Index

Agrawal, A. 75
Alcock, A. 48
Anderson, R. 80
Andres, C. 73
Arthur, B. 19–20
Avi-Yonah, R. 46

Backer, L. 54, 62
Baird, D. 58
Bakan, J. 46
Barca, F. 40
Bastin, G. 55
Bates, J. 38, 74
Battiston, S. 82, 83, 84, 87
Bebchuk, L. 53, 77, 88, 89, 90, 107
Becht, M. 40, 74, 80
Belgium 40
Belloc, M. 92, 93
Berle, A. 28–9, 42
Bhagat, S. 77
Black, B. 42, 47, 64, 77
Black, J. 55
Blair, M. 46
Bradley, M. 47
Branson, D. 62
Bratton, W. 52, 60
Brown, J. 50
Buckley, J. 43
Burger, E. 56, 62
Burt, R. 85, 108
Bush, T. 26

Cable, J. 73
Cai, W. 28
Calder, A. 95, 96, 97–8, 99
Campbell, R. 61
Cary, W. 33, 53
Castka, P. 43
Chan, S. 42
Chirinko, R. 73
Chiu, I. 47, 48
Choi, S. 56, 57

co-evolution
and complexity theory 14–15
enabling environment, factors for creation of 22–4
and institutional investors 15
literature assessment 93
and political system 92–3
and reciprocal influence 14, 44
and technology clusters 21

see also networks
Coase, R. 42
Coffee, J. 42, 52, 55, 56, 57, 59, 60, 61, 64
complexity and corporate governance 5,
7, 14–17, 23–4, 81–108
coevolution see co-evolution
complex adaptive systems 100, 102, 103–4
corporate accountability and performance 65–9, 75–6, 79, 101–4
corporate social responsibility see corporate social responsibility
corporate strategy triangle (Calder and Ricart) 97–8, 99
cost-management development systems 101
and emergent culture see emergent culture
evolutionary strategy 95–9
and institutional investors 103–4, 106, 107
literature assessment 81, 91, 93, 94–5, 99, 102, 105–7
networks see networks
path dependence see path dependence
and performance management systems 101–2
reflexive adaptive systems see reflexive adaptive systems
rule- and structure-driven dependence 89–90, 102
shareholders see shareholders
stakeholders see stakeholders
supply chain management 104–5
complexity theory 4–24
‘best practice’ problems 8, 22, 23
characteristics of 5–21
coevolution see co-evolution
connectivity and interdependence
7–12
and consultation 8, 10, 12, 17, 22
ethics and integrity 18–19, 23, 112
far-from-equilibrium 17–19, 55
and government policy 6
innovation and incentive to change
24
learning from 21–4
negative feedback and predictable
equilibrium outcomes 19
self-organization 13–14, 95–9
and social ecosystem 6–7, 23
and technology 19–21
Conard, A. 33
Cook, J. 43
Cooper, R. 101
Cooper, S. 46
Corporate governance and complexity theory
accountability, and shareholders
31–2, 33, 35
composition 40
independence and managerial
turnover 77–8
non-executive directors, role of
33–4
small-world properties of overlapping
directorship networks 82–3
staggered, as effective anti-takeover
device 77
see also management; ownership
corporate governance and corporate
performance 65–80
and accounting performance 66
board see corporate board
CEO appointments and remit 78
and complexity theory see
complexity theory and
corporate governance
and dividend policy 79
and enabling environment 101
firm value and ownership structure
70–72, 74–5
free cash flow inefficiency 76
future research 78–9
hostile takeovers and poor
performance 32, 76–7, 112
