

CENTER FOR CORPORATE GOVERNANCE NEWSLETTER

Good research needs to be disseminated and the intention of this newsletter is to provide information on the latest research, from the Center for Corporate Governance (CCG)

DIRECTOR'S MESSAGE

An International Board program a new paramount?

The complexity of managing an international company versus a local company is waste not only from a managerial perspective but increasingly also from a board perspective.

What is the right board strategy, should the board lead the company in a new direction or only control management, how should the interaction and composition be among the board members, is there the right incentive package in place, etc. just to mentioned some of the numerous internal challenges international board members are faced with today

"We have a clear objective of creating innovative and value adding research in both a Danish and an international perspective".



Lars Ohnemus, Director of Center for Corporate Governance

Externally, lately international boards at among others GSK, UBS, Tesco have been faced with an avalanche of accounting tax or CSR topics which had a reverse impact on their share prices.

Could they have been avoided, if the board had been taken a different approach or trained differently in the past? Or is it unavoidable when a multinational company is operating in numerous countries and segments?

Should the board only consists of FoF's (Friends of the Founder or chairman) which would provide more stability or can one now truly believe in a competency selected board with clear objective and incentive plans. If the later model is selected; what should be the values shared among the board members and how can one respect that once size does not fit all companies.

Center for Corporate Governance was instrumental together with the Danish Board Association to launch the first board leadership class back in 2013.

IN THIS ISSUE

- DIRECTOR'S MESSAGE
- RESEARCH AND PROJECTS
- UPCOMING EVENTS
- PUBLICATIONS
- STAFF NEWS

We will now in recognition of these significant challenges for international board work and based on extensive research done in this field by many of our researchers be launching an international board program.

It will be based on the foundation of the Nordic Corporate Governance model and again be based on program structure where there is a unique interaction between the real experience from senior board members and latest research insight.

The first program is scheduled to be launched in September 2015.

Lars Ohnemus, Director

RESEARCH AND PROJECTS

Research Corporation with Amrop on board composition and performance

Center of Corporate Governance has signed a funded research agreement with Amrop which is one of the largest international retained executive search networks in the world. The project is scheduled to be running for up to 3 years with a total budget of DKK 0.8 million.

The objective of this research project, launched in September 2014, is to provide insights on board selection, board composition and board evaluation. This includes clarifying the board's influence on strategy and performance in order to enhance the understanding of the impact of board selection and board competences for value creation in companies.

The research project will focus on the following three research areas.

- Board composition and corporate performance.
- Competency-based contra network-based selection of board members.
- Impact and consequence of latest regulatory proposals (FSA, AIF, ECT) on board compensation models and performance.

The Project team at CCG comprises Professor Sabina Nielsen, Associate Professor Alexandra Gregoric, Associate Professor Evis Sinani, and Associate Professor Thomas Poulsen. For further information about the project please contact: Associate Prof. Thomas Poulsen tpo.int@cbs.dk



International Board Program

Center for Corporate Governance launched together with the Board of Directors Network of Denmark (Bestyrelsesforeningen), a unique Danish Board Leadership Program in 2013. The Danish board program has been a major success and received very positive feedback from both the participants and the Danish media.

In recognition of the significant challenges for international board work and based on extensive research done in this field by many of our researchers; Center for Corporate Governance and the Board of Directors Network of Denmark will be launching an international board program together with several strategic partners that are active in a global context.

The board program will be based on the foundation of the Nordic Corporate Governance model and on a program structure where there is a unique interaction between the real experience from senior board members, tailor-made cases and latest research insight

The first international program is scheduled to be launched in September 2015 and if interested for further details please contact Charlotte Brendstrup Simonsen cbsi.int@cbs.dk or Lars Ohnemus lco.int@cbs.dk



A selection of on-going projects.

Niels Westergård-Nielsen is currently engaged in the **LEAP (Leadership and Performance)** project which performs an experiment on how efficient 3 different types of leadership training are. Surveys have been made among the employees of the 750 participating leaders before the courses started. The courses are running throughout the next 8 months. Finally, in 2015 surveys will again be made among the employees of the participants in order to analyze if it is possible to identify any effects of the courses on the way they lead. This project is among the largest leadership experiments and involves researchers from all Danish universities. The project is supported the Danish Counsel of Independent Research.

