

Conference Report

**International Association for Management Development in
Dynamic Societies**

Corporate Governance: Challenges and Development

June 9-10, 2016

Brdo pri Kranju, Slowenien

On June 9-10, 2016, The Slovenian Academy of Management organized the 4th International Conference on Management and Organization. The theme of the conference was “CORPORATE GOVERNANCE: CHALLENGES AND DEVELOPMENT”. The conference was organized with the support of the Slovenian Directors’ Association for Effective Corporate Governance. The conference took place at the Hotel Brdo, in the beautiful surroundings of Brdo pri Kranju, Slovenia. Participants from Universities from Slovenia, Croatia, Monte Negro, Sweden, Norway, Hungary, Italy, as well as some Slovenian companies attended the conference.

Nowadays, corporate governance is seen as highly important organizational process or function which connects companies and the socioeconomic system. Yet, despite its importance corporate governance often fails in practice. Whether this is due to many deficiencies in practice or is it the sign of huge changes in the socioeconomic system was an important issue of discussion at the conference. From a narrow perspective, the primary role of corporate governance is to protect the interests of firm owners. This is achieved by developing and setting governing decisions on mission, vision, basic goals and strategies of corporations. Corporate governance is socioeconomically determined and maintains the socioeconomic system.

However, even if the basic corporate decisions start in the governance area (i.e. upon the initiative of firm owners or their representatives like the board of directors, supervisory board etc.), they are continued and ultimately implemented by the top management. The owners or their representatives often do not have the necessary information, knowledge or time to manage the companies they own, and therefore delegate this task to top management, which is expected to take decisions in the owners’ interest. Yet, as experience and scholarly research indicate, managers often make decisions in their own interest; excessive perk consumption, value-destroying takeovers and stock price manipulations are just a few examples of managers’ actions that benefit themselves personally but are in conflict with maximizing the firm (shareholder) value. Corporate governance mitigates this so-called agency problem by providing a set of mechanisms that help align the interests of the managers (agents) with those of the owners (principals). Moreover, corporate governance

also alleviates other types of agency issues in a corporation, such as the agency issues between a large owner and minority owners, issues that are especially relevant in countries outside the USA and the UK where individual owners control significant ownership shares in publicly listed firms. We are witnessing frequent problems across a wide span of relationships.

More recently, the role of corporate governance has expanded even further. These changes in the view and role of corporate governance are connected to the overall changes and development of societies and economies. Instead of ownership of capital we emphasize ownership of knowledge, and instead of profit maximization we talk of value added maximization. Shareholders as primary stakeholders are losing power over strategic decision-making. The role of corporate governance is therefore not only to protect those investing financial capital in the corporation but also other stakeholders which contribute knowledge and other key resources to the firm.

Despite the rich academic research in the corporate governance field, many issues remain and new ones are developing. The importance of studying these issues was also underlined in the last credit crisis, which opened new challenges that need to be addressed if we are to improve corporate governance in the future. The main aim of the conference was to exchange ideas on different issues of corporate governance and to stimulate new, breakthrough research on corporate governance. In particular, we invited researchers to combine the lenses of organizational, governance and management theories, as well as those from economics and finance to investigate relevant corporate governance problems, especially focusing on corporate social responsibility and, more generally, the role of stakeholders in today's corporate governance, stressing the link between corporate governance and corporate social responsibility from the relationships perspective.

The papers presented at the conference addressed different challenges in the corporate governance field and from different perspectives. The general finding of all the papers was that governance is important. It is seen as the ultimate process in corporations and other units. Some papers offered definitions, complete or partial, the majority of the papers approached the challenges in general, without focusing on a specific country or governance model. In a few papers different corporate governance models were mentioned, but the majority of papers didn't make a clear distinction.

The first keynote speaker Morten Huse, Professor of Organization and Management, Department of Communication and Culture, BI Norwegian Business School, Oslo, Norway and Professor and Chair of Management and Governance, Witten/Herdecke University, Germany was questioning in his presentation whether the boards are destroying rather than creating values and exposed the challenges for getting value creating boards. In his presentation he discussed what kind of values are created and to whom they are directed. He

concluded that in order to reach the quality of corporate governance, the boards should ask themselves how they can contribute to the value creation and how better to collaborate.

