

## PRESIDENT'S CORNER



I sincerely hope that everyone is enjoying their summer break. I can assure you that the staff and volunteers are hard at work aiming to make your new interdisciplinary

society a vibrant and value-added community of scholars. We are now an international community of 174 members so the size and complexity of our community of scholars continues to expand.

Our third conference to be held in Rome had a record number of submissions and registrations. As of this moment, roughly 115 studies of corporate governance will be presented at LUISS University on September 2-3. In addition, 12 doctoral students will attend the ICGS doctoral consortium on September 1. As in the past, the Geneen Institute will be our major sponsor which enables us to offer registration fees that are less than the actual cost of the conference. In addition, the World Bank is sponsoring two of our distinguished panelists and three of our doctoral students attending the doctoral consortium are from less developed countries. We are thankful for this new partnership and vote of confidence. Furthermore, Wiley Publications, publisher for *Corporate Governance: An International Review* (CIGR), will be sponsoring our Saturday night reception. We have much to celebrate that evening since CGIR's impact factor has risen to a record level and the partnership between the ICGS and CGIR continues to flourish. Speaking of which, Alessandro Zattoni has been doing a magnificent job preparing for your visit to his host institution in September. Alessandro is an amazing person

who not only co-edits CGIR, but also serves as Associate Dean of Executive Programs at LUISS and is now the conference chair for this year's conference. Dan and I are truly enjoying working with Alessandro who is a dedicated member of the society and a good friend.

Our *Annals of Corporate Governance* (ACG) continues to churn out interesting review articles under the leadership of Doug Cumming and Geoff Wood. We now have generated eight articles and Doug and Geoff have built up a nice pipeline of review articles from well-established governance scholars in a wide variety of disciplines and countries. Please feel free to suggest topics and leading scholars that you would like to see review articles for future publications.

Due to our growing complexity, I am pleased to announce that Doug Cumming has been chosen by our Board of Directors to be our first Vice President. Doug will be working closely with myself and Dan on this year's conference in Rome and will be the primary staff member assisting next year's conference organizers (Anthea Zhang and Ming Zheng) in Shanghai, China. Please congratulate Doug on this new role within the ICGS. We are fortunate to have someone with his work ethic and many accomplishments leading us into the future.

Finally, please let Dan and myself know what is working for you in the ICGS and how we can improve. We are breaking new ground by trying to create an interdisciplinary academic society focused on a single topic rather than the traditional academic society focused on multiple topics within the context of a single discipline. Together, I am confident we can do something truly special.

Bill Judge

## AN INTERVIEW WITH ICGS BOARD MEMBER CYNTHIA E. CLARK

### Why do we need the ICGS?

With the explosion of corporate governance research - from both academics and professional service firms - the time is ripe for a discipline-specific organization where both parties can come together and wrestle with the very important and timely issues facing public firms.



### Why did you agree to serve on the Board of Directors?

I serve on the board as a researcher in ethics and governance and as the Director of the Harold S. Geneen Institute of Corporate Governance, the principle sponsor of the annual conference. I was delighted to act as the Chair of the 2<sup>nd</sup> Annual ICGS conference last year at Bentley University in Boston, MA.

### What will be the ICGS's competitive advantage?

First, I think ICGS fills an empty but unique space in the field where governance experts can come together to talk about pivotal governance issues (versus the topic being a subset of a larger conference). Second, they can come together, and are welcomed, from an interdisciplinary lens – finance, management, accounting, strategy, etc. These two things combined make ICGS a must for leading governance experts.

### What advice would you give to ICGS members as a board member to get maximum benefit from being a member of the ICGS?

There are benefits to both joining and attending the annual conference. Becoming a member gives you access to the new Annals which provide a deep dive into an area of special importance - a type of reading that is hard to find elsewhere. ICGS conferences allows you the forum to network with fellow governance leaders to kick around new ideas, challenge conventional thinking or just

share your passion for corporate governance with new or old friends.

