

**Current Topics in Management and Business Ethics:
Corporate Governance and Sustainability**

Universität Zürich
21-24 September 2021

Location (Please pay attention to location change!)

21., 23. & 24.09.: Room KAB-E-05, Kantonsschulstr. 3, 8001 Zurich
(Tram-Station Kunsthaus, Line 3, 5, 8 & 9)

22.09.: Room KOL-G-22, Rämistrasse 71, 8006 Zurich
(Tram-Station ETH/ Universitätsspital, Line 6, 9 & 10)

Instructor:
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For questions regarding the seminar content, please contact Ruth Aguilera
The seminar is worth 3 ECTS points.

Schedule and topics:

Tuesday 21 September

- 09:00-12:00 Session 1: Theory building workshop—structuring your writing.
- 13:00-16:00 Session 2: Overview of the topic of corporate governance
- 16:00-17:00 Individual coaching (see note below)

Wednesday 22 September

- 09:00-12:00 Session 3: Heterogeneous Owners and Governance Practices
- 13:00-16:00 Session 4: Shareholder Activism and Non-Market Strategies
- 16:00-17:00 Individual coaching (see note below)

Thursday 23 September

- 09:00-12:00 Session 5: Corporate Governance and Sustainability/ESG
- 13:00-16:00 Session 6: Governance of Artificial Intelligence
- 16:00-17:00 Individual coaching (see note below)

Friday 24 September

- 09:00-12:00 Session 7: Student presentations; seminar wrap up

A note about the individual coaching sessions:

Individual coaching is not mandatory. If you are a seminar participant who would like to discuss a paper you are working on, please contact Ruth Aguilera (r.aguilera@neu.edu) before **Sept 6, 2021** to send your paper and to arrange a time on the schedule.

OVERVIEW AND OBJECTIVES OF THIS SEMINAR

This is a doctoral-level seminar in which we will review research in management and business ethics, with a specific focus on the topic of comparative corporate governance. We will address a mix of theoretical and empirical contributions. Due to time constraints, our examination of the material will be introductory rather than exhaustive. In addition to learning about the topic of comparative corporate governance, we will devote attention to developing student research capabilities. In particular, we will address the purpose of theory in management research, the process of developing a theoretical contribution (whether that be for a paper that is entirely conceptual, or instead for a qualitative or quantitative paper with a theoretical component), and a structured approach to writing and presenting a research paper. For illustration, we will look at a theory-only paper from its conception to its final publication.

The main objective of this seminar is to familiarize you with some of the basic assumptions, concepts, theories, and findings in management and business ethics pertaining to comparative corporate governance. In addition, we will emphasize the following objectives:

1. To help you build the resources and knowledge needed to develop a mental model of the literature pertaining to comparative corporate governance.
2. To help you sharpen your ability to critically assess academic research in the field of management and business ethics.
3. To help make you stronger at developing new ideas and/or approaches that advance some portion of the literature in the field of management and business ethics.
4. To help you become a better communicator of your academic ideas, both orally and in writing.

SEMINAR STRUCTURE

In each session we will discuss the assigned articles. PLEASE READ CLOSELY FOUR OUT OF THE FIVE. Our discussion will be descriptive, critical, and creative. In the descriptive mode we will explore what the author intended to accomplish and why. In the critical mode we will look at how well the authors did what they set out to do. In the creative mode we will address the question ‘what’s next in this line of research and in this general topic area?’ Thus, beyond an in-depth critique of the assigned articles we will devote time to raising and discussing new research questions.

In this seminar you will gain additional insight into what it means to be a contributor to the scholarly community. As such, my strong expectation is that you be an active participant in not only your learning, but also that of your peers. The class is discussion oriented. My role is not to lecture, but rather to guide and facilitate the discussion.

Please note:

- 1) Reading all of the assigned papers is mandatory. There are no exceptions if you want a passing grade in the course. This is important, as the seminar will only work if everyone arrives well prepared for a thoughtful discussion.
- 2) You may have had other seminars in which particular students were assigned to present particular papers and to lead the discussion on those papers. We will not use that structure in this seminar. What does that mean for you? See “1”).

GRADING

This seminar is graded as pass-fail. Your learning and the learning of your classmates will depend upon you arriving to class fully prepared and then participating fully in the discussion. A grade of pass for the seminar indicates that your preparation for all the sessions and your participation in all the sessions were excellent.

