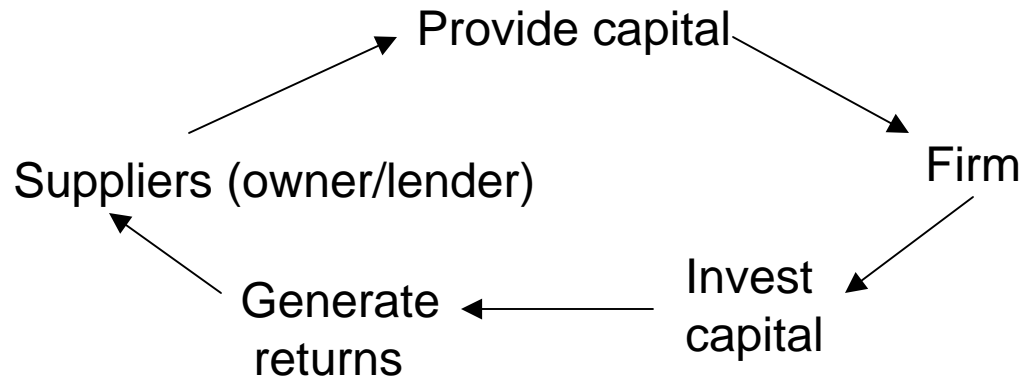


Comparative Corporate Governance

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2005 AOM

Comparative governance



- Governance: ensures capital allocation
 - Global similarities / differences
 - Implications: strategy, performance
- Research: describe, replicate, extend
- Theories: Agency, Stewardship, Stakeholder, Power, Transaction Cost

Convergence: A Transaction Cost Perspective

- Governance mechanisms:
 - Markets / Hierarchies
- Choice of governance mechanisms:
 - Specificity
 - Laws, institutional environment
- Convergence: hierarchy->market

Governance mechanisms

	Market	Hierarchy
	U.S.	Japan
	Stockholder	Stakeholder
Monitoring	Objective	Subjective
Control	Incentive	Administrative
law	“contract”	“forbearance”

Convergence: hierarchy->market

- Antecedents/Consequences
 - Specificity
 - Owner, lender, stakeholder, strategy
 - Laws
 - Performance

Research Questions

- Convergence
- Foreign ownership
- Debt: Bank loans to bonds
- Conflicts: Capital providers v. stakeholders

- How can comparative international study help us answer questions of fundamental conceptual importance?