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978-1-107-01686-6 - Corporate Governance and Initial Public Offerings: An International Perspective

Edited by Alessandro Zattoni and William Judge

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Corporate Governance and Initial Public Offerings

Initial Public Offerings (IPOs) are unique economic and governance events as privately held firms issue common stocks or shares to the public for the first time. The governance issues surrounding IPOs are relatively unexamined compared to more established, and usually larger, firms. As such, they provide a unique context to study corporate governance and its development around the world. Based on a collaborative international research project, this book analyses the corporate governance of IPOs in twenty-one countries, each of which is characterized by different governance environments and different levels of IPO activity. The end result is a broad and deep assessment of governance practices and IPO activity for an array of economies that represent roughly 80 percent of the global economy. These chapters collectively provide new insights into what a global theory of corporate governance might look like, and offer guidance to policy makers and academics regarding national governance configurations.

ALESSANDRO ZATTONI is Professor of Management at Parthenope University of Naples. He is also Professor of Corporate Governance at Bocconi University and Director of the Strategic and Entrepreneurial Management Department of SDA Bocconi School of Management. He is one of two screening editors for *Corporate Governance: An International Review*.

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Corporate Governance and Initial Public Offerings

An International Perspective

Edited by

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The birth of the research project

This book results from a large, collaborative international research project aimed at exploring IPOs and corporate governance around the world. Other outputs of the project include several working papers submitted to academic conferences, and multiple peer-reviewed management publications. In this preface, we want to describe the rationale and approach behind this collaborative research as it may encourage other scholars to conduct their own collaborative research.

Our particular research project started at the end of 2008. William (Bill) Judge was interested in exploring corporate governance phenomena across a wide variety of countries that went beyond the limitations of archival data sources. He was convinced that one of the problems in doing international corporate governance research was the lack of reliable and valid data that span multiple governance environments. Following the example of the GLOBE project (House, Javidan, Hanges et al., 2002), he believed that there was an opportunity to fill this void by forming a team of corporate governance experts from a wide variety of nations.¹

To achieve this he asked three colleagues – who were working with him in the editorial team of *Corporate Governance: An International Review* – if they were available to join him in developing and leading the research project. All three scholars enthusiastically accepted the invitation, and a group of four core team members of different

¹ Project GLOBE stands for “Global Leadership and Organizational Behavior Effectiveness.” Nearly 150 social scientists from sixty-one nations participated in this huge project as they collaboratively sought to understand the relationship between national culture and leadership behavior throughout the global economy. Specifically, nine dimensions of national social culture and six dimensions of leadership behavior were collected for sixty countries at two time periods (House, Javidan, Hanges et al., 2002).

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nationalities was established. It consisted of Bill Judge, Igor Filatotchev, Till Talaulicar, and Alessandro Zattoni.

The first Professional Development Workshop at the Academy of Management meeting

We started to design the research project in January 2009. The first objective was to develop a Professional Development Workshop (PDW) proposal to be submitted to the Academy of Management meeting to be held in Chicago in August 2009. As the deadline was fast approaching, we did our best to share ideas and to develop a common view of the project in just a few short weeks. The central idea was to build a research team in similar range and scope to Project GLOBE, while focusing on corporate governance variables and various firm- and national-level outcome variables. The original and central research question which we intended to explore was this: what is the relationship between corporate governance effectiveness and firm- and/or national-level outcomes?

Specifically, we planned to pursue three objectives with the workshop: (1) to design a data dictionary that addresses important gaps in corporate governance research; (2) to assign responsibility to national representatives for the collection of data (consistent with the data dictionary) for their particular country; and (3) to enable the project team to perform systematic international, comparative corporate governance research after the database has been assembled. We submitted the proposal to both the International Management and the Business Policy and Strategy Division hoping that it might be accepted for the annual meeting. To our great delight, the PDW proposal was accepted. The acceptance represented both an incentive for the core team to further refine and develop the project, and an opportunity to organize a meeting where we could present the project and meet potential team members.

Once we received the email of acceptance from the organizers, we invested more energy in the development of our research project. In the following months, we started to recruit national corporate governance experts using our personal networks. We wanted to both explore their interest in joining the project, and to raise awareness of the research project before the Academy of Management annual meeting. We had already included an initial listing of national representatives