links between, empirical research
70–76
management dismissal, differing
reasons for 78
managerial failure, correction of
76–8
managerial ownership see ownership
and market for corporate control
76–7
measurement 65–9
shareholders see shareholders
stakeholders see stakeholders
Correia da Silva, L. 79
credit rating 53, 57, 111
Crespi, R. 66
Crouch, C. 46, 47
Daniels, R. 59
Davies, P. 35
Davis, G. 82, 83, 84, 87
Deakin, S. 43
Dean, J. 46
Denis, D. and D. 78
Dherment, I. 78
Dicker, H. 42
Donaldson, T. 25, 26, 41–4, 45
Easterbrook, F. 32, 42, 46, 47
EC 92, 93, 109
ABC of the Main Instruments of
Corporate Social
Responsibility (2004) 48
Market Abuse Directive (MAD) 8
see also individual countries
Edwards, J. 40, 59, 73
Ehrlich, P. 14
Elston, J. 73
emergent culture 93–5
and corporate behavior 93–4, 111–12
effects of 12–13, 16–17, 21
literature assessment 94–5
and selection process of independent
non-executive directors 13, 23
employees
corporate engagement with 48–9, 110
surveys on corporate management 51
enabling environment
factors for creation of 4, 5, 11, 22–4, 81
and management accountability 28
and networks 84, 88
and path dependence 20
and performance management 101
and shareholder involvement 58
and standardization 98
Evan, W. 45
Fama, E. 70
Fanto, J. 59–60
Fidrmuc, J. 74
financial
analysts, gatekeepers as 57
crisis 18–19, 53, 109
performance reporting 42
Fisch, J. 57
Fischel, D. 32, 42, 46, 47
Fischer, K. 40, 73
Fong, W. 42
Fort, T. 46
France 40, 50
Franks, J. 40, 59, 76–7, 78
Fraser, M. 50
Frederick, W. 93
Freeman, R. 45, 46
Friedman, M. 42, 46, 47
Gaetke, E. 61
Gap Inc and stakeholders 44, 112
Garvey, G. 80
gatekeepers
accountants as 55–6, 61, 62
as actors in corporate governance 51–63
consultants/investment banks as 56
corporate governance ratings as 58
and corporate wrongdoing liability 60–63, 110–11
credit providers and rating agencies as 57, 58–9
D&O insurers as 59
financial analysts as 57
hiring from corporate officers 61
ineffectiveness of, and client relationships 62–3
in law, pros and cons of enrolling 60–63
lawyers as 56, 61, 62–3
liability, imposition of 52–3, 109
responsibilities of 54–5
securities regulators as 59–60
and stakeholders, distinctions between 25–6
stockmarkets as 59
and weak shareholder power 53
and Worldcom and Enron failure 52–3, 54, 57, 94, 110
see also shareholders; stakeholders
Germany 30, 40, 51, 59, 73, 79, 109
Gilson, R. 41, 85
Goergen, M. 30, 33, 71, 74, 76, 77, 79, 80
Goldenberg, P. 43
Gorton, G. 40, 73
Graves, S. 43
Greenwood, D. 47
Griffin, J. 43
Griffith, S. 59
Grinblatt, M. 79
Groskaufmanis, K. 63
Grossman, S. 70
Gugler, K. 80
Hamdani, A. 62
Hansmann, H. 47
Hart, O. 70–71
Hawley, J. 104
Hayashi, F. 80
Hayden, F. 82, 83, 86, 87
Henderson, D. 47
Hendry, J. 41
Heracleous, L. 82, 84, 85, 88, 108
Hermalin, B. 77
Hess, R. 28, 33, 34
Higgs, D. 33–4
Hill, C. 45
Hillman, A. 43, 69
Himmelberg, C. 75
Hirschman, A. 58
Hirshleifer, D. 68, 80
Holderness, C. 72–3
Holland, J. 105
hostile takeovers 32, 76–7, 84, 112
institutional investors 34, 38–9, 103–4, 106, 107
International Corporate Governance Network (ICGN) 39

