

PRESIDENT'S CORNER



After several decades of research, teaching and consulting in the field of corporate governance, I remain more and more convinced that our global, interdisciplinary focus is needed more than ever. While many academic societies claim

to be globally focused, very few were started with that orientation and even fewer have that focus as a central feature of society membership and governance. Even rarer is our effort to foster cross-disciplinary conversations.

I cherish the fact that our societal journal, *Annals of Corporate Governance*, has review articles from leading lights within the field from all parts of the globe with a wide variety of disciplines. Attending our annual conference always exposes me to the latest thinking and fresh perspectives generated from cross-disciplinary interactions. And our partnership with Wiley publications and *Corporate Governance: An International Review*, continues to flourish and enrich our understanding of comparative corporate governance. Notably, our board chair, Till Talaulicar, is a member of the search committee as it seeks to replace the co-editors, Alessandro Zattoni and Praveen Kumar, whose editorial duties end at the conclusion of 2018. Alessandro, Praveen and myself were the prime instigators of this society which has grown to 180 members from 42 countries in just four short years. Kudos to Alessandro and Praveen for their six years of leadership for this journal; and best wishes to Till as he works with Wiley to insure CGIR's future.

Our latest initiative to provide value to our members comes in the form of Interest Groups. The seven groups are: (1) Board of Directors; (2) Ownership; (3)

External Institutions; (4) Disclosure and Transparency; (5) Compensation; (6) Comparative Governance; and, (7) Self Governance. Several leading scholars within the ICGS have stepped up to moderate these virtual discussions conducted on Linked-In groups. If you have research interests in any of these areas, please consider joining one or several. Details on how to join are included in the private membership area on the ICGS website. If you would like to propose a new interest group that complements the existing structure, please e-mail me a proposal and I'll circulate it by our Membership Committee which oversees this process.

I hope to see many of you in Shanghai later this year. Anthea Zhang, Ming Zheng, Doug Cumming and Sara Russell-Riggs are working hard to make this conference a success. The special theme is "governance in emerging markets", but we will also host presentations outside of this theme. We are trying something new this year by having an opening reception on Friday night and a closing reception on Sunday evening, with a gala luncheon on Sunday. Our annual meeting will be held just after the special luncheon. The five-star conference hotel, The Crown Plaza, is just across the street from Fudan University where the academic portion of the program will be presented. I'm told the weather in October is ideal in Shanghai.

Please keep in mind that if any newsworthy item arises that is associated with comparative corporate governance, we will provide free advertising for our members. For example, the University of Groningen is hosting a summer workshop on corporate governance and it is listed in our members area. We intend to post jobs related to corporate governance in the members area in the future as well. Thanks to everyone who contributes to the ICGS. We are blessed with many good souls who devote their time and talents to making this society a success.

Bill Judge

BOARD RECRUITMENT FOLLIES

By Patricia Lenkov

According to the basic structure of corporations, the board of directors selects the CEO. This can be through an external search either led by a professional recruiter (or not) or alternatively promoting someone from within. Regardless, it is a significant component of a board's work.



On the other hand, the fact that the CEO is involved in the selection of board directors may not make a whole lot of sense. And when the CEO also holds the position of Chairman, the convolution of roles can be even more amiss. In what role or position or environment does someone get to select their boss? Yes, the board oversees the CEO as a collective but the tone and characteristics of the collective is a result of the individual components.

But we typically don't hear much about this. Corporate America seems to find this imperfect structure good enough. To be fair, things have improved over the years. When I began in the executive recruiting business in 1997, it was the CEO who engaged with and hired the search firm to conduct a board search. Today it is usually the Chair of the Nominating and Governance Committee. While this may seem like minutiae, basic rules of customer service dictate that the service provider should be under obligation to those that hired them. So back in the good old days when the CEO hired the search firm, said firm worked exceedingly hard to make sure that the CEO was satisfied.

In 2018 the scenario is marginally different. The Nominating and Governance Committee under the leadership of the Chair of this committee selects and hires the search firm. However, the CEO, and particularly when he or she is the Chair of the board as well, usually weighs in on this important decision.

More importantly than who does the recruiting is who is ultimately recruited to join the board. For this critical decision and for the purposes of independence and objectivity, perhaps the CEO should not be involved. However, I would venture that there is not a board out there that does not invite its CEO to weigh in on all potential director candidates. I would also suggest that if the CEO does not approve of any candidate, they will not join the board.

Now think about this for a moment. It is implausible that anyone, even the best CEO, would want to work with someone (aka have as a Board member) who (a) they didn't like (b) who didn't like them (c) who they felt would question their thinking or their strategy and, (d) who would challenge the status quo. There are surely many other reasons why it is imprudent to involve anyone in the decision about who will oversee them. When stated, this seems to make no sense and in most scenarios, it would never occur.

However, the boardroom as you may know, does not follow the usual rules of engagement. I am not suggesting that all CEOs be left out of the board recruitment discussion all of the time; this would be too radical a departure from how things have always been done. Rather we should begin with some awareness and objectivity. The CEO should, of course, express their opinion and be heard but the ultimate decision should rest on the assessment and sentiments of the majority.

