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## **EIBA 2021 Madrid Conference**

47<sup>th</sup> European International Business Academy Annual Conference

10-12 December 2021

### **Panel Proposal**

#### **“CORPORATE GOVERNANCE IN INTERNATIONAL NEW VENTURES AND BORN GLOBAL FIRMS”**

#### **Proposed Conference Track:**

Track 6: SMEs and International Entrepreneurship

#### **Organisers: Stephan Gerschewski and Natasha Evers**

Kent Business School, University of Kent and Trinity Business School, Trinity College Dublin.

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#### **RELEVANCE AND SIGNIFICANCE OF PROPOSED PANEL SESSION TO EIBA 2021 CONFERENCE**

In an increasingly complex, technology-driven and networked global economy, corporate governance has become an important factor in managing and leading organisations. With its theoretical roots traversing the various disciplines of economics, finance, accounting, law, sociology and management (Zattoni & van Ees, 2012; Durisin & Puzone, 2009), corporate governance looks at how firms are governed so that they operate effectively and efficiently (Strange et al., 2009). More specifically, corporate governance can be considered as a set of processes, rules and structures for controlling and leading organisations. Such corporate mechanisms encapsulate how relationships between firm management, company shareholders and stakeholders are governed (Ching et al., 2006).

International business (IB) studies have tended to examine corporate governance, primarily in the context of multinational corporations (MNCs) (Aguilera et al., 2019; Bhaumik et al., 2019; Aguilera et al., 2016; Filatotchev & Wright, 2011; Peng, 2012) and internationally mature SMEs (Li et al., 2018; Jones et al., 2011; Kuivalainen et al., 2012). Although IB scholars have recognised the importance of corporate governance and executive leadership decision-making in MNC management, studies with a specific focus on young, rapidly internationalising firms, such as international new ventures (INVs) and born global (BG) firms are few (e.g., Romanello & Chiarvesio, 2019; Gerschewski et al., 2015; Coviello, 2017). We have a greater understanding of how INVs and BGs compete than how they are actually governed (e.g., Zahra, 2014). New research on corporate governance in the

context of INVs and BGs would contribute significantly to the existing knowledge, which is predominately based on advanced economies (cf., Aguilera et al., 2019; Puthusserry et al., 2021).

There are several issues, which can make INVs and BGs different from MNCs in the context of corporate governance. First, the traits and characteristics of entrepreneurs – who are entrepreneurs and why people become entrepreneurs affect governance. Such motivations are undoubtedly important, and we know from existing literature that motivation in its various guises plays a key role in early firm internationalisation and international entrepreneurship (e.g., Autio et al., 2000; Gerschewski et al., 2018). Further, an entrepreneur's desire to be controller and decision maker of the firm may lead to conflicts with their Board of Directors and other influential stakeholders.

Second, it has been argued that such young and global firms are the forerunners of MNCs, and corporate governance can influence these firms' access to capital, resources, and opportunities outside their home markets (Zahra, 2014). Thus, gaining knowledge and understanding of the corporate governance mechanisms is important to explore how these firms may evolve into MNCs. Most likely, there is an evolution or even a revolution in the corporate governance over the life-cycle of INVs and BGs.

Third, corporate governance structures in INVs and BGs can vary across nations and industries more than in established MNCs. Moreover, since corporate governance is generally influenced by both formal (e.g., regulatory/institutional requirement) and informal (e.g., family/friends, trust) factors (Zahra, 2014), it seems pertinent to understand such differences. Aguilera et al. (2018) emphasise the importance of comparative corporate governance research, as it can enhance our understanding of the institutional theory. Thus, in this panel, we endeavour to tease out in roundtable discussions how INVs and BGs may have hybrid - formal and informal systems - which tend to be structurally different from both MNCs and 'traditional' SMEs.

