

EDITORIAL

Dear readers!

This issue of the journal is devoted to several issues of corporate board practices.

Maria Gaia Soana and Giuseppe Crisci analyse the board review process conducted by the 25 most capitalized Italian listed companies at June 30th, 2016 and the top 25 companies included in the FTSE 100 on the same date in terms of objectives, parties involved, methodological approaches, suggestions to shareholders, board nomination and election. The Italian trends on board evaluation are compared to UK trends, as the UK is particularly advanced with regard to best practices on board self-assessment. The paper shows that in 2016 the most capitalized Italian companies seem to have improved their self-assessment compared to the past, in particular with regard to the disclosure of the process, the involvement of independent external consultants and the number of evaluated subjects. However, some aspects require improvement in the near future.

Hugh Grove and Maclyn Clouse study the challenges and opportunities for corporate executives, Boards of Directors, and related corporate governance concerning the driving force of Big Data, Artificial Intelligence with Industry 4.0, Artificial Intelligence with the Internet of Things, Deep Learning, and Neural Networks. Boards of Directors will have to play a key role in the technological survival and development of companies by asking corporate executives about their plans and strategies for these emerging technological changes and challenges.

Collins C. Ngwakwe examines if there is a significant difference in stock price fluctuation before and during periods of corporate acquisition. The paper became pertinent to provide information to the corporate board of directors and investors to improve decision making by understanding the inherent fluctuations and the concomitant uncertainties during periods of corporate acquisitions and control negotiations. The paper concludes that at least within the case examination, the news of corporate acquisition may trigger investment uncertainties, which may reverberate on stock price fluctuations. The research brings insight to the corporate board of directors toward improved negotiation of acquisition or merger prices and compensations given the price fluctuations that acquisition news may trigger on the merging companies' stocks.

Asma'a Al-Amarneh, Hadeel Yaseen and Majd Iskandrani aim to investigate the impact of board gender diversity on dividend policy in the context of Jordanian commercial banks. Using a sample of 13 Jordanian commercial banks listed on Amman Stock Exchange during the period 2005-2014, the authors find strong and robust evidence indicating that diversified boards tend to pay higher cash dividends to shareholders since women can better address the needs of investors in impatient emerging markets. Moreover, this paper presents the negative moderating effect of both, the government existence in the boardroom and international financial crisis on the relationship between gender diversity and dividend policy indicators.

Pier Luigi Marchini, Alice Medioli, Veronica Tibiletti and Silvia Triani explore the impact of diversity on the Board of Directors and in the Board of Statutory Auditor on Earnings Management behaviour. Starting with a random sample of 121 non-financial Italian listed companies, the authors collected corporate governance data from the corporate governance report to investigate how firms deal with the opportunistic behaviour of EM, through the appointment of members with specific features. The findings show that, even though diversity within the Board of Directors is not associated with Earnings Management, the presence of female and member expertise on Board of Statutory Auditor instead curb Earnings Management. Based on these findings the authors argue that pursuing a good degree of diversity in the corporate boards could help to improve the earnings quality and, in particular, to reduce Earnings Management behaviour.

Zandile Virtue Dlamini, Emmanuel Mutambara and Akwesi Assensoh-Kodua investigate the relationship between an effective audit committee and infusion of a good control environment. The authors use structured and unstructured questions to explore population comprising standing committee members and Audit Committee members. The mixed methodology is applied to collect quantitative data as well as reviewing audit documents, such as, the Audit Committee Charter and minutes of meetings in order to ascertain the environment under which such august practices are performed. The findings conclude that the Audit Committee which was selected for the study has the good working environment.