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Corporate Governance and Profitability. Best Practice in Italian Listed SMEs

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ABSTRACT

The debate on the relation between corporate governance quality, firm value and performance is on the top since last years. Literature research shows segmented evidence on the topic depending on the market observed, the sample considered, the statistical model adopted and specific characteristics considered. So that, the question is still open.

The paper analyses the relation between corporate governance characteristics as noted in Italian code for listed firms and profitability focusing on *industrial* listed small-medium entities (SMEs) in Italy in the fiscal year 2011. Results identify negative association between “good” corporate governance and profitability, both for ROS and Ebitda/Sales ratio.

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