Bersant Hobdari is currently involved in the following projects: “**International expansion of family owned multinationals across institutional environments**” with Victor Chen, University of North Carolina and Franz Kellermanns, University of North Carolina and “**Aliens on top: Regulatory uncertainty and foreign board members**” with Victor Chen, University of North Carolina and Sali Li, University of South Carolina.

UPCOMING EVENTS

7th annual workshop of The Nordic Corporate Governance Network - June 1st-2nd, 2015 at Copenhagen Business School

The Nordic Corporate Governance Network (NCGN) is a network for Nordic researchers in corporate governance. It was founded in 2010 with the aim of contributing to a deeper international understanding of the Nordic corporate governance model.

The Network arranges workshops and colloquia, promotes cooperation between Nordic researchers and aims to make research results more visible in the Nordic region and on an international arena.

The network comprises 112 faculty members representing 23 universities in ten countries. Leading academics from the Nordic countries will meet at the workshop and present and discuss current Nordic corporate governance research.



Keynote Speakers:

Professor **Roberta Romano** (Yale Law School) and Professor **Morten Bennedsen** (Insead) will share their expertise on the risks of overregulation and family ownership respectively.

Additional information on lead topic, keynote speakers, submission process etc. can be found on the conference webpage www.ncgn15.cbs.dk

Inaugural Conference of the International Corporate Governance Society: “Restoring Trust in Business through Corporate Governance”
September 18-19, 2015

The International Corporate Governance Society will focus its inaugural conference to be held at **Copenhagen Business School**, on how corporate governance systems work to enhance trust in business, and how failures in corporate governance systems degrade trust in business.

The organizers of this conference think of corporate governance in broad terms - those systems and mechanisms designed to channel corporate power for the well-being

of society. Consequently there will be conference tracks on all major areas of governance research.

Colin Mayer Professor of Management Studies at Saïd Business School is one of the **keynote speakers**.



Colin Mayer is an expert on all aspects of corporate finance, governance and taxation, He has consulted for numerous large firms and for governments, regulators and international agencies around the world.

Read more about the different tracks, keynote speakers, submission of a research proposal etc. at the conference webpage <http://sf.cbs.dk/icgs15>

To stay updated on events at Center for Corporate Governance go to the www.cbs.dk/ccg

PUBLICATIONS

Steen Thomsen has published the paper “Comparative Corporate Governance of Non-Profit Organizations” in *European Company and Financial Law Review*, Vol. 11, No. 1, 2014, p. 15-30

Steen Thomsen has published the paper “Delistings and the Costs of Governance : Study of European Stock Exchanges 1996-2004” in *Journal of Management & Governance*, Vol. 18, No. 3, 2014, p. 793-833
The paper is co-authored with Frederik Vinten.

Steffen Brenner has published a paper “The risk preferences of U.S. executives” in *Management Science* 2014

Thomas Poulsen has published the paper “One Share–One Vote: Evidence from Europe” in *Applied Financial Economics*, Vol. 24, Nr. 7, s. 453-464. The paper is co-authored with Johan Eklund.

Thomas Poulsen; Aleksandra Gregoric; Mette Neville ”Kontrol og ledelse i danske SMV'er : Med fokus på virksomhedskarakteristika og bestyrelsens sammensætning.” København : Erhvervs- og Selskabsstyrelsen 2014, p 24.

Florence Villeseche; Thibaut Bardon; Emmanuel Josserand; have published the article “Beyond Nostalgia : Identity Work in Corporate Alumni Networks” in *Human Relations*, 24.6.2014

Florence Villeseche has published “Discourses on Gender Diversity on Corporate Websites : A Systemic Functional Linguistics

Analysis”. Paper presented at The Academy of Management Annual Meeting 2014, Philadelphia, USA.

Florence Villeseche published a book chapter “Networks as media for nostalgia in an organizational context”, with Thibaut Bardon and Emmanuel Josserand. In K. Niemeyer (Ed.), *Media and Nostalgia: Yearning for the Past, Present and Future*. Baskingstoke (UK): Palgrave MacMillan 2014, p. 105-117.

Larissa Rabbiosi; Ram Mudambi; Lucia Piscitello have published the paper “Reverse knowledge transfer in MNEs: subsidiary innovativeness and entry modes” in *Long Range Planning*, Vol. 47, Issues 1–2, 2014 pp. 49–63.