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

MEET THE NEW(ISH) EXECUTIVE DIRECTOR OF ICGS: SARA RUSSELL RIGGS



For ten years, **Sara Russell Riggs** was a full-time lecturer in the Maritime and Supply Chain Management Program at Old Dominion University in Norfolk, VA. Ms. Russell Riggs created and

implemented the course curriculum designed to provide students with an integrated working knowledge of maritime operations and supply chain management. In October 2017, she joined the ICGS as Executive Director. We spoke to Sara about her background, what led her to the ICGS and what she does for fun!

Tell us a bit about your background.

I grew up in Delaware and earned a bachelor degree from the University of Delaware in Management. I came to Old Dominion University to do a master of business administration where I learned about the Maritime Institute which ignited my passion for maritime management. This led to a number of positions in the private sector first in port logistics and then in customs brokerage. In both instances, I really enjoyed the legal and regulatory aspects of maritime businesses. It is an incredibly dynamic field – every day was different and a new learning experience. One day you could be dealing with apples, then coal and then electronics. If you think about it, maritime trade was one of the first aspects of international business going back to the movement of cargo and the opening of new trade routes. I am also a Certified Port Executive and hold the Vessel Security Officer/Company Security Officer/Facility Security Officer licensure.

I had the opportunity to be a lecturer with Old Dominion University, teaching maritime and supply chain management for 10 years. I have been Adjunct Faculty for the past year and just took on a role with the Finance Department, teaching introduction to finance and investment.

What made you decide to take your current position as the Executive Director of the ICGS?

I knew some of the people involved with the ICGS and so knew first hand what a great organization it was. When I heard about the opportunity I just jumped at it! I have been having a great time so far and am finding it to be interesting expanding my knowledge about global corporate governance.

Where do you feel ICGS is going in the future?

I think that it is a really dynamic time for the organization right now. I have been with the organization about nine months and have been delighted to see the increase in the number of student members with the ICGS. The students are the future of academia and so it is great to see them get involved at an early stage of their academic career.

It is also a strong sign to see how global our organization is already. In our last annual conference, we had paper submissions from over 20 countries and as Executive Director, I receive questions from members from around the globe. I hope that with our upcoming conference in October in Shanghai, China we can expose even more corporate governance scholars to ICGS and the numerous benefits that we offer from communities of scholarship, to proprietary databases to opportunities to present, experience and publish groundbreaking corporate governance research.

What do you do in your free time (when you have free time!)?

Well, I am kept pretty busy with my two daughters (who are aged six and three). Our family has been moving a bit recently and I am looking forward to getting all of our boxes finally unpacked and being settled in. I would say that when I do get some free time I am an avid reader. I love the beach and pool and our family all enjoy spending time together outdoors.

ISCG MEMBER SPOTLIGHT: DR. FILIPE MORAIS



Dr. Filipe Morais, Research Fellow, Henley Business School, United Kingdom

Why do you research in the area of corporate governance/what do you find interesting about corporate governance?

Corporate governance research and policy has a unique power to effect systemic and large-scale change for the good. I am an individual who has a strong orientation towards research impact that makes a difference and I cannot imagine many research areas where the potential for impacting society is as high as with corporate governance. Corporate governance deals with fundamental questions of the role and purpose of business in society and with accountability mechanisms. It is therefore a fundamental pillar for a well-functioning, prosperous and socially healthy society. Examining the governance and leadership dynamics of elites affords enormous possibilities for someone who has a desire to make a difference.

What currently are you researching?

I am currently involved in several exiting projects. I am directing a large project that looks into director independence in the commercial, charity, higher education, further education, sports, and health sectors in the United Kingdom (UK). Other projects include one around shareholder engagement, another on CEO and chair roles during turbulent environments, and also the role of the board in strategy development in growth companies (pre- and post-IPO).

How is your research applicable to business practice today?

My research is utilised in executive education and MBA teaching at Henley Business School. My colleagues and I make every effort for the research to be relevant not just for advancing the academic debate and theory, but also to move practice and policy forward. Therefore, my research arrives always with a set of recommendations that can be used by boards to improve practice, and by regulators to re-think provisions that may have perverse effects or are not working as intended. Future applications may include: re-thinking and repositioning the chair role and responsibilities; revisiting the notion of independence and perhaps suggest changes in the disclosure requirements; and, developing frameworks for improving board effectiveness or for more effective firm-shareholder engagement.

What made you decide to become a member of the ICGS?

ICGS is unique in congregating academics devoted to corporate governance research and teaching. It affords a forum where you can be in touch with some latest thinking, develop your networks, learn from established academics and showcase your work.

Now a Research Fellow at Henley Business School in the UK, Filipe worked for over 10 years as an HR professional in increasingly senior roles for the automotive, semiconductor and health industries, and was Executive Director for the research institute of a private university. Filipe has produced research for the ICASA (UK Institute of Company Secretaries and Administrators) and Alvarez & Marsal (large turnaround specialist firm) on board governance topics such as conflict resolution, board leadership during crisis and turnarounds and the impact of Brexit. He has also been involved in a recent research report with the UK Civil Service titled "Is government fit for purpose?". Filipe's research has appeared as book chapters, peer-reviewed papers and case studies and has been presented in various international conferences.