Jon Aarum Andersen discussed the managerial discretion concept and whether we are better off with or without it, questioning if managerial discretion influences effectiveness, does it impact the quality of managerial decisions and concluding that corporate governance scholarship would be better off when it abandons the concept of managerial discretion. Miran Mihelčič addressed an important topic of the differences in governance bodies' perception of income distribution theories and discussed how the income distribution can motivate different stakeholders.

The second keynote speaker, Irena Prijović, presented the situation in Slovenia, discussing the corporate governance codes and the endeavors of the Slovenian Directors' Association for Effective Corporate Governance. Rudi Rozman asked an important question, whether to improve and/or to change corporate governance. He claimed that today's governance problems are mainly due to the change of the present capitalist socioeconomic system to a new one based on social responsibility, stakeholders' governance and new types of ownership. He sees the principal-agent theory which is based on mistrust as an economic one whereas the stewardship theory based on trust could be seen as an organizational one. Jernej Belak, Ronja Knap and Borut Bratina looked at corporate governance from legal point of view, addressing corporate social responsibility and asking the question whether monitoring of corporate governance to attain corporate social responsibility will contribute to higher qualitative level of corporate governance.

The socioeconomic systems are determined by the ownership of production means, by corporate governance and by the main goal of companies. The ownership issue was addressed by Maja Drakic-Grgur discussing different opinions on property rights and corporate governance and whether it is the natural right of the owner. Maja Zaman Groff, Roberto Di Pietra and Aleša Saša Sitar addressed the contemporary role of internal auditing in corporate governance. They evaluated the present situation and made some conclusions, how internal auditing might look like in the future. From the human resource perspective Nina Pološki Vokić discussed several HRM practices from the perspective of agency theory addressing the question whether suboptimal HRM practices are a consequence of moral hazard. From the organization design perspective, focusing on business groups Tomislav Hernaus and Ivan Matić made a comparison of corporate governance in the public and private sector companies.

Two papers were dealing with cases. Veronika Petkovšek and Primož Pevcin addressed the governance issues and management of municipal water and wastewater utilities in Slovenia and selected European countries. And Dugar

Boris-Anže and Vesna Vodopivec presented corporate governance in banks and discussed whether the term corporate governance is still appropriate.

Other papers related governance to project management, outsourcing, international networks of SMEs, innovation and management, and obtaining construction permits. They were more focused on particular issues other than corporate governance but trying to show the connections to corporate governance.

The discussion concluded with an observation that many problems in corporate governance are rooted in the present socioeconomic system. Thus, we have to look to resolve today's problems with a look to the new socioeconomic system which is already characterized by social responsibility goal and stakeholders' governance. Throughout the conference corporate governance has been addressed from organization theory perspective and economics perspective. Some participants argue that organization theories approaches based on trust will prevail in the future. These new views discussed at the conference lead to the conclusion that further research on corporate governance is needed, always with a clear purpose and goal to solve important governance problems and above all considering the new socioeconomic world of today and tomorrow.

The abstracts of papers can be found on internet pages of the Slovenian Academy of Management (<http://sam-d.si>) whereas full papers have been published in Conference papers. Best papers will also appear in the Slovenian Academy of Management journal "Dynamic Relationships Management Journal".

*Alesa Sasa Sitar / Rudi Rozman
University of Ljubljana*

Call for Papers

Journal of Management Special Issue

Global Work in the Multinational Enterprise: New Avenues and Challenges for Strategically Managing Human Capital Across Borders

