

**CORPORATE BOARD:
ROLE, DUTIES & COMPOSITION**

**СОВЕТ ДИРЕКТОРОВ: РОЛЬ,
ОБЯЗАННОСТИ И СОСТАВ**

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EDITORIAL

Dear readers!

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

Wuchun Chi, Chung-Yuan Hsu and Wan-Ying Lin investigate the impact of ownership structure, board structure and control deviation on *payment asymmetry*, where excessively high remuneration is paid to board members but considerably lower dividends are distributed to shareholders. They find strong evidence confirming that the smaller the shareholdings of board members and outside blockholders are, the more asymmetric the payments are. With controlling family members on the board and a higher percentage of seats held by independent board members, there is a slight reduction in the likelihood and severity of payment asymmetry. In addition, it is abundantly clear that the larger the board *seat-control deviation* is, the greater is the likelihood and severity of payment asymmetry.

Cyril Ponnu, Juan Soo and Nordin Abidin investigate five important characteristics of board committee members of various committees in public listed companies in Malaysia. The five characteristics include director type, tenure, age, internal activity and external activity. Sample of 111 listed companies were collected using simple random five sampling of the annual reports based on financial year 2005 posted online. Sample includes 6 committees with the highest frequency of occurrences – audit, remuneration, nomination, stock option, risk management and executive. Data collected was analyzed using tests of correlation, analysis of variance and regression. The results, however, do not support the hypothesis that members of committees tend to be non-executive directors, older, have longer tenure and show greater evidence of internal and external activities.

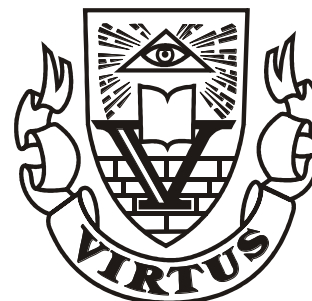
Yuan George Shan and Dennis W. Taylor used content analysis of annual reports of listed companies in China over 5-years from 2001 to 2005. Results show that the comprehensiveness of related-party disclosures is positively affected by companies' domestic ownership concentration and the proportion of independent directors on the corporate board. But the proportion of supervisory board members with professional knowledge and experience is, unexpectedly, found to have a significant inverse relationship with the extent of related-party disclosure. Reasons peculiar to the context in China are proffered, particularly the likelihood of internal censorship of the more professionally qualified members of supervisory boards.

Sandra Guerra, Adalberto Fischmann, Cláudio Antonio Pinheiro Machado Filho propose discussion on building a multidisciplinary and integrated theoretical framework able to capture the complexity and distinctive dimensions of the board as a group decision-making process. This is achieved through an essay developed from analytical and descriptive review of the literature. A synthesis on board research is presented, aiming to understand theoretical models lenses used to study corporate governance issues. The strengths and weaknesses of these models are pointed out, and their influence on board investigation is observed. This essay concludes by proposing a research agenda that considers the addition of psychological and sociological approaches to economic models of the analysis of group decision-making.

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