PREPARING FOR CLASS

1. Read each assigned reading carefully, taking notes on key points, concepts, theories, and findings.

Use the following questions to guide your note taking:

- a. What is the basic argument/point made by the author(s)? What are its strengths?
- b. What are the weaknesses of the argument and/or the empirical method?
- c. What alternative explanations can account for the findings of the authors?
- d. If you disagree with an argument or method, what would it take to convince you?
- e. What are the scope conditions; under what circumstances is the argument meant to apply?
- f. How might the argument in the paper be extended or applied to a different case, another context, or a different theoretical perspective?

2. Prior to sessions 1 through 6, think of one question you would like to discuss about each of the readings. Email me your questions (r.aguilera@neu.edu) at least two hours before the start of the session. A good discussion question is thought-provoking. Try to avoid questions that would simply require someone in the class to summarize something from the reading. “Why” or “how” questions are good. You might also try to make connections with something we’ve discussed in the seminar.

PRESENTATIONS

In session 7, each participant will give a Pecha Kucha style presentation of your own research idea. Your idea could be one that you developed based on the content of this seminar. Or, it could be an ongoing research project of yours. In the latter case, present your ongoing research but make a point of bringing in some ideas you learned in the seminar. (Pecha Kucha style means that you will have 20 slides at 20 seconds each, advancing automatically, for a total presentation length of 6 minutes, 40 seconds.) I will send you more information about this in advance and we will discuss it for clarification during session 1.

READINGS

Session 1: Theory building—purpose and process; structuring your writing

- Bacharach, SB 1989. 'Organizational theories: Some criteria for evaluation'. *Academy of Management Review*, 14, 496–515.
- Cornelissen, J. 2017. Editor’s comments: Developing propositions, a process model, or a typology? Addressing the challenges of writing theory without a boilerplate.
- Lange, D., & Pfarrer, M. D. 2017. Editor's comments: Sense and structure--The core building blocks of an AMR article. *Academy of Management Review*, 42(3): 407–416.
- Makadok, R., Burton, R., & Barney, J. 2018. A practical guide for making theory contributions in strategic management. *Strategic Management Journal*.

Session 2: Overview of the topic of Comparative Corporate Governance

- Aguilera, R. V., & Jackson, G. 2003. The cross-national diversity of corporate governance: Dimensions and determinants. *Academy of management Review*, 28(3): 447-465.
- Goranova, M., & Verstegen Ryan, L. 2021. The corporate objective revisited: the shareholder perspective. *Journal of Management Studies*. [very short]

- Keum, D. D. 2021. Innovation, short-termism, and the cost of strong corporate governance. *Strategic Management Journal*, 42(1), 3-29.
- Aguilera, Ruth V., William Q. Judge, and Siri A. Terjesen. 2018. Corporate governance deviance. *Academy of Management Review*, 43(1): 87-109.
- Bacq, S., & Aguilera, R. V. 2021. Stakeholder Governance for Responsible Innovation: A Theory of Value Creation, Appropriation, and Distribution. *Journal of Management Studies*, Forthcoming.

Optional:

- Aguilera, R. V., & Jackson, G. 2010. Comparative and international corporate governance. *Academy of Management Annals*, 4(1): 485-556.

Session 3: Heterogeneous Owners and Governance Practices

- Tihanyi, Laszlo, Ruth V. Aguilera, Pursey Heugens, Marc van Essen, Steve Sauerwald, Patricio Duran, and Roxana Turturea. "State ownership and political connections." *Journal of Management* 45, no. 6 (2019): 2293-2321.
- Schulze, W., & Zellweger, T. M. 2021. Property rights, owner-management, and value creation. *Academy of Management Review*.
- Aguilera, R. V., Bermejo, V. J., Capapé, J., & Cuñat, V. 2021. The Systemic Governance Influence of Universal Owners: Evidence from an Expectation Document. European Corporate Governance Institute-Finance Working Paper, (625). [Ruth will share]
- Hoppmann, J., Naegele, F., & Girod, B. 2019. Boards as a source of inertia: Examining the internal challenges and dynamics of boards of directors in times of environmental discontinuities. *Academy of Management Journal*, 62(2), 437-468.
- Boivie, S., Withers, M. C., Graffin, S. D., & Corley, K. G. 2021. Corporate directors' implicit theories of the roles and duties of boards. *Strategic Management Journal*.