*Dr. Cynthia E. Clark is an associate professor of management at Bentley University in Boston, U.S. where she is also the director of the Harold S. Geneen Institute of Corporate Governance, a research fellow at the Center for Business Ethics and a director of the Bentley Alliance for Ethics and Social Responsibility. Dr. Clark serves as a Governance Fellow with the National Association of Corporate Directors (NACD) and is a member of the Effective Disclosure Task Force of the Society of Corporate Secretaries and Governance Professionals. Her areas of specialization include ethical issues in organizations with a focus on how firms address conflicts of interest, stakeholder/stockholder tensions and disclosing information.*

## GREAT ICGS MEMBERSHIP RESOURCE: COUNTRY EXPERTS AND DATA

While there are many advantages to being a member of the ICGS, one of the most exciting is the opportunity to access country-level data generated and curated by ICGS country experts. ICGS members have access to a team of ICGS country experts who reside within a national governance environment and who are responsible for basic information, useful internet links, and sources of data (multi-year) on their particular governance environment. ICGS' long term goal is to create proprietary resources for use only by ICGS members including a longitudinal database of national governance details as well as in-depth country resources for understanding the governance environment of the top twenty economies within the global economy.

To date, there are five ICGS country experts covering India (Monomita Nandy), Israel (Stav Fainshmidt), Mexico (Jose Rivas), Singapore (Michael Witt), and the United Kingdom (Suman Lodh). Only members in good standing will be able to access the ICGS country expert information. The data currently available on the ICGS website are country economic and corporate governance data from 2010 to 2014 and are provided in an excel spreadsheet format. Once you login as a member, the data are accessible under the downloads tab under the economic and governance data folder.

If you are interested in serving as a country expert, please send your CV to [info@icgsociety.org](mailto:info@icgsociety.org) and the database coordinator will contact you. Please note that it is preferred that country experts be full-time faculty who have previously published corporate governance research in the country which they want to represent.

## CYBERSECURITY AND CORPORATE BOARDS: VIGILANCE IS NOT ENOUGH

By Patricia Lenkov

Mention cybersecurity these days and reactions vary from concern to all out dismay and anxiety. We are living in an era of extreme technological transformation whether it be due to the emergence of the cloud, increased mobile use, social media, or the growth of the “internet of things” or as it has sometimes been called, “the internet of everything.” The side effect of this proliferation of our digital life is increased risk and the need to protect the immeasurable data that sometimes feels like it is simply “out there.”



These challenges are confounded by the fact that there is little to no precedent. We do not have guidebooks or veterans who have seen it all before. Witness the recent attack which has come to be known as “Wanna Cry.” It has been estimated that this cyberattack held computers hostage in at least 99 countries. Computers infected with “Wanna Cry” malware became locked until a ransom was paid. If this is not enough, all of the following companies had data breaches that affected the privacy of their customers or employees: Target; Sony Pictures Entertainment; Home Depot; EBay; and, JPMorgan (to mention just a few).

Leaders in government and all types of organizations must have a strategy to deal with this risk. They must plan, anticipate and prepare accordingly. Within the context of business as well as non-profit and educational institutions, boards of directors or trustees need to lay the groundwork for a cybersecurity framework that will protect their organization and if they can't protect, then they must have a plan to react so that devastation can be contained.

In 2016, the Chair of the U.S. Securities and Exchange Commission (SEC) stated that cybersecurity is the biggest threat facing the financial system. “Adversaries including organized crime groups, terrorists and nation-states, are constantly seeking to access organizations’ most

sensitive and valuable information through remote-access attacks. Boards of directors and the C-suite must acknowledge and recognize this business risk, and work to detect and respond to them quickly to mitigate the consequences. The leadership must set the pace for the rest of the organization, and it starts with awareness of the threat and a sense of urgency to respond. Anything less is unacceptable,” said Shawn Henry, CSO of CrowdStrike Inc., a cybersecurity company based in California.

The weight of the responsibility to keep an organization safe from cyber threats is placed on the CEO, CIO/CTO/CSO, and the executive team. However, in the 2016 Deloitte Board Practices Survey respondents (members of the Society for Corporate Governance) “ranked cyber as the number one risk their boards are focused on.”

