Keynote Panel Outline for the 2014 IACMR Conference

Session Title: Corporate Governance in the Era of Globalization

Chair/Discussant: Yan (Anthea) Zhang, Professor of Strategic Management and Area Coordinator of the Strategy and Environment Group at Jesse H. Jones Graduate School of Business, Rice University.

Speakers:
(1) Marta Geletkanycz, Associate Professor of Strategic Management in the Carroll School of Management at Boston College. She recently completed a term as Associate Editor of Academy of Management Journal.

(2) Steen Thomsen, Professor and Director of the Center for Corporate Governance at Copenhagen Business School (CBS). Dr. Thomsen has served as a board member in several business companies and is currently a non-executive chairman of two consulting firms. He has served as a consultant and lecturer to several large companies and government organizations. He has also contributed to the Danish corporate governance code and other best practice codes.

(3) Anja Tuschke, Professor of Strategic Management and Head of Institute at the Munich School of Management, University of Munich, Germany. Prior to joining the Munich School of Management, Dr. Tuschke held the position of a director at the Institute of Organization and HR Management at the University of Bern in Switzerland.

Panel Description:

Corporate governance philosophies and practices vary significantly across countries. In the Anglo-American model, corporate ownership is widely dispersed. The key issue is how to use practices such as transparent accounting standards, independent directors, and stock-based pay to monitor and/or motivate top managers. In other countries such as China, Denmark, and Germany, ownerships of publicly-listed companies are highly concentrated in the hands of the state, banks, or founding families. How to monitor the majority shareholders in order to protect minority shareholders’ interests becomes crucial. What are the pros and cons of these different governance models? Will these models remain divergent in the foreseeable future? Or instead are they converging toward one common model in the era of globalization? This panel features some of the leading scholars in the corporate governance area. They represent the Chinese, Anglo-American, Continental European, and Scandinavian perspectives, respectively. They will share their views on these important questions.

Dr. Marta Geletkanycz is an Associate Professor of Strategic Management in the Carroll School of Management at Boston College. She received a B.S. from Pennsylvania State University, an M.B.A. from New York University, and an M.Phil. and Ph.D. from Columbia University. Her research interests lie in the areas of strategic leadership and corporate governance. Specifically, her work focuses on the social context in which executives and board members function, and its implications for firm profiles. Her articles have appeared in leading
management journals, including *Academy of Management Journal, Administrative Science Quarterly, Journal of Management,* and *Strategic Management Journal.* She is a long-standing member of the editorial review boards of *Academy of Management Journal* and *Administrative Science Quarterly,* and recently completed a term as Associate Editor of *Academy of Management Journal.*

Dr. **Steen Thomsen** is a Professor and the Director of the Center for Corporate Governance at Copenhagen Business School (CBS). He specializes in corporate governance as a teacher, researcher, consultant, commentator and board member. His academic publications include some 30 international journal articles and three books. His research is currently focused on industrial foundations – foundations that own business firms. Steen has served as a board member in several business companies and is currently a non-executive chairman of two consulting firms. He writes columns for the Danish business newspaper Børsen and has served as a consultant and lecturer to several large companies and government organizations. He has also contributed to the Danish corporate governance code and other best practice codes. He is married to Annette Blegvad, lives in Charlottenlund, North of Copenhagen, and is the father of two grown-up boys. Home page: [http://www.steenthomsen.com/](http://www.steenthomsen.com/).

Dr. **Anja Tuschke** is a Professor of Strategic Management and Head of Institute at the Munich School of Management, University of Munich, Germany. Prior to joining the Munich School of Management, Dr. Tuschke held the position of a director at the Institute of Organization and HR Management at the University of Bern in Switzerland. Dr. Tuschke’s research interests revolve around the link between corporate governance, executive leadership, and strategic choice. She is particularly interested in how corporate governance evolves over time and how specific governance choices – like compensation, power structures, and networks of top managers and directors – affect strategic decisions and outcomes. Dr. Tuschke is an active member of the academic community. She is an Interest Group leader for the Corporate Strategy and Governance Interest Group of the Strategic Management Society and serves on the editorial boards of the *Strategic Management Journal, Academy of Management Journal,* and *Business Research.*

**Presentation abstracts:**

(1) **Corporate Governance Reform: The Confluence of Multiple Institutional Forces,** by Marta GELETKANYCZ

The call for corporate governance reform has been both widespread and increasingly urgent, thanks in part to the growing disparity between CEO-employee pay packages, reports of financial misrepresentation, and of course, the prominent failure of a number of once well-respected firms. Together, these catalysts have prompted several reforms. In the U.S., for example, these include the Sarbanes-Oxley (2002) and Dodd-Frank (2010) Acts, as well as changes to the NYSE and NASDAQ listing requirements. While these new institutional mandates have brought about significant change in corporate board profiles, their implications have not always proven as anticipated. This study explores the reasons for this and finds an underlying competition among institutional pressures figures prominently. Implications for both the future of corporate governance and institutionally-grounded reforms are addressed.
(2) The Danish Model: Governance by Industrial Foundations, by Steen THOMSEN

In contemporary discussions of economic systems, the Danish model of ownership by foundations presents an interesting alternative. A substantial share of the largest and most successful Danish companies are owned by charitable foundations. The foundations have no owners or members, they are economically and legally independent, but the founders often continue to sit on the board. It is thought that these companies are more long term and socially responsible than for-profit firms owned by investors or individuals. On the other hand they are private, not government institutions, although they are subject to government supervision. This talk provides an overview. I describe the institutional structure of these so-called industrial foundations, how they are regulated and governed, how foundation-owned companies perform and I try to assess what spill over they have for the rest of society. Finally, I consider the potential costs and benefits of industrial foundations in other countries like China and the United States.

(3) How Stakeholder Management Can Lead to Competitive Advantage: A Fresh Look at Germany's Corporate Governance System, by Anja TUSCHKE

Despite the introduction of shareholder-oriented practices – like moderate amounts of stock option pay and more transparent accounting standards – the German corporate governance system is considered to be a prototype of stakeholder orientation. Critics of this system claim that strong obligations to stakeholder interests are a drawback for German firms when competing internationally. However, if applied thoughtfully, an institutionally anchored stakeholder management can also have a number of advantages, such as an emphasis on innovation, organizational learning, change management, and the creation of sustainable firm value. The presentation will discuss selected advantages of a stakeholder-oriented system, including the active integration of customer and worker knowledge, increased commitment for strategic decisions, and a longer-term view on performance.