

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

**СОВЕТ ДИРЕКТОРОВ: РОЛЬ,
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EDITORIAL

Dear readers!

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

Yi Wang and Bob Clift investigate the relationship between the intensity of board activity, as represented by board meeting frequency, and firm financial performance, using data from the top 500 Australian companies. Firm performance measures include return on assets, return on equity and shareholder return; several control variables are introduced in the analysis. The results indicate that board meeting frequency has a positive impact on subsequent shareholder return. Regarding the explanatory factors for the level of board activity, it is reported that firms with more board committees tend to have relatively more board and committee meetings; firms with larger boards have less board meetings. In addition, lower managerial ownership leads to more committee meetings.

Roshayani Arshad, Faizah Darus, Dennis Taylor examine the effects of board composition and mimetic behaviour on the extent and credibility of corporate voluntary disclosure. The investigation is based on the annual reports of 155 Malaysian listed companies during the period when these companies faced new corporate governance regulation. This study provides evidence that under the influence of dominant owners on board, management voluntary disclosure decisions are driven by incentives to conform when their company is structured to meet expectations of good corporate governance. Such incentive seems to override incentives to disclose credible information to outside investors.

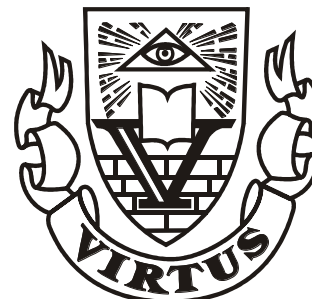
John Rice and Nigel Martin provide some strong support for existing literature in an under-researched context (the emerging economies of the former Soviet Union and Central and Eastern Europe). Authors develop and apply a model linking Board formation and environmental uncertainty, finding some partial support for our anticipated relationships in the area of Board establishment and perceived financial sector uncertainty, although no support for our anticipated relationship between governmental sector uncertainty and Board formation. research is supportive of the broad assertion that strategy in emerging economies is different and a 'one size fits all' (generally American) approach to the questions we ask regarding strategy in emerging regions will rarely provide accurate insights for management academics and practitioners with an interest in understanding and improving management decisions in the context of emerging economies.

Yuan George Shan and Ron P. McIver analyse a panel data set covering the years 2001 to 2005 and comprised of a stratified sample of A, AB and AH non financial companies listed on China's Shanghai and Shenzhen stock exchanges to provide empirical evidence on the influence of corporate control and governance characteristics on the quality and independence of corporate decision making in these companies. The characteristics considered are the level of concentration in and type of ownership of the companies, particularly high levels of government and foreign ownership, and the composition (expertise) and size of the companies' two boards. Performance outcomes, and by association the quality and independence of corporate policy decisions, are measured in the form of firm bad debt to accounts receivable ratio ($^{BD}/_{AR}$). They find that for our sample firms' concentration of ownership, including state and foreign ownership, and board size and independence are significant factors in determining the levels of the bad debt ratio.

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