International Labor Organization, Fundamental Principles and Rights at Work 49

Italy 40, 52–3, 59

Jackson, A. 42

Japan 40, 40–41, 45, 59, 85

Jarrell, G. 77

Jayne, M. 43

Jensen, M. 32, 42, 69, 70, 76

Johnson, G. 10

Jones, J. 66

Jones, T. 45

Kahn, D. 61

Kamarz, F. 82

Kaplan, R. 101

Karpoff, J. 77

Kauffman, S. 13–14, 96, 99

Kay, J. 31, 46

Keim, G. 43, 69

Kelly, G. 46

Kleeneze and Betterware and stakeholders 44–5

Klein, A. 77

Knoeber, C. 75

Knoke, D. 87

Kole, S. 74

Koppes, R. 32

Kraakman, R. 26, 42, 47, 51, 52, 53, 60

La Porta, R. 28, 40

Lawson, G. 61

Lee, D. 80

Lee, I. 43, 46

legal aspects of corporate governance 25–64

and institutional investors’ activism 34, 38–9, 103–4

and management accountability 28–9, 32, 34

and ownership see ownership

reporting changes, impact of 50–51, 56

shareholders see shareholders

social responsibility see social responsibility

stakeholders see stakeholders

whistleblowers and far-from-equilibrium effect 55, 110

Lehmann, E. 73

Logsdon, J. 49

Lujan corporate evolutionary strategy 97–8, 99

Kraakman, R. 26, 42, 47, 51, 52, 53, 60

MacAvoy, P. 77

McConnell, J. 72, 76

McConvill, J. 40, 41

McCormack, G. 34, 38

Macey, J. 56, 57, 61–2

McIntosh, M. 104, 105, 106–7

McKelvey, B. 14, 95

Macready, W. 14

McWilliams, A. 43

Maguire, S. 95

Mahon, J. 43

Mainzer, K. 20

Malatesta, P. 77

Mallin, C. 38–9, 58, 59, 74

Maltby, J. 42–3

management accountability 28–9, 32, 34

dismissal, differing reasons for 78

failure, correction of 76–8

systems, certification standards 49–50

see also corporate board; ownership

Manne, H. 28, 32, 42, 76

Marchetti, A. 55

Marens, R. 49

Markham, J. 55, 62

Marsh, P. 69

Martin, K. 76

Mathews, M. 42

Mayer, C. 40, 59, 76–7, 80

Means, G. 28–9, 42

Mechling, W. 32, 42, 70

Kahn, D. 61

Kamarz, F. 82

Kaplan, R. 101

Karpoff, J. 77

Kauffman, S. 13–14, 96, 99

Kay, J. 31, 46

Keim, G. 43, 69

Kelly, G. 46

Kleeneze and Betterware and stakeholders 44–5

Klein, A. 77

Knoeber, C. 75

Knoke, D. 87

Kole, S. 74

Koppes, R. 32

Kraakman, R. 26, 42, 47, 51, 52, 53, 60

La Porta, R. 28, 40

Lawson, G. 61

Lee, D. 80

Lee, I. 43, 46

legal aspects of corporate governance 25–64

and institutional investors’ activism 34, 38–9, 103–4

and management accountability 28–9, 32, 34

and ownership see ownership

reporting changes, impact of 50–51, 56

shareholders see shareholders

social responsibility see social responsibility

stakeholders see stakeholders

whistleblowers and far-from-equilibrium effect 55, 110

Lehmann, E. 73

Logsdon, J. 49

Lujan corporate evolutionary strategy 97–8, 99

Kraakman, R. 26, 42, 47, 51, 52, 53, 60

MacAvoy, P. 77

McConnell, J. 72, 76

McConvill, J. 40, 41

McCormack, G. 34, 38

Macey, J. 56, 57, 61–2

McIntosh, M. 104, 105, 106–7

McKelvey, B. 14, 95

Macready, W. 14

McWilliams, A. 43

Maguire, S. 95

Mahon, J. 43

Mainzer, K. 20

Malatesta, P. 77

Mallin, C. 38–9, 58, 59, 74

Maltby, J. 42–3

management accountability 28–9, 32, 34

dismissal, differing reasons for 78

failure, correction of 76–8

systems, certification standards 49–50

see also corporate board; ownership

Manne, H. 28, 32, 42, 76

Marchetti, A. 55

Marens, R. 49

Markham, J. 55, 62

Marsh, P. 69

Martin, K. 76

Mathews, M. 42

Mayer, C. 40, 59, 76–7, 80

Means, G. 28–9, 42

Mechling, W. 32, 42, 70
networks

- analysis challenges 87
- centrality, influence of 86
- complex, in corporate governance 82–3
- and corporate mergers 88
- density, structural influence of 86
- director interlock 82–4, 85, 87–8, 112
- edge-of-chaos 85, 95–6
- and enabling environment 84, 88
- and information diffusion 83–4
- literature assessment 87–8
- organizational 84–7, 100–101
- and social ecosystem change 88
- stakeholder 85–6

see also co-evolution

Nicolis, G. 17, 19
Nobel, P. 30
Noe, T. 91

OECD, Guidelines for Multi-National Enterprises 49
Oh, P. 59–60, 62
Orts, E. 32, 46
Ow Yong, K. 59

ownership

- concentration, and agency costs and shareholder monitoring 70, 72, 75, 79, 111
- and contractual environment 75
- and control, disconnection between 28, 29–30, 40, 42
- family ownership and inherited wealth 68, 73

