statutory moratorium could constitute an affront on the constitutional right of property, and further contends that while the business rescue practitioner whose governance role naturally supplants that of the board, would not ordinarily grant such consent, the courts are seemingly more neutrally disposed for recourse by the creditors who seek to exercise their rights against the company. In weighing the competing interests, greater consideration should be accorded to the creditors, the protection of whose interests are generally more compelling whenever the company is in financial distress.