Submission deadline: September 30, 2016

Introduction

As today's business activities have largely transcended national boundaries, global forms of work become an increasingly common phenomenon in multinational enterprises (MNEs). Such global work arrangements are defined as situations in which employees that are collaborating with each other are not only culturally diverse, but often also geographically distant from one another, and thus embedded in different national cultures and contexts (Hinds, Liu, & Lyon, 2011). The presence of cultural, linguistic, spatial, and temporal distances involved in global work, as well as distinct political, economic and societal institutions make the coordination of work and the management of people within MNEs particularly challenging (Aycan, 2005; Brock, Shenkar, Shoham, & Siskovick, 2008; Edwards & Kuruvilla, 2005; Kostova & Roth, 2002; Raghuram, Garud, Wiesenfeld, & Gupta, 2001; Welch & Welch, in press). These firms hence face pressures to continually realign their human resource (HR) systems with strategies aiming at operating in a global context. Moreover, identifying, attracting, developing, managing and retaining talent capable of effectively handling global complexity is of critical importance for MNEs and their HRM systems (Farndale, Scullion, & Sparrow, 2010). Within the fields of International Business (IB) and Human Resource Management (HRM), global work, strategic HRM, and global talent management have thus far remained largely separate research streams. Existing IB research has mainly focused on the strategic design and local adaptation of HRM systems (e.g., Rosenzweig & Nohria, 1994; Schuler & Rogovsky, 1998), the role of HRM as an antecedent to MNE-level outcomes (e.g., Caligiuri, 2014) and the management of international assignments (e.g. Reiche, Kraimer, & Harzing, 2011; Wang, Tong, Chen, & Kim, 2009). Existing HR research has largely focused on potential cultural differences in responses to HR policies and practices, as well as the appropriateness of global versus local HR strategies. While previous research has significantly contributed to the academic debate and progress of the field, topics on global work and strategic HRM continue to be underrepresented. In particular, what is missing is a more explicit integration of research on the various aspects of global work, strategic HRM and global talent management. Further, although scholars have started to study various global work arrangements in MNEs (see Shaffer, Kraimer, Chen, & Bolino, 2012), the

design of global HR systems (Pudelko & Harzing, 2007) as well as the generation, sharing and implementation of HR capabilities in MNEs (Mäkelä, Björkman, Ehrnrooth, Smale, Sumelius, 2013; Morris, & Snell, 2011), many additional questions remain unanswered. For example, the tension between standardization vs. localization continues to be debated (Rosenzweig, 2006). Recent research has started to suggest that cultural variation exists in how phenomena of person-environment fit are interpreted and played out at work (Lee & Antonakis, 2014; Lee & Ramaswami, 2013). Such variation may have serious implications for the design and implementation of HR policies and practices in a global workplace. In fact, the challenges of talent management for MNEs go beyond managing global elites and also concern developing effective HR policies and systems to make the best use of human resources on a global basis (Reiche, 2007). Hence, a key question for scholars to investigate is how MNEs establish a consistent HR system that is aligned with their global strategy while taking into account the variations of societal and institutional imperatives so as to ensure fit at multi-local levels. In sum, this special issue invites submissions that address issues of global work within MNEs, in either conceptual or empirical ways, so as to advance IB theory and research regarding HRM and talent management.

Topics for the Special Issue

Because these questions are often multilevel in nature, the suggested themes of our call cover country, industry, firm, team, and individual levels of analysis. We particularly welcome studies that apply wider theoretical lenses and multilevel approaches in order to better capture the complexity of global work in MNEs. Specifically, this special issue seeks to promote and shape the future direction for research addressing questions at the intersection of the following themes: (1) global work in MNEs? what structures, systems, and policies and practices do MNEs need to facilitate global work? (2) strategic HRM in MNEs? how does the system design and implementation fit an MNEs? global strategy? and (3) global talent management in MNEs? how do we define, conceptualize, and identify global talent, and how do we manage it within multiple MNE contexts? Original empirical research, theory development, and meta-analytic reviews are all suitable for potential inclusion in the special issue. We are particularly interested in submissions that integrate across the three themes outlined above. Below is an illustrative list of topics that are consistent with the scope of the special issue, but other topics may be appropriate as well:

1. Global Work and the MNE:

- What are the challenges for HRM given the growing fragmentation of forms of global work (e.g., corporate expatriation, self-initiated expatriation, business travel, virtual collaboration)?
- How does global work affect the debate between global standardization vs. local adaptation of HR policies and practices, e.g. to which extent is a global compensation system needed, etc.

- What are the key competencies for individuals to perform global work effectively? What are the corresponding HR practices to identify and develop them?
- How to deal with the geographic dispersion (extent of coordination across borders needed) and multiculturalism/multilinguism (extent of coordination among people from diverse cultures and native languages needed) of global work?