It is critical for every organization to go beyond a mere discussion in the boardroom of the probability of cyber-attacks to the actual implementation of a comprehensive cybersecurity governance framework that addresses all of their cybersecurity requirements. Boards must be well versed in the most up-to-date issues and cyber challenges. They must be able to properly assess threats as well as the plans, programs and talent being engaged to contain them. Earlier this year the U.S. Senate introduced *The Cybersecurity Disclosure Act of 2017* (or S. 536). This legislation requires companies to explain in their SEC filings whether cybersecurity expertise exists on their boards and if not why the expertise is unnecessary because of other steps taken by the company.

As more organizations rely on computers for everything, cyber criminals are invariably looking for lapses in security. Advances in technology are not limited to those on the right side of the law and there are new threats constantly. It is not enough for a board to simply listen to a report by the company's CIO or CTO at a quarterly board meeting. Cyber planning must be an integral part of strategic planning and risk management. And by the way, the rate of obsolescence in technology is swift so even if a company has a cyber expert on their board they must ensure that their knowledge and skills be kept up-to-date. (*Con't next page*)

## UPCOMING EVENTS

**August 1, 2017:** *Corporate Governance: An International Review* Special Issue Submissions Due (Topic: Corporate Governance Implications of New Methods of Entrepreneurial Firm Formation)

**August 4-8, 2017:** Academy of Management Annual Meeting, Atlanta, U.S., Various PDW, Panel and Paper sessions on Corporate Governance

**September 4-5, 2017:** 21<sup>st</sup> European Company Law and Corporate Governance Conference, Tallinn, Estonia

**October 10, 2017:** Banking on the Future, Centre for Corporate Governance, Copenhagen Business School

**October 28-31, 2017:** Strategic Management Society Annual Meeting, Houston, U.S., Strategic Leadership and Governance Interest Group

## AN INTERVIEW WITH ICGS BOARD TREASURER: JOSEPH P. H. FAN



### Why do we need the ICGS?

ICGS should be a network designed to exchange corporate governance research and practice from a global perspective.

### Why did you agree to serve on the

#### Board of Directors?

I agreed to be on the Board because given that ICGS is a global organization, I felt that I could contribute to the ICGS from Asian/Chinese perspective.

#### What will be the ICGS's competitive advantage?

I hope ICGS can develop itself to cultivate regional or international comparative corporate governance research and help disseminate research findings to global business communities.

#### What advice would you give to ICGS members as a board member to get maximum benefit from being a member of the ICGS?

I hope that members, by participating in ICGS conferences and projects, will learn from each other's research under different institutional settings.

Boards and the companies they serve must not only be aware of the flurry of cyber threats but they must be proactive and strategic in dealing with them. They cannot afford to sit idly and wait for something to happen. They must be educated and prepared. Procrastinating on this issue can have some pretty grave consequences.

*Patricia Lenkov heads up Agility Executive Search, a boutique firm she founded in 2008. She has extensive board and C-suite search experience having worked in the board of directors' practice at Spencer Stuart and Heidrick & Struggles. She is widely regarded as a thought leader on board recruiting, corporate governance, composition, and succession. She is well known for her work on board diversity, and sits on the New York Steering Committee of 2020 Women on Boards.*

*Dr. Joseph P. H. Fan is Professor of Finance and Co-Director of the Institute of Economics and Finance at the Chinese University of Hong Kong. Professor Fan is an expert in corporate finance and governance of emergine markets. In addition to being on the Editorial Board of numerous leading corporate governance and finance publications, Professor Fan has also served as a member of the Business Panel of Hong Kong Research Grant Council and has consulting activities with the World Bank, OECD and Asian Development Bank. He serves as Treasurer on the ICGS Board which he joined in 2015.*

## ICGS NEWSLETTER EDITOR

Dr. Karin Schnarr is an Assistant Professor of Policy (Strategic Management) at the Lazaridis School of Business and Economics at Wilfrid Laurier University in Waterloo, Canada. Her research spans corporate governance and healthcare management. Dr. Schnarr also sits on the National Council of the Social Sciences and Humanities Research Council of Canada (SSHRC).

