



Center for
Corporate
Governance



european corporate governance institute

Can Purpose Deliver Better Corporate Governance?

IESE-ECGI CONFERENCE

October 28-30, 2020 • Online

Academic Committee

John Almandoz, Associate Professor, IESE Business School.
Marco Becht, Professor, Université libre de Bruxelles and ECGI.
Jordi Canals, Professor, IESE Business School.
Fabrizio Ferraro, Professor, IESE Business School.
Mireia Giné, Associate Professor, IESE Business School and ECGI.
Colin Mayer, Professor, University of Oxford and ECGI.
Joan Enric Ricart, Professor, IESE Business School.
Paola Sapienza, Professor, Kellogg School of Management and ECGI.

Speakers/ Discussants

John Almandoz, Associate Professor, IESE Business School.
Marco Becht, Professor, Université libre de Bruxelles and ECGI.
Patrick Bolton, Professor, Columbia Business School and ECGI.
Jordi Canals, Professor, IESE Business School.
Fabrizio Ferraro, Professor, IESE Business School.
Claudine Gartenberg, Assistant Professor, The Wharton School at the University of Pennsylvania.
Mireia Giné, Associate Professor, IESE Business School and ECGI.
Jordi Gual, Chairman of CaixaBank.
Rebecca Henderson, Professor, Harvard Business School.
Bengt Holmström, Professor, MIT and ECGI.
Sophie L'Hélias, President of LeaderXXChange and co-Founder of ICGN.
Baroness Denise Kingsmill, NED of Inditex and IAG.
Juvenio Maeztu, Deputy CEO of IKEA.
Colin Mayer, Professor, University of Oxford and ECGI.
Gaizka Ormazabal, Associate professor, IESE Business School.
Paul Polman, former CEO of Unilever, and co-Founder of Imagine.
Joan Enric Ricart, Professor, IESE Business School.
Paola Sapienza, Professor, Kellogg School of Management and ECGI.
Henry Tricks, Schumpeter Writer, The Economist
José Viñals, Chairman of Standard Chartered.
Luigi Zingales, Professor, The University of Chicago Booth School of Business and ECGI.



INTRODUCTION

The notion that companies should have a corporate purpose or mission that goes beyond financial performance has been considered in the fields of management, organisational behaviour, law and the economics of organisations for a long time. But the increasing weight of ESG dimensions in corporate governance and asset management, the call for positive societal impact, and the competition to attract and retain top talent -among other factors- draws us firmly closer to a deeper consideration of corporate purpose. At this turbulent time, 'Corporate Purpose' has galvanised a global movement that promises to restore trust in companies, to produce goods and services without doing harm, while providing a fair return to employees and shareholders.

Many of the world's most valuable companies already have a clear purpose. Google had enshrined societal goals in its mission statement when it was founded in 1998: "to organize the world's information and make it universally accessible and useful", along with a mantra of "Don't be evil", somewhat echoing the "Do no harm" principle. Over a decade later, with a swelling of public discourse, the markets have joined the movement calling on businesses to make a positive contribution to society and to refocus corporate governance around a multi-stakeholder perspective. As businesses in turn, reflect on their purpose, they must also consider the questions that complicate the implementation of a vision or purpose and make it meaningful.

What defines a good corporate purpose and how can investors and board directors distinguish one that has merit from another that does not?; What makes it meaningful, the words or results?; How is it measured or assessed?; What drivers translate the purpose into a firm's strategy and corporate culture?; What is its relationship with business performance?; Is it a luxury, distraction, marketing tool, or can it help to unify, strengthen and navigate crisis responses?; What roles do the CEO, the board of directors, employees and shareholders have in designing, strengthening, and reinforcing organisational purpose? Are there conflicting legal or market-related obstacles to be addressed when formulating a purpose?; Does it matter if the purpose is lacking any binding legal effect and operational significance?

The conference will focus on the connection between purpose and governance. It aims to bring together leading scholars, including **Nobel Laureate Bengt Holmström**, from the fields of strategy, organisational theory, organisational economics, finance and corporate law to address these important questions with thoughtful business executives, corporate lawyers, asset managers and board directors from a variety of sectors. Each day will commence at 15:45 (CET) to maximize audience participation from all regions. The event will encourage a dynamic interaction between scholars and corporate leaders. The schedule will allow for Q&A from the audience, as well as some smaller breakout sessions designed for IESE guests and ECGI members.



Conference Schedule

WEDNESDAY, OCTOBER 28, 2020 • DAY 1 (TIME ZONE: CET)

15:45-16:00 Introduction to the Conference. Day 1: An overview
Marco Becht, ECGI and Université libre de Bruxelles
Jordi Canals, IESE Business School

16:00-17:00 Session 1
ARE CORPORATE PURPOSE STATEMENTS “VERBIAGE”?
Colin Mayer, University of Oxford and ECGI
Discussant: **Luigi Zingales**, Chicago Booth and ECGI

17:15-18:15 Session 2
COMPANY VALUATION AND THE EFFECTS OF ESG FACTORS
Patrick Bolton, Columbia Business School and ECGI
Discussant: **Sophie L’Hélias**, President LeaderXXchange and co-Founder of ICGN

THURSDAY, OCTOBER 29, 2020 • DAY 2 (TIME ZONE: CET)

15:45-16:00 Day 2: An overview
Marco Becht, ECGI and Université libre de Bruxelles
Jordi Canals, IESE Business School

16:00-17:15 Session 3
CORPORATE PURPOSE AND THE THEORY OF THE FIRM
Bengt Holmström, MIT and ECGI
Paul Polman, former CEO of Unilever and co-Founder of Imagine
Chair: **Joan Enric Ricart**, IESE Business School
Moderator: **Henry Tricks**, The Economist

17:30-18:30 Session 4
CORPORATE PURPOSE, OWNERSHIP AND PERFORMANCE
Claudine Gartenberg, The Wharton School
Discussant: **Paola Sapienza**, Kellogg School of Management and ECGI

18:45-19:45 Breakout Sessions (by invitation)
GROUP DISCUSSIONS
Moderators: **John Almandoz**, IESE Business School
Fabrizio Ferraro, IESE Business School
Mireia Giné, IESE Business School and ECGI
Gaizka Ormazabal, IESE Business School
Joan Enric Ricart, IESE Business School



FRIDAY, OCTOBER 30, 2020 • DAY 3 (TIME ZONE: CET)

15:45- 16:00 Day 3: An overview
Marco Becht, ECGI and Université libre de Bruxelles
Jordi Canals, IESE Business School

16:00-17:00 Session 5
UNPACKING THE PURPOSE OF THE CORPORATION
Rebecca Henderson, Harvard Business School
Discussant: **Jordi Gual**, Chairman of CaixaBank

17:15-18:15 Session 6
CEOs PANEL: HOW SHOULD BOARDS OF DIRECTORS DEAL WITH CORPORATE PURPOSE?
Baroness Denise Kingsmill, NED of Inditex and IAG
Juencio Maeztu, Deputy CEO of IKEA
José Viñals, Chairman of Standard Chartered
Moderator: **Jordi Canals**, IESE Business School

18:15-18:30 Wrap-up
Marco Becht, ECGI and Université libre de Bruxelles
Jordi Canals, IESE Business School