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# Corporate governance and the effectiveness of boards

– Summer school 2019 –

*Monday July 8 to Friday July 12*

**University of Groningen**

## *Summer school coordinators*

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## *Guest lecturers*

Craig Crossland (University of Notre Dame, Indiana)  
Alessandro Zattoni (LUISS Business School, Rome)

## *Other lecturers*

Swarnodeep Homroy ([s.homroy@rug.nl](mailto:s.homroy@rug.nl))  
Jana Oehmichen ([j.d.r.oehmichen@rug.nl](mailto:j.d.r.oehmichen@rug.nl))  
Dennis Veltrop ([d.veltrop@rug.nl](mailto:d.veltrop@rug.nl))

## *Practitioner Master Class*

To be announced

## 1. Summer school objectives and content

### *Objectives*

Upon completion of this summer school, participants will be able to:

1. define and describe the basic elements of a corporate governance system;
2. critically assess theories applied in the field of corporate governance, in particular related to boards and board effectiveness;
3. explain and discuss the major research approaches in the field of corporate governance, with a focus on boards and board effectiveness;
4. describe recent trends and topics in research on corporate governance, with a focus on boards and board effectiveness;
5. present, discuss and critically evaluate a paper published in a scientific journal; and
6. write and present their own research proposal and/or a research paper (if applicable).

### *Content*

The last two decades showed an increasing attention for the governance of large (multinational) corporations. This increase was generated by a number of developments, including financial accounting scandals at Ahold, Enron, and Parmalat, the fierce debate surrounding executive compensation at both listed firms and state-owned enterprises and, last but certainly not least, the financial crisis. These and numerous other cases show that effective governance is crucial for organizations. That is, the manner in which the mechanisms, processes and relations by which listed firms are controlled, directed, and supervised are structured is crucial for organizational success.

During this summer school, participants learn how to critically evaluate governance research, how to apply theories, research methodologies and findings from such research to help identify research topics in an area that has become a focal point for political regulation and reform in Europe and around the world. In particular, the aim is to provide participants with in-depth knowledge of how the determinants and outcomes of corporate governance arrangements have been measured and studied in the academic literature, allowing them to critically evaluate governance research. The focus of the discussions will be on boards and their effectiveness in determining organizational decisions and outcomes.

To achieve this, we have invited two leading corporate governance scholars to give classes about their recent work. Craig Crossland (University of Notre Dame) is an expert on Strategic Leadership, Corporate Governance, Behavioral Strategy, Executive Characteristics and Experiences, and Executive Succession. Alessandro Zattoni (LUISS Business School) focuses on board of directors, governance codes, business groups, ownership structures, and executive compensation. Moreover, we have invited experts working for institutional investors, investor representatives' organizations, proxy advisors, analysts, etc. – they will talk about the issues we discuss during the summer school from a practical point of view.

The other lecturers are from the Faculty of Economics and Business of the University of Groningen. They are all members of the Faculty's signature area on board effectiveness (<https://www.rug.nl/research/som-ri/signature-areas/board-effectiveness/>). Since they have different academic backgrounds (e.g. in accounting, finance, economics, sociology and psychology), the summer school offers a multi-disciplinary research approach to corporate governance and the effectiveness of boards.

As the field of corporate governance and boards is extensive, we will focus on a number of topics that are of interest. The topics chosen are particularly relevant as they are hotly debated in academic and corporate circles, e.g., board composition, board processes, the role of shareholders, comparative corporate governance, and topical methodological to research in corporate governance and boards.

During the summer school, participants are stimulated to actively participate in discussions during combined lectures/discussion sessions. Moreover, participants will engage in individual assignments to promote their understanding of the concepts discussed, work with data and empirical methodologies, and develop a hands-on approach to designing sound research related to corporate governance.



## 2. Summer school organization

### *Format*

The summer school consists of a number of combined lectures/discussion sessions, hands-on data and methods sessions, and a session for presentations of research proposals and/or papers by participants.

The *lectures/discussion sessions* are scheduled on Monday, Tuesday, Thursday and Friday morning. The lectures/discussion sessions introduce and discuss the various topics. Moreover, during the lectures/discussion sessions, various lecturers discuss recent developments and present additional insights and/or clarifications not offered in the papers.