Larissa Rabbiosi; Giuliana Battisti; Massimo G. Colombo; have published the paper “Simultaneous Versus Sequential Complementarity in the Adoption of Technological and Organizational Innovations : The Case of Innovations in the Design Sphere” in *Industrial and Corporate Change*, 2014

Larissa Rabbiosi, Massimo G. Colombo; have published the paper “Technological Similarity, Post-acquisition R&D Reorganization, and Innovation Performance in Horizontal Acquisition in Research Policy”, Vol. 43, No. 6, 2014, p. 1039–1054

Larissa Rabbiosi; Grazia D. Santangelo have published the paper “When in Rome, Do as the Romans Do: Subsidiary Autonomy as a Response to Corruption Distance” In *Academy of Management Proceedings* 2014. ed. /Leslie

Toombs. Briar Cliff Manor, NY : Academy of Management 2014, p. 938-943

The paper received **the 2014 Best Paper Award** in International Ethics, Social Responsibility, and/or Sustainability, AOM IM Division, Willamette University, Atkinson Graduate School of Management.

Sabina Nielsen, Bo Bernhard Nielsen; Saul Estrin have published the paper” Emerging Market Multinational Companies and Internationalization : A Multilevel Study of the Influence of Home Country and Industry Conditions” in *Proceedings of the 56th Annual Meeting of the Academy of International Business: Local Contexts in Global Business*. ed. /Klaus Meyer; Tunga Kiyak. East Lansing, MI : Academy of International Business 2014, p. 204

Sabina Nielsen, Sibel Yamak; Alejandro Escribá-Esteve et al. have published the paper “The Role of External Environment in Upper Echelons Theory : A Review of Existing Literature and Future Research Directions.” In *Group & Organization Management*, Vol. 39, No. 1, 02.2014, p. 69-101.

Niels Mygind has contributed to as country expert.

“The Promotion of Employee Ownership and Participation” The EU-Commission –Final Report October 2014

SELECTION OF ARTICLES

Lars Ohnemus, Eksport er finanssektorens redning in Boersen, 19.09.2014, p. 4.

Lars Ohnemus, Pengepolitikens manglende effekt, Boersen, 10.03.2014, p. 4.

Steen Thomsen, Den forudsigelige politiske risiko, Boersen, 31.10.2014, p. 4.

Steen Thomsen, Bestyrelses-honorar efter resultater. Boersen, 21.10.2014, p. 4.

Steen Thomsen, Dansk selskabsledelse som eksportvare, Boersen, 22.09.2014, p. 3.

Steen Thomsen, Investeringskrisens danske årsager. Brsen, 17.03.2014, p4.

Niels Westergård-Nielsen, Det står skidt til vest for Valby Bakke. Boersen, 28.02.2014, p.6

Caspar Rose, Medarbejdervalgte bestyrelsesmedlemmer kan skabe værdi in Jyllands-Posten, 26.01.2014, p. 27.

Caspar Rose, Pensionselskabernes bestyrelser bør styrkes, Jyllands-Posten, 23.05.2014, p. 33

Caspar Rose, Skal den nye CEO hentes fra egne rækker eller udefra? Boersen, 18.06.2014, p. 14.

ABOUT US

Center for Corporate Governance is an international, interdisciplinary research center at Copenhagen Business School (CBS) conducting research of excellence and contributing to the CBS Executive board programs. The corporate governance research area participates in becoming one of the 6 World Class Research Environments at CBS.



STAFF NEWS

In October 2014 **Steffen Brenner** was appointed professor MSO in corporate governance and executive behavior.

Charlotte Brendstrup Simonsen is new Communication and Event Executive at Center for Corporate Governance. Charlotte holds a Master Degree in Marketing and Communication Management from CBS and will be responsible for managing and developing CCG's communication platform.

From December, 2014 to March 2015, **Christophe Volonté** will visit CCG. Dr. Christophe Volonté is a postdoctoral research associate at the department of Financial He completed his Ph.D. in 2011 at University of Basel with the dissertation entitled 'Corporate Governance in Switzerland'.

His research interests are in the areas of corporate governance, corporate finance, and law and economics.

Sabina Nielsen is Visiting Professor at University of Sydney Business School throughout 2014. She will conduct research within strategy and international management with a particular focus on the composition, dynamics, and decision-making of top management teams and boards of directors.

Therese Strand is visiting scholar to Prof. Roberta Romano at Yale Law School 2014 -2015, where she will be working on a project on short-termism in the financial markets.

Center for Corporate Governance

Address: Porcelænshaven 24, 2000 Frederiksberg, Denmark

E-mail: cgg@cbs.dk

www.cbs.dk/cgg