



SMS Corporate Strategy and Governance Interest Group
NEWSLETTER
Summer 2010

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From Our IG Chairs

Dear Friends and Colleagues,

SMS 2010 in Rome, Italy, is just around the corner. Attendance at SMS Rome 2010 looks like it might set new records – great to see this two years in a row now! You can read more about our paper submissions in the note from Program Chair Bob Wiseman. At the same time, we wanted to give you information about some of the exciting preconference activities in the works under the leadership of Associate Program Chair, Gerry Sanders. Specifically, let's take a look at the three preconference workshops sponsored by the Corporate Strategy and Governance Interest Group.

The first workshop is designed as a writing workshop for doctoral students and new faculty. We piloted this workshop last year at the Washington DC conference, and based on rave reviews have continued it this year. Participants will submit working papers and be provided with informal feedback on how to improve the manuscript for submission to top tier journals. The feedback will be done in person during the workshop in a round-table format in which each reviewer will meet with all the authors assigned to them and discuss how each manuscript could be improved. This workshop is organized by Gerry Sanders, (Gerry.Sanders@rice.edu), and members will include accomplished mid career and senior scholars who have been widely published in top-tier journals.

The second workshop, titled “Corporate Governance and Risk Taking,” aims to explore new directions in the relationship between governance and firm risk taking. Ideas to be discussed include the role of board networks in the mitigation of risk taking, the interplay of stock ownership and acquisition activity, and dark and bright sides of incentive alignment. The workshop is organized by Anja Tuschke (tuschke@bw1.lmu.de) and panelists include Gerry McNamara (Michigan State), Jared Harris (Darden), Anja Tuschke (Munich), and Gerry Sanders (Rice).

The third workshop, titled “Corporate Strategy: Business Groups” is intended to explore the role of business groups in corporate strategy by taking an in depth look at the Italian Business Group context. Organized by Fabio Zona (fabio.zona@unibocconi.it) (Bocconi), the panelists include scholars and practitioners at the front lines of corporate strategy in the business group context, including: Carmine Bianchi Consob (from the Italian SEC), Magda Bianco (Italian Central Bank), Francesco Chiappetta (Chief Legal Affairs, Pirelli Group), Alessandro Zattoni Sda (Bocconi), and Brian Boyd (ASU).

We also want to mention that you will likely be surveyed soon about the mission of the Corporate Strategy and Corporate Governance interest group. Historically, the logic behind our particular IG is that corporate strategy answers questions about the diversified firm and governance is both the entity and individuals who determine corporate strategy. Every year, our IG is among the top two or three in terms of members and conference paper submissions. Last year we had 115 submissions and this year we had 166! Second, each year the content of our papers falls roughly evenly in the corporate strategy or corporate governance label, with perhaps a few spanning both. While there are certainly efficiencies gained by having two topics in one IG, and our historic 50/50 paper representation suggests both areas are equally represented at the conference, this duality also poses leadership challenges. Specifically, our researchers' identities are tied to either corporate strategy or corporate governance, but rarely both. As a result, when it comes to elections it is nearly impossible to have equal representation for both areas. The survey will be simply one of the vehicles we use to get a sense of whether this duality is seen as beneficial or detrimental to our membership, and propose some response (which could range from doing nothing if everything seems fine, to splitting the IG into two divisions, and so forth).

Finally, we are sure you will be excited to learn that the Fall 2011 SMS meetings will be held in Miami, Florida, USA. In keeping with the theme of that conference, our IG's call for papers will be: "Institutional context and change poses significant challenges and opportunities for scholars of corporate strategy and governance. Thus, in addition to submissions addressing the core issues of our Interest Group (e.g., the composition and management of the diversified firm, the vehicles of growth, the roles of the corporate center and the board of directors, the market for corporate control, the use and effectiveness of corporate governance mechanisms) we are particularly interested in submissions that focus on the conference theme as it pertains to corporate strategy and governance. For instance, how does corporate strategy change as the firm becomes embedded in diverse national and global institutions? How do national institutions affect the choice between and success of alternative corporate growth strategies? How do national institutions affect the market for corporate control? Do national institutions affect the efficacy of alternative corporate governance mechanisms? What are the roles of the corporate center and the board of directors in managing a firm's stakeholders and shareholders across markets with distinct national institutional contexts?" Stay tuned for details and dates for the 2011 SMS conference.

We look forward to seeing you in Rome! Ciao,

Mason A. Carpenter, Chair
Robert M. Wiseman, Program Chair
Wm. Gerry Sanders, Associate Program Chair

Rome Conference Program

The planning for the Rome conference is almost complete, and the conference schedule should soon be available on the SMS website. This year, there were 166 submissions to our interest group track, up 35% from the previous year, and the second most submissions among all interest groups. Clearly, Rome is a popular setting. Our IG was granted space to hold 25 total sessions. This includes one panel session, six common ground sessions, and eighteen paper sessions. With 25 sessions, our track is again tied for the most sessions at the Conference. About half of the sessions are focused on issues surrounding corporate strategy such as diversification and strategic alliances, while the other half is focused mostly on corporate governance issues. In addition, there were eight papers submitted to our interest group that were nominated for best paper prizes.

To handle all these submissions, I nominated more of you to help in reviewing. 100 of you accepted my request. This more than doubled the number of reviewers over the previous year. Because of this increase, almost all of the reviewers saw no more than four papers to review and many had only three. Thank you for your help! Special recognition must go to Don Bergh and Yasemin Kor for their willingness to be emergency reviewers and taking on additional reviews for our track. If we continue to see this level of response for next year's conference in Miami, we should be able to keep the reviewing burden down to a manageable level once again, so please continue to accept the invitation to review when it comes next year.

I should also mention the names of a few more individuals who deserve recognition for reviewing above and beyond the call by doing 10 or more reviews in total. These people deserve special recognition for their commitment to the SMS. They are: Alison Mackey, Karen Schnatterly, Todd Alessandri, Anne Parmigiani, and Donald Hatfield. Thank you all for your hard work!

Robert M. Wiseman, Program Chair
Corporate Strategy and Corporate Governance Track

Congratulations to Our New Officers

The SMS recently completed the leadership elections for this year. We are excited to have an outstanding set of individuals join the leadership team for the Corporate Strategy and Governance Interest Group. Parthiban David (American University) has been elected as the Associate Program Chair for 2011. He will then progress through to Program Chair and Interest Group Chair positions in subsequent years. Cynthia Devers (Tulane University), William Judge (Old Dominion University), and Guoli Chen (INSEAD) were elected as representatives at large. We offer our congratulations to Parthiban, Cindy, William, and Guoli, and we thank them for their service to the interest group.

Corporate Strategy and Governance IG Domain Statement

This Interest Group focuses on questions concerning corporate strategy and governance. For example, which businesses should be included in a firm's portfolio? How should the resulting "family" be managed for coherence? How should the portfolio be restructured/diversified? How should the firm diversify – mergers and acquisitions versus organic growth? What are the roles of the corporate center and the board of directors in managing a firm's stakeholders and shareholders? How do they ensure a firm's ethical and socially responsive behavior? How does the market for corporate control function? How should internal corporate governance mechanisms be designed to ensure managers ethically pursue the interests of shareholders?