

**CORPORATE  
OWNERSHIP & CONTROL**

**КОРПОРАТИВНАЯ  
СОБСТВЕННОСТЬ И КОНТРОЛЬ**

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## EDITORIAL

*Dear readers!*

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

**Stephen A. Butler** reports the results of an experiment designed to determine whether varying degrees of job security or the existence of a long term compensation plan alter managerial decision time horizons. To enhance the significance of the results, the research design used empirically valid relationships among the variables. The results show that increased job security does result in selecting more investments with long term payoffs, while the long term compensation plan used did not extend the time horizons of our participants.

**João Paulo Vieito, Walayet Khan, Antônio Cerqueira and Elísio Brandão** examine whether the determinants and forms of executive compensation for NYSE versus NASDAQ listed firms are the same during the period from 1992 to 2004. We also investigate whether the determinants and forms of executive compensation changed after the NASDAQ crash in 2000 and the Sarbanes-Oxley Act in 2002. Our results reveal that the factors that explain executive compensation for NYSE and NASDAQ listed firms are generally different. We also find that executives are paid different forms of compensation for NYSE and NASDAQ listed firms and that the forms of compensation change after the NASDAQ crash but essentially after the Sarbanes-Oxley act in 2002.

**Sharad Asthana** extends these findings to examine if effective internal monitoring in the form of strong corporate governance is instrumental in controlling manipulations of pension reports by managers. Empirical tests support the finding that effective corporate governance is inversely associated with the extent of managerial manipulations in pension plan reporting. This result should be of interest to employees, retirees, and the US Government that are trying to insure the future income of senior citizens.

**Mohammad Talha, Abdullah Sallehuddin, Shukor Masoud** attempt to close this gap. This exploratory study, involving 20 top Malaysian government linked public listed companies and 20 top Malaysian non government linked public listed companies aim to examine these relationships. The result of this

exploratory study indicates that.....

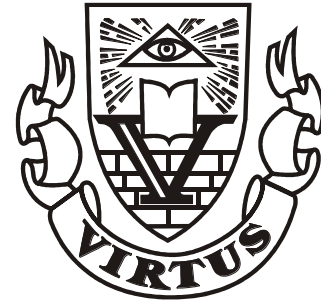
**Gary L. Caton** introduces a case study of the Union Carbide Corporation during a very tumultuous period. In 1979, the demand for several of UCC's chemical products either was in decline or soon would be which contributed to a severe decline in stock value. During this period, management compensation plans evolved to more closely align management with shareowners. The Bhopal tragedy and a subsequent unsolicited takeover attempt tested management, and the new compensation incentives, ultimately leading to a more focused and more highly valued company

**Chye-Khoon Ooi, Ming-Ming Lai** investigate the determinants of executive directors' remuneration of all public listed companies in Bursa Malaysia from 2004 to 2006. Multiple regression results indicated that tenure of an executive director has held the director' position appeared to be the most significant determinant for executive directors' remuneration. Duality emerged as second significant determinant except for Kuala Lumpur Composite Index (KLCI) component companies. Company performance and size were found as determinants except for KLCI component companies. The results also suggest that age and qualification are the weakest determinants for human capital variables. Overall, net profit was significant positive correlated with company size and particularly is evident for KLCI companies.

# CORPORATE OWNERSHIP & CONTROL

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