Of the few studies in the extant literature, IB scholars have primarily examined the role of human capital and managerial resources embedded in top management founding teams and shareholders based on international business (experience), strategic management and entrepreneurial perspectives (Nummela et al., 2016; Evers et al., 2012), whilst others have noted the cognitive characteristics of entrepreneurial founders (e.g., Gassmann & Keupp, 2007). Such themes can link to the concept of dynamic managerial capabilities, which embraces capabilities derived from a firm's managerial human capital (e.g., Castanias & Helfat, 1991, 2001), social relationships (e.g., Burt, 1992), and managerial cognition (e.g., Hambrick & Mason, 1984). In addition, the outcomes of dynamic managerial capabilities have been linked to significant differences in firm performance as a

particular dimension of the ‘corporate effect’ (Adner & Helfat, 2003; Bowman & Helfat, 2001) with managerial intent influencing organisational outcomes (Augier & Teece, 2009). Coviello et al. (2017, p. 1156) argue that to understand the ‘macro-level organizational constructs, i.e., capabilities, routines, competitive advantage, innovation, and performance’ one must understand the behaviour at micro-level of those driving the firm. Many scholars have also taken the view that dynamic capabilities are often developed consciously and systematically by the willful choices and actions of the firms’ strategic leaders (Teece, 2014; Weerawardena et al., 2007; Evers, 2011). For example, Evers et al. (2012) found that corporate stakeholders were influential in the regeneration and renewal of the INVs’ dynamic capabilities in new market development and radical innovation.

Like MNCs, some INVs will have an advisory board (Prashantham & Floyd, 2018) to overcome their liabilities of newness and foreignness. However, more research is needed on the role of dynamic managerial capabilities, in order to better explain how top management teams (TMTs) may influence INV and BG internationalisation (Andersson & Evers, 2015; Autio et al., 2011), and examine their role in shaping resource allocation and corporate control in INVs and BGs.

Ownership characteristics, especially from the family firm perspective, have also been studied in relation to the ownership concentration and stewardship attitudes (e.g., Aguilera & Crespi-Cladera, 2016; Kontinen & Ojala, 2012). However, a thorough understanding of the roles of board effectiveness (e.g., returnee board of directors, cf. Lin et al., 2018), individual executives (CEOs and Managing Directors) and TMTs, present important avenues for research in INV/BG research.

The aims and objectives of this proposed Panel Session are four-fold: **(1)** understand what makes BoDs, executive leadership groups, and TMTs effective; **(2)** examine the relationships between BoDs, TMT, structures, resources, processes and effectiveness; **(3)** build an intellectual framework for discussion related to various dimensions of corporate governance **(4)** advance multi-disciplinary studies by integrating the literature strands of IE, IB, OB, finance, sociology, law, and HR.

**Panel Agenda of Panel Participants who have confirmed their participation at the Conference:**

- 1.) Introduction and Welcome – Dr Natasha Evers, Associate Professor, Trinity College Dublin (5 minutes).
- 2.) ***“Does the Board of Directors actually matter? Corporate governance in international new ventures and born global firms”*** – Presentation by Dr Stephan Gerschewski, Associate Professor, University of Kent (15 minutes)

- 3.) **“Board of Directors in micromultinationals (mMNEs) and SMEs with high commitment entry modes”** – Presentation by Prof Olli Kuivalainen, LUT University (15 minutes)
- 4.) **“Mitigating psychic distance and enhancing internationalization of Fintech SMEs from emerging markets: The role of board of directors”** – Presentation by Dr Pushyrag Puthusserry (University of Kent), Prof Zaheer Khan (University of Aberdeen), and Dr Tim King (University of Kent) (15 minutes)
- 5.) Q&A and Audience Discussion – Moderated and led by Dr Natasha Evers, Associate Professor, Trinity College Dublin (40 minutes)

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### **Short CVs of the Panelists (in alphabetic order)**

**Natasha Evers** is Associate Professor of International Business and Strategy at Trinity Business School, Trinity College Dublin, Ireland. Her main research lies in the field of international marketing strategy of SMEs and international entrepreneurial growth.

She has published widely in international journals such as: *International Marketing Review*; *International Business Review*; *Journal of World Business*; *Management International Review*; *Entrepreneurship and Regional Development*; *Journal of International Marketing*; *Journal of Small Business & Enterprise Development*, *Journal of International Entrepreneurship* among others. She has guest co-edited special issues of *European Business Review* and *Journal of International Entrepreneurship*.

In 2018, she was appointed member of the editorial board of *Entrepreneurship and Regional Development*.

Natasha has co-authored two international books: *Technology Entrepreneurship-Bringing Innovation to the Marketplace* (2021 and 2014) published by Macmillan International, UK. She has recently co-edited a forthcoming book: *Entrepreneurial Internationalization in an increasingly Digitized and Networked World Economy*, published by Edward Elgar UK.