“GOTTA ATTEND” EVENTS AT THE UPCOMING 4th ANNUAL ICGS CONFERENCE

While you cannot go wrong at any of the sessions at ICGS conferences, there are three that ICGS members are not going to want to miss this year! We have been fortunate to have outstanding keynote speakers and this year is no exception. Professor Jeong-Bon Kim will be our keynote speaker. He joined the Department of Accountancy, City University of Hong Kong in July 2017 as Chair Professor of Accountancy, with a concurrent appointment as Acting Head. Professor Kim has been a Distinguished and Honored Professor at a number of international business schools and has published over 90 referred journal articles.

The other two “must do” events at the 4th annual ICGS conference are the two plenary sessions which reflect this year’s theme of corporate governance in emerging markets. The morning plenary session, chaired by Dr. Anthea Zhang (Rice University) will focus on “Family businesses in emerging markets”. The afternoon plenary session will be chaired by Professor Pei Sun (Fudan University) and will cover “Boards of directors in emerging markets”. These will prove to be extremely interesting sessions given the breadth of international knowledge of the panelists. For more information on the plenaries please visit this [link](#).

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](#).

4TH ANNUAL ICGS CONFERENCE

**October 13-14, 2018
Shanghai, China**

The 4th Annual ICGS Conference will be held October 13-14, 2018 in Shanghai, China. Led by 2018 Conference Chairs Dr. Anthea Zhang and Dr. Ming Zheng, the School of Management at Fudan University will host the event with a theme of **Navigating Corporate Governance in Emerging Markets**. The Harold S. Geneen Institute of Corporate Governance at Bentley University will again be the primary corporate sponsor of this conference. The ICGS also wishes to thank the International Finance Corporate within the World Bank who are providing financial assistance to support travel to the conference.

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

In conjunction with the 4th Annual Conference, on October 12, 2018, 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.

Looking ahead to next year, the **5th annual ICGS conference** will be held in Colchester, United Kingdom and be sponsored by the Essex Business School at the University of Essex. Held on October 12-13, 2019 with a pre-conference on October 11, 2019, its theme will be **Developing Effective and Sustainable Corporate Governance Systems**. The conference co-chairs are Dr. Claudia Girardone and Dr. Geoffrey Wood.

SUMMER SCHOOL: CORPORATE GOVERNANCE AND THE EFFECTIVENESS OF BOARDS

University of Groningen, the Netherlands
July 9-13, 2018

Understanding how corporate boards are formed and how they act has become an important topic. Corporate failures and scandals such as Enron and Parmalat in the early 2000s and, more recently Volkswagen and Toshiba, have heated up debates in policy circles and media, as well as in academia, with respect to the role of boards in these scandals. Research on boards focuses on examining how they influence firm strategic decisions and outcomes. Traditionally, this research focuses on linking board and/or individual characteristics to measures of firm decision-making and performance. At the same time, part of the research on boards has been directed toward researching cognitive and behavioral aspects of teams' and boards' decision-making processes. Studies in this field aim at opening the so-called "black box" to find out how interactions between individual team and board members affect decision making, team and board effectiveness and, ultimately, also organizational performance.

The aim of this summer school is to discuss the strength and weaknesses of both research pillars and their contribution to our understanding of how boards are formed and how they work in order to effectively perform their roles. Our approach is multi-disciplinary, that is, research from economics, finance, management, sociology, and psychology will be discussed. We will also deal with measurement issues and discuss datasets and methodologies to use these datasets in research. Participants are invited to present their own research (ideas) in the field of board effectiveness.

Dates and location: 9-13 July 2018, Groningen, the Netherlands

Target level: Research master students, PhD students, Postdocs, academic staff members, and practitioners with relevant academic background

Fees: €650 (excluding housing) or €895 (including housing)

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.

If you have contributions for our next newsletter (Volume 5, Issue 1) which will be published in January 2019, please contact Karin Schnarr (kschnarr@wlu.ca) by **December 1, 2018**. We welcome information on upcoming book publications from ICGS members or conferences/events that will be of interest to other ICGS members. We especially would appreciate information about activities in which ICGS members may be involved given the global community of scholars that comprise the ICGS.

UPCOMING EVENTS

August 4-8, 2018: Academy of Management Annual Meeting, Chicago, U.S., Various PDW, Panel and Paper sessions on Corporate Governance.

August 30-31, 2018: Long-term Ownership Symposium, Center for Corporate Governance, Copenhagen Business School (*Invitation only*).

Sept 22-25, 2018: Strategic Management Society Annual Meeting, Paris France, Strategic Leadership and Governance Interest Group.

October 13-14, 2018: International Conference on Corporate Governance at Fudan University in Shanghai, China. The 4th annual ICGS conference theme is 'navigating corporate governance in emerging markets.'

April 12, 2019: Annual corporate governance conference led by the LeBow College of Business at Drexel University (*Invitation only*).

Don't forget to visit our website at www.icgsociety.org