structure and board system and firm value 40–41, 70–72, 74–5

see also corporate board; management

Pagano, U. 92, 93
Painter, R. 55, 61, 62
Parkinson, J. 45, 46, 47
Parmalat failure 52–3, 59
Partnoy, F. 52, 57, 61
path dependence 88–91, 96–7, 111
increasing returns and historicity 19–21
and legal and regulatory frameworks 21
literature assessment 91
Pedersen, T. 40
Pekmezovic, A. 28
Perez, C. 20
performance see corporate governance and corporate performance
Pianka, E. 14
Plender, J. 46
Posner, R. 29
Poulsen, A. 77
Prentice, R. 53
Preston, L. 25, 26, 41–4, 45
Prigogine, I. 17, 19
Rasmussen, R. 58
Raven, P. 14
reflexive adaptive systems 99–102
literature assessment 102
and organizational network 100–101
Renneboog, L. 33, 66, 71, 74, 76, 77, 78, 80
Ribstein, L. 55, 61, 62
Ricart, J. 95, 96, 97–8, 99
Riley, C. 33
Roe, M. 34, 40, 41, 64, 88, 89, 90, 92, 93, 107
Rosenstein, S. 78
Rowley, T. 85–7, 88
Ryngaert, M. 77
Sale, H. 56, 61
Sargent, M. 56, 62
Sawyer, K. 55
Scharfstein, D. 77
Schmid, F. 40, 73
Donaldson and Preston’s paradigms
41–4
and gatekeepers, distinctions between
25–6
good governance inhibitors,
responses to 24
impact of complex relationships on
corporations 50–51
interest protection 35–6, 109–10
investor groups, professional
organisations representing 7–8
issues, lack of shareholder interest in
43
multi-stakeholder practice,
international initiatives in
49–50
profitability and corporate
accountability to 42, 42–3,
45–7
responses and enablers and inhibitors
of good governance 22–3
and value creation measurement of
social responsibility 69
value maximization 30
see also gatekeepers; shareholders
Stapleton, G. 34, 38, 74
Stark, C. 63
Stengers, I. 17
Stephenson, K. 82, 83, 86, 87
Sternberg, E. 47
Storelli, C. 52–3, 59
Stout, L. 42
Stulz, R. 70
Sushka, M. 72
technology, and complexity theory
19–21
Teoh, S. 66
Thesmar, D. 82
Thompson, R. 30
ThomSEN, S. 40
Titman, S. 79
Tobin, J. 33, 71, 72, 75
Triantis, G. 58–9
Trojanowski, G. 66
UK 30, 31, 33–9, 53, 69, 74, 79, 109–10
Alternative Investment Market (AIM)
59
BSE crisis and supply chain
management 105

Schmidt, R. 90, 91
Schwert, G. 76
Sealy, L. 28
Secchi, D. 50
Servaes, H. 72–3

shareholders
accountability 23
board accountability 31–2, 33, 35
democracy 27–8, 33/enlightened interests 35–6
involvement, and enabling
environment 58
majority shareholder change 72–3
minority shareholder rights 58
monitoring 29–30, 38–9, 70, 72, 79
primacy 21, 28–9, 30–32, 36
protection 32–3
share dispersal and ownership and
control 28
stock performance 65, 67–9, 72
see also gatekeepers; stakeholders
Sheehan, D. 72–3
Sheehy, B. 46
Shefrin, H. 68
Shiller, R. 68
Shleifer, A. 70, 71, 77
Siegel, D. 43
Silanpaa, M. 43
Sjöström, E. 49
Skerratt, G. 43
Slovin, M. 72
social ecosystem 5, 6–7, 14–15, 23
see also gatekeepers; shareholders;
stakeholders
social responsibility
and corporate governance 15, 30,
49–50, 102–5
reporting and profitability and share
prices 43, 45–7
Solomon, L. 42
South Africa 48
Spain 40, 97–8, 99
Spindler, G. 90, 91
Stacey, R. 95, 105

stakeholders
as actors in corporate governance
41–51
and consultation 8, 10, 12, 22
corporate accountability to 42–8
corporation relationships,
development of 48–9
| Business in the Community (BITC) reporting initiative | Enron and WorldCom crisis 18–19, 52–3, 54, 57, 94 |
| Cadbury Committee, Combined Code | Glass–Steagall Act 64 |
| 31, 32, 33, 38 | Sarbanes–Oxley Act (Sarbox) 6, 8, 18, 53, 54–5, 57, 63, 93, 112 |
| Financial Services Authority (FSA) Listing Rules 27 | van Bulen, H. 49 |
| Hermes institutional investment 74 | Van der Elst, C. 36, 38 |
| Institutional Shareholders’ Committee (ISC), and shareholder responsibilities 39 | Vishny, R. 70, 71, 77 |
| London Stock Exchange, Combined Code of Corporate Governance 59 | Von Buddenbrock, A. 38 |
| Myners (2001) Review 33 | Waddock, S. 43 |
| Operating and Financial Regulations (OFR), abolition of 50 | Waldrop, M. 105 |
| Pensions Act 38 | Walker, D. 53 |
| SIGMA project 49–50 | Wallich, H. 42 |
| UN 49, 50 | Weigand, M. 73 |
| California Public Employees’ Retirement System (CalPERS) 32, 36, 53, 57, 110–11 | Williams, A. 104 |
| Council of Institutional Investors and TIAA–CREF 32 | Williams, C. 43 |
| | Windolf, P. 82 |
| | Winter, R. 30 |
| | Wruck, K. 71–2 |
| | Wyatt, J. 78 |
| | Zacharias, F. 63 |