2. Strategic HRM in the MNE:

- How do institutional, cultural, and other contextual influences affect the development, implementation, and effectiveness of high performance work systems and practices in MNEs?
- How should human resources be managed on a global scale (when to move jobs; where to move people; where to leverage local talent versus sourcing talent globally)?
- How does centralization/localization strategy affect performance? How does global staffing strategy affect performance? What is the best staffing strategy for starting new multinational facilities (Taking over existing vs. turning around ongoing operations)?

3. Global Talent Management and the MNE:

- To what extent do MNEs evaluate global talent issues (e.g., integrating national cultures; relative competencies across locations; availability of talent) in making cross-border acquisition decisions? To what extent do these factors affect cross-border acquisition success?
- To what extent does the make-up of the top management team (in terms of national origin and experiences) affect MNE success and cross-border acquisition strategies/decisions?
- What are strategic issues in forming and managing multinational teams?

Submissions

Please submit papers through the journals online submission system. To do so, please visit <http://mc.manuscriptcentral.com/jom>, create your user account (if you have not done so already), and for Manuscript Type choose the corresponding Special Issue. You will be able to submit your paper for this Special Issue between the **1st** and the **30th of September 2016**.

For further information, please contact one of the Guest Editors for this Special Issue:

- David Allen (david.allen@rutgers.edu)
- Yih-teen Lee (YLee@iese.edu)
- Sebastian Reiche (SReiche@iese.edu)
- Administrative support & general queries:
Stro Prothro, Managing Editor, Journal of Management
(StroJom@moore.sc.edu)

Call for Applications

2nd Paper Development Workshop for PhD Students and Early Career Scholars in Central and Eastern Europe (CEE)

Challenges in Managing and Organizing Processes of Change

October 27-28, 2016

Vilnius, Lithuania

This joint paper development workshop (PDW) of EGOS, OS, and OMT, seeks to provide developmental opportunities for late stage PhD students and early career scholars who are based in the Central and Eastern Europe and do research in the field of organizational and management studies. The PDW aims to help participants develop their academic writing. It also seeks to increase participants' awareness of the requirements, expectations, and procedures involved in the review processes at peer-reviewed academic journals through presentations and firsthand discussion with the editors of OS, JEEMS, and JMS.

In particular, we aim to support participants to develop their papers into conference papers to be submitted to the EGOS Colloquium in Copenhagen, July 6-8, 2017 or to the OMT Division of the Annual Meeting of the Academy of Management in Atlanta (Georgia), August 4-8, 2017. In addition, the best papers developed out of the workshop will have the opportunity to be considered for publication in the JEEMS, which "aims to promote the development, advancement and dissemination of knowledge about management issues in Central and East European countries".

The workshop is free of charge. Food and accommodation will be provided to all selected participants. A limited number of travel grants will be offered depending on needs and funds' availability. Please indicate in your application if you would like to be considered for travel funding.

The deadline for the submission of applications has been extended to August 31st, 2016. Please, send your application to Loreta Tauginiene (lotaugi@muni.eu).

Mentors:

- Katharina Chudzikowski, EGOS Board Member, University of Bath, UK
- Mike Geppert, Friedrich Schiller University of Jena, Germany, and Turku School of Economics, Finland
- Frank den Hond, Editor-in-Chief, Organization Studies, Hanken School of Economics, Finland

- Davide Ravasi, OMT Division Program Chair-Elect, Cass Business School, UK
- Thomas Steger, Editor-in-Chief, Journal of East European Management Studies (JEEMS), University of Regensburg, Germany
- Silviya Svejenova, Chair of EGOS, Copenhagen Business School, Denmark
- Loreta Tauginiene, Mykolas Romeris University, Lithuania



Call for Applications

10th International Research Workshop

Methods for PhD

September 25-30, 2016

Akademie Sankelmark (near Flensburg), Germany &

University of Southern Denmark, Campus Kolding

Empirical research is seeking through methodological processes to discover, hopefully, nontrivial facts and insights. Beside choosing a topic and grounding an idea in theory, empirical research consists of gathering and analyzing data as well as presenting results in scientific contexts.

