CORPORATE BOARD: ROLE, DUTIES & COMPOSITION

Postal Address:

Postal Box 36
Sumy 40014
Ukraine

Tel: +380-542-698125
Fax: +380-542-698125
e-mail: alex_kostyuk@mail.ru
alex_kostyuk@virtusinterpress.org
www.virtusinterpress.org

Journal Corporate Board: Role, Duties & Composition is published three times a year by Publishing House “Virtus Interpress”, Kirova Str. 146/1, office 20, Sumy, 40021, Ukraine.

Information for subscribers: New orders requests should be addressed to the Editor by e-mail. See the section "Subscription details".

Back issues: Single issues are available from the Editor. Details, including prices, are available upon request.

Advertising: For details, please, contact the Editor of the journal.

Corporate Board: Role, Duties & Composition

ISSN 1810-8601

СОВЕТ ДИРЕКТОРОВ: РОЛЬ, ОБЯЗАННОСТИ И СОСТАВ

Почтовый адрес редакции:

Почтовый ящик 36
г. Сумы, 40014
Украина

Тел.: +380-542-698125
Факс: +380-542-698125
эл. почта: alex_kostyuk@mail.ru
alex_kostyuk@virtusinterpress.org
www.virtusinterpress.org

Журнал "Совет Директоров: Роль, Обязанности и Состав" издается три раза в год издательским домом Виртус Интерпресс, ул. Кирова 146/1, г. Сумы, 40021, Украина.

Информация для подписчиков: заказ на подписку следует адресовать Редактору журнала по электронной почте.

Отдельные номера: заказ на приобретение отдельных номеров следует направлять Редактору журнала.

Размещение рекламы: за информацией обращайтесь к Редактору.

Совет Директоров: Роль, Обязанности и Состав

ISSN 1810-8601

EDITORIAL

Dear readers!

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

Amina Hamdouni examines the effect of ownership structure and board structure on performance in VC-backed firms. Using 106 French VC-backed firms, the methodology is to estimate four equations. A regression analysis is then used to study the impact of ownership structure and board structure on performance and also to analyze whether ownership structure (ownership concentration, director ownership, venture capital ownership and employee ownership) and board variables (size, outside directors, COE-chairman duality, proportion of VC directors, proportion of employee directors and board meeting frequency) are significant determinants of VC-backed firm performance.

Wiem El Manaa, Wafa Khlif, Coral Ingley, Lotfi Karoui used a sample of 76 family businesses in Tunisia to investigate the impact of the family firm dynamic on the composition of their boards of directors. They argue that whether or not a transition in ownership is planned, firms have different governance needs and characteristics depending on the generational phase. The empirical results show that board composition is positively influenced by both generational evolution and succession planning. Their study provides evidence of an increase in the appointment of outside directors to boards of family firms from the third generation of ownership. Such result implies that it is important to consider the generational phase and succession process of the family firm in order to better understand its governance system.

On Kit Tam, Monica Guo-Sze Tan, Helen Wei Hu compared the key governance characteristics of Chinese PLCs that were found to have contravened regulatory compliance requirements (i.e., "non-compliance" PLCs) to those that were not (i.e., "compliance" PLCs). Based on a comparison between 53 pairs of compliance- and non-compliance-PLCs over the period from 2001 to 2006, results show that there are significant differences between the two. They found that ownership concentration is higher in compliance firms that also compensate their directors and executives at higher levels. Furthermore, the results suggest that sound governance practices benefit firms socially and financially, and an effective internal monitoring mechanism can further differentiate good companies from bad companies such that the good companies perform better.

Mariateresa Torchia, Andrea Calabrò, Morten Huse, Marina Brogi offered an empirical test of the critical mass arguments in the discussion of women on corporate boards. The literature in the women on corporate board debate concludes that there must be at least three women on a board before the women really make a difference. These arguments are frequently used in the public debate about the understanding the impact of women on corporate boards, but they have never really been empirically tested on a large sample. In this paper they use a sample of 317 Norwegian firms. Their dependent variable is board strategic involvement. The findings support the critical mass arguments. This study offers useful insights to policy-makers interested in defining legislative measures mandating the presence of women directors in corporate boards by showing that "at least three women" may be particularly beneficial in terms of contribution to board strategic tasks.

Patrick R. Dailey mentioned that when separating the Chairman role from the CEO, the "soft stuff" is often the "hard stuff". This corporate terrain is covered with interpersonal trap doors that boards must be alert to perceive and skilled in steppingaround. Pivotal Questionsis offered as a preventive against interpersonal dysfunctions which pop up during the initial role separation and the ensuring time period when roles are played out by all the constituencies - the Chairman, the CEO, the presiding director, board members and corporate officers.

Brian G M Main discusses the degree to which codes of corporate governance and the guidelines that develop around them tend to shift the locus of control away from the board of directors. He argued that even in principles-based codes of governance such outcomes are an unavoidable consequence and that policy makers should weigh such consequences carefully before promulgating codes and guidelines. The case of the treatment of footprints (incentive plan performance averaging periods) by the UK's Association of British Insurers (ABI) is analysed to illustrate the problem.

CORPORATE BOARD: ROLE, DUTIES AND COMPOSITION

Volume 6, Issue 3, 2010

CONTENT