On Wednesday morning, there will be *hands-on data and methods sessions*. Participants will work with their own data and/or data provided by the summer school and will be instructed on how to use different methodological approaches to research in corporate governance.

Friday afternoon, participants will have the possibility to *present their own research*. They may discuss research proposals or full-length drafts of research papers. Participants as well as lecturers will give feedback on the presentations.

For most of the sessions, participants are expected to prepare by *reading a short list of articles*. The list of articles for each session will be provided shortly before the summer school starts. Copies of the articles will be made available to all participants.

The morning sessions are from 9:00 to 12:30; the afternoon sessions are from 13:30 to 17:00. *Lunch* will be provided between 12:30 and 13:30. There will be *coffee and tea breaks* during the morning and afternoon sessions. The lunches and coffee/tea breaks give participants plenty of time and opportunities to discuss things and to get to know each other.

### *Certificate of participation*

Participants who attend all sessions and who present a research proposal or paper on Friday will receive a certificate of participation signed by the coordinators of the summer school.

### *Summer school diner*

On Thursday night, there will be a diner for all summer school participants, guest lecturers and the other lecturers. More information about location and time will be provided during the summer school.

### **3. Summer school program (tentative)**

#### **Sunday July 7: Welcoming program**

*City tour*

*Welcoming drinks*

*Informal diner with participants and lectures of the Summer school (location announced later)*

#### **Summer school: July 8 to July 12**

The summer school starts Monday July 8 at 9:00 and ends Friday July 12 at 17:00.

Please note the following:

- On Monday July 9, we expect everyone to be present at least 15 minutes before the start (i.e. 8:45)
- Lecture hall location: Lecture Hall A12, Ground floor, Academy Building, Broerstraat 5 Groningen
- Lunches are from 12:30 to 13:30; location: Academy building restaurant (down stairs)

#### **4. Topics (tentative)**

##### Board composition and board diversity

Instructor: Reggy Hooghiemstra (University of Groningen)

##### Board dynamics and behavioral methods

Instructors: Floor Rink and Dennis Veltrop (University of Groningen)

##### Board leadership

Instructor: Craig Crossland (University of Notre Dame)

##### Boards, ownership structure and the role of shareholders

Instructor: Niels Hermes (University of Groningen)

##### Data and methods in corporate governance research: Dealing with endogeneity

Instructor: Swarnodeep Homroy (University of Groningen)

##### Board effectiveness: Lessons and insights from practice

Instructors: to be announced

##### Comparative corporate governance

Instructor: Jana Oehmichen (University of Groningen)

##### Business elites and top management teams

Instructor: Kees van Veen (University of Groningen)

##### Recent trends in corporate governance research

Instructor: Alessandro Zattoni (LUISS Business School)

## 5. Presentations of research proposals and papers by participants

Instructors: Craig Crossland, Dennis Veltrop, Jana Oehmichen, and Swarnodeep Homroy and Kees van Veen

The goal of the presentations on the Friday afternoon is to design a research proposal regarding any topic, provided it is related to corporate governance. There is a multitude of information available on the web, both scientific and practitioner oriented that may be used in coming up with an idea that is scientifically relevant and perhaps is also relevant for practitioners and/or regulators. The research proposal may be either theoretical or empirical. In case of an empirical paper, existing databases such as Datastream (including the ESG-dataset), the Corporate Library/GMI, RiskMetrics, BoardEx, Compustat are available. Alternatively, a proposal may be developed requiring a questionnaire and/or experimental design. Finally, participants who already have written a working paper version of a corporate governance research project are invited to present their work.

The research proposal and/or working paper must be submitted before the start of the summer school. The deadline for submission is Friday 5 July, 23:59 hrs. Please submit your proposal/paper by email to Niels Hermes ([c.l.m.hermes@rug.nl](mailto:c.l.m.hermes@rug.nl)).

The research proposal on a corporate governance-related topic of your choice should consist of an introduction (including research question), theory part with empirically testable hypotheses, and a research method section.

Note: there is no specific requirement with respect to the total word amount. However, it is suggested that you use not more than **5,000 words** (excluding references).