Our workshop tackles these steps of your research project:

- Gathering data via (un)structured interviews or surveys and
- using the computer for qualitative and quantitative data analysis

The regular workshop fee is 449 Euro. It covers the participation in three courses, meals and accommodation. The workshop fee is 289 Euro without accommodation (only three courses and meals are included).

We are offering up to three funded scholarships to support refugee postgraduate students from Germany. Full details including eligibility criteria and how to apply for a scholarship can be found on the workshop website.

It is possible to get a certificate on 5 credit points (according to the European Credit Transfer System).

The following courses will be offered:

Parallel morning session 1 (26-28 September 2016):

- Data Analysis with R
- Data Analysis with Stata
- Grounded Theory
- Qualitative Interviewing

- Developing Theoretical Contributions

Parallel afternoon session 2 (26-28 September 2016):

- Qualitative Comparative Analysis (QCA)
- Case Study Research
- Introduction to the German Socio-Economic Panel Study (SOEP) and Applied Survival Analysis
- Analyzing Panel and Spatial Data
- Questionnaire Design

Parallel session at the SDU (30 September 2016):

- Academic English Writing (fully booked)
- Computable General Equilibrium (CGE) Modelling and Its Applications to Policy Impact Analysis
- Introduction to Social Network Analysis
- Reproducible Research with R and R Studio
- Analysis of Qualitative Data and Exploratory Statistics (fully booked)

PLEASE note that the number of participants is limited to 20 persons per course!

For further information, especially lecturers, program, organizers and registration visit our website: <http://www.phd-network.eu/>

For any questions don't hesitate to contact the workshop committee (irwsnetwork@gmail.com).

The International Research Workshop is organised by:

- Prof. Dr. Wenzel Matiaske, Faculty of Economics and Social Sciences, Helmut-Schmidt-University/University of Federal Armed Forces and Research Professor at the German Institute for Economic Research (DIW Berlin)
- Asst. Prof. Dr. Simon Fietze, University of Southern Denmark, Campus Sønderborg
- Dr. Heiko Stüber, Institute for Employment Research (IAB), The Research Institute of the Federal Employment Agency in Nuernberg

The workshop is supported by

- University of Southern Denmark, Department of Entrepreneurship and Relationship Management
- University of Southern Denmark, Department of Environmental and Business Economics
- University of Flensburg
- University of Hamburg, Faculty of Economics and Social Sciences
- University of Hamburg, School of Business
- Leuphana University Lüneburg, Faculty of Economics
- Werkstatt für Personal- und Organisationsforschung e.V.
- German Socio-Economic Panel Study (SOEP) at the DIW Berlin

Call for Papers
International Business and Management Conference
Business and Management Challenges - 2017 and Beyond
November 11-12, 2016
Prague, Czech Republic

Location: Hotel Don Giovanni Prague

Divided into four (4) sub-themed tracks:

Organizational Development; Workforce Diversity and Multiculturalism; Process Improvement and Technology and International Trade.

Guest speakers: Professor Henry Mintzberg and Professor Yadong

Registration fees: 175€ / 175 USD

Due to the limited capacity, on-site registration is not available. Secure registration and payment facilities (credit card and PayPal) are made possible through our logistics partner, EventAid.

Registration period:

On-line registration and payment will be available from September 1 to September 30 only. A link to the site will be provided at that time.

Call for submissions:

The call is open to all academicians, doctoral and post-doctoral candidates. Professional and business consultancies are also welcome. However, attendees not meeting these criteria may apply with a Letter of Intent delivered on your professional or corporate letterhead. No invitational letters will be issued. Participants must secure their own travel documents to enter the European Union.

Nature of the submission:

Submissions may include manuscripts, posters, annotated literature reviews, case studies, and other contributions to the extant body of knowledge. They must however, be relative to one of the tracks mentioned above. When submitting, please identify the proposed track.

Submission deadline: no later than September 17

Format details available from:

[http://www.ieeca.org/journal/index.php/JEECAR/about/submissions
#authorGuidelines](http://www.ieeca.org/journal/index.php/JEECAR/about/submissions#authorGuidelines)