Optional:

- Aguilera, R. V., & Jackson, G. 2010. Comparative and international corporate governance. *Academy of Management Annals*, 4(1): 485-556.
- Calabrò, A., Minichilli, A., Amore, M. D., & Brogi, M. 2018. The courage to choose! Primogeniture and leadership succession in family firms. *Strategic Management Journal*, 39(7), 2014-2035.
- Foss, N. J., Klein, P. G., Lien, L. B., Zellweger, T., & Zenger, T. 2021. Ownership competence. *Strategic Management Journal*, 42(2), 302-328.
- Shi, Wei, Brian L. Connelly, Robert E. Hoskisson, and David J. Ketchen Jr. 2020. Portfolio Spillover of Institutional Investor Activism: An Awareness–Motivation–Capability Perspective. *Academy of Management Journal* 63, no. 6 (2020): 1865-1892.

Session 4: Shareholder Activism and Non-market Strategies

- Odziemkowska, K. forthcoming. Frenemies: When Firms and Activists Collaborate. *Administrative Science Quarterly*.
- Shi, W., Gao, C., & Aguilera, R. V. 2021. The liabilities of foreign institutional ownership: Managing political dependence through corporate political spending. *Strategic Management Journal*

- Ahn, A. M., & Wiersema, M. F. 2021. Activist hedge funds: Beware the new titans. *Academy of Management Perspectives*, 35(1), 96-122.
- Bebchuk, L. A., Brav, A., Jiang, W., & Keusch, T. 2020. Dancing with activists. *Journal of Financial Economics*, 137(1), 1-41.
- Marquis, C., & Qiao, K. 2020. Waking from Mao's dream: Communist ideological imprinting and the internationalization of entrepreneurial ventures in China. *Administrative Science Quarterly*, 65(3), 795-830.

Optional:

- Bebchuk, L. A., Brav, A., & Jiang, W. 2015. The long-term effects of hedge fund activism (No. w21227). Columbia Law Review.
- Odziemkowska, K., & Henisz, W. J. 2020. Webs of Influence: Secondary Stakeholder Actions and Cross-National Corporate Social Performance. *Organization Science*, 42(1), 84-113.

Session 5: Corporate Governance and Sustainability/ESG

- Surroca, J. A., Aguilera, R. V., Desender, K., & Tribó, J. A. 2020. Is managerial entrenchment always bad and corporate social responsibility always good? A cross-national examination of their combined influence on shareholder value. *Strategic Management Journal*, 41(5), 891-920.
- DesJardine, M. R., Marti, E., & Durand, R. 2020. Why activist hedge funds target socially responsible firms: The reaction costs of signaling corporate social responsibility. *Academy of Management Journal*.
- Yan, S., Almandoz, J., & Ferraro, F. 2021. The Impact of Logic (In) Compatibility: Green Investing, State Policy, and Corporate Environmental Performance. *Administrative Science Quarterly*,
- Hsu, P. H., Liang, H., & Matos, P. 2021. Leviathan Inc. and corporate environmental engagement. *Management Science*.
- Chuah, Henisz, & McGlinch. 2021. Greenwash or Green: What attracts inflows into ESG equity funds? Wharton Working paper.

Optional:

- Aguilera, R. V., Aragón-Correa, J. A., Marano, V., & Tashman, P. A. 2020. The Corporate Governance of Environmental Sustainability: A Review and Proposal for More Integrated Research. *Journal of Management*
- Arjaliès, Diane-Laure, and Pratima Bansal. 2018. Beyond numbers: How investment managers accommodate societal issues in financial decisions. *Organization Studies* 39, no. 5-6: 691-719.
- Maksimov, V., Wang, S. L., & Yan, S. (2019). Global connectedness and dynamic green capabilities in MNEs. *Journal of International Business Studies*, 1-18.

Session 6: Governance of Artificial Intelligence

- Arthur, Keren Naa Abeka, and Richard Owen. 2019. "A Micro-ethnographic Study of Big Data-Based Innovation in the Financial Services Sector: Governance, Ethics and Organisational Practices." *Journal of Business Ethics* 160(2): 363-375.
- Festic, N. (2020). Same, same, but different! Qualitative evidence on how algorithmic selection applications govern different life domains. *Regulation & Governance*.

Curchod, C., Patriotta, G., Cohen, L., & Neysen, N. (2020). Working for an algorithm: Power asymmetries and agency in online work settings. *Administrative Science Quarterly*, 65(3), 644-676.

Kellogg, K. C., Valentine, M. A., & Christin, A. (2020). Algorithms at work: The new contested terrain of control. *Academy of Management Annals*, 14(1), 366-410.