If you have contributions for our next newsletter (Volume 4, Issue 1) which will be published in January 2018, please contact Karin Schnarr (kschnarr@wlu.ca) by **November 30, 2017**. We especially welcome information on upcoming book publications from ICGS members or conferences/events that will be of interest to other ICGS members.

Don't forget to visit our website at [www.icgsociety.org](http://www.icgsociety.org)

The **International Corporate Governance Society** (ICGS) is a nonprofit, educational organization formed to provide an academic forum for corporate governance scholars that enhances research, teaching and consulting on corporate governance systems, practices, and outcomes throughout the global economy. The focus of ICGS is the global economy and its constituent societies and it is governed by an internationally-representative board of directors and supervised by its officers. ICGS seeks to be the academic society of choice for all academics with an interest in research, teaching and/or consulting associated with corporate governance practices and systems. We attempt to practice good governance within our society as well as explore ideas for improving governance of other organizations. Please visit our website [here](#).

### **NOT TO MISS EVENTS AT THE UPCOMING 3<sup>RD</sup> ANNUAL ICGS CONFERENCE**

While you cannot go wrong at any of the sessions at ICGS conferences, there are two that ICGS members are not going to want to miss this year! Building on the outstanding keynote of Dr. Jerry Davis at last year's conference, Dr. Franklin Allen is the keynote speaker this year. Since 2014, Dr. Allen has been Professor of Finance and Economics and Executive Director of the Brevan Howard Centre at Imperial College London. Dr. Allen focuses on corporate finance, asset pricing, financial innovation, comparative financial systems, and financial crises.

The second "must do" event at the upcoming ICGS conference is the Distinguished Panel. Last year's lively and provocative panel was one of the highlights of the ICGS conference and this year's offering is sure to be just as interesting. It features Kristen Holter, Managing Partner/Director at Stakeholder AS, John Plender, a journalist with the Financial Times, BBC and Channel Four, Peter Montagnon, Associate Director of the Institute for Business Ethics, and Praveen Kumar, Cullen Distinguished Chaired Professor of Finance and the Co-Editor-in-Chief of Corporate Governance: An International Review.

### **3RD ANNUAL ICGS CONFERENCE**

**September 2-3, 2017**

**Rome, Italy**

The 3<sup>rd</sup> Annual ICGS Conference will be held September 2-3, 2017 in Rome, Italy. Led by 2017 Conference Chair Dr. Alessandro Zattoni, LUISS University and LUISS Business School will host the event with a theme of **Corporate Power and Corporate Governance: Balancing Value Creation with Stakeholder Accountability**. The Harold S. Geneen Institute of Corporate Governance at Bentley University will be the primary corporate sponsor of this conference. The ICGS also wishes to thank corporate partners Wiley Publications and the World Bank.

Additional information about the conference, including how to register can be found by clicking this [link](#). You must be a member in good standing in order to register for the conference.

In conjunction with the 3<sup>rd</sup> Annual Conference, on September 1, 2017, there will be a pre-conference and doctoral consortium. The **ICGS Doctoral Consortium** provides an opportunity for doctoral students to get detailed and constructive feedback on their work from senior corporate governance scholars. Participants will discuss opportunities and challenges in the field from an international and interdisciplinary perspective. The consortium is open to both doctoral students who have completed approximately two to three years of their PhD program as well as junior faculty not well experienced with publications in an international journal.

The **4th annual ICGS conference** will be held at Fudan University in Shanghai, China on October 13-14, 2018 with a pre-conference on October 12, 2018. Co-chaired by Dr. Yan "Anthea" Zhang and Dr. Ming Zheng, its theme will be **"Navigating Corporate Governance in Emerging Markets"**. The **5th annual ICGS conference** will be hosted by the University of Liverpool on their London, UK campus on September 6-7, 2019 with a pre-conference on September 5, 2019.