Natasha is a member of many international academic associations such as the global network of international entrepreneurship scholars (IE-Scholars.net); Academy of Management and the European and International academy of international business (EIBA, AIB). She is also co-track chair of SME internationalization at the forthcoming EIBA conference at Madrid, December 2021. Previous to this in 2017, she chaired the 21<sup>st</sup> McGill Conference of International Entrepreneurship at the National University of Ireland.

Since 2015, Natasha has held the official appointment of Visiting Professor of International Marketing and Entrepreneurship at Halmstad University, Sweden and is a Research Fellow at the Strategy and International Business Group, Molde University College, Norway.

**Stephan Gerschewski** is Senior Lecturer (Associate Professor) in International Marketing at Kent Business School, University of Kent, UK. His research interests include international entrepreneurship, export performance of small and medium-sized enterprises (SMEs), and cross-cultural management in global (virtual) teams.

Stephan has published in various journals, including *Journal of World Business*, *International Business Review*, *International Small Business Journal*, *The World Economy*, *Management International Review*, *Critical Perspectives on International Business*, and *Multinational Business Review*. He serves on the

editorial boards at *European Management Journal*, *Multinational Business Review*, and *International Studies of Management & Organization*. He is the IE Ambassador for South Korea for IE-Scholars.net, which is a global network of international entrepreneurship scholars.

Stephan is Visiting Professor of International Business at University of Tuebingen, Germany, and EM Normandie Business School, France.

Stephan reviews for *Journal of World Business*, *Journal of International Business Studies*, *International Business Review*, *Management International Review*, *International Marketing Review*, *Journal of Management Studies*, and *International Small Business Journal*, and he is currently co-editing a special issue for *International Small Business Journal* and *European Journal of International Management*.

**Zaheer Khan** is Professor in Strategy & International Business at Business School, University of Aberdeen, UK. Prior to that he was a Professor of International Business and Head of the Strategy & International Business Division (2017-2020) at Kent Business School, University of Kent, UK.

His research focuses on global technology management with a particular focus on knowledge transfer through FDI, international alliances, Post entry survival of International New Ventures, ambidexterity and internationalization of emerging markets' firms.

His work has appeared in leading journals such as the *Journal of International Business Studies*, *Journal of World Business*, *International Business Review*, *Global Strategy Journal*, *Management International Review*, *International Small Business Journal*, *Human Relations*, *British Journal of Management*, *Journal of Corporate Finance*, and *Human Resource Management*, among others.

He is an elected Fellow of the Academy of Social Sciences. He is an Associate Editor of *Critical Perspectives on International Business* and sits on the editorial board of premier journals, including the *British Journal of Management*, *Journal of World Business*, *Management International Review*, *Journal of Knowledge Management*, *Multinational Business Review*, and *International Studies of Management and Organization*.

He has co-guest edited special issues of *International Business Review*, *Applied Psychology: An International Review*, and *International Studies of Management and Organization*. Currently, he is co-guest editing special issues at the *Journal of International Management*, and *Management International Review*.

He is a visiting Professor of International Business at the School of Marketing and Communication, University of Vaasa, Finland. Before that he was a visiting Professor of International Business at the Hankuk University of Foreign Studies, South Korea, and a visiting Professor of International Business Strategy at the University of Northampton, UK. He is also an honorary Professor of International Business at Kent Business School, University of Kent, UK.

**Tim King** is Senior Lecturer in Finance, Banking and Innovation, and Director of the Centre for Quantitative Finance at Kent Business School, University of Kent, UK. Previously, he worked at the University of Leeds. His research interests include Corporate Governance, Corporate Finance, Corporate Social Responsibility (CSR), Fintech, and Risk-taking.

He has published in journals, including *Journal of Corporate Finance*, *British Journal of Management*, *Annals of Operations Research*, *Journal of Financial Research*, *Journal of Financial Stability*, *Economics Letters*, and *International Review of Financial Analysis*, as well as regularly reviewing for these and



other leading journals. In 2016 he was an 'Outstanding Reviewer' at the *Journal of Corporate Finance*. He also serves on the editorial board of the *Journal of Financial Regulation and Compliance*.

**Olli Kuivalainen** is Professor of International Marketing and Entrepreneurship at Lappeenranta-Lahti University of Technology (LUT), School of Business and Management in Finland. His research interests are in the areas of international entrepreneurship, and marketing strategies and internationalization of SMEs. The current research topics relate to decision-making in internationalization, digitalization and its effect on value chain, long-term consequences of early and accelerated internationalization, governance among internationalizing SMEs, and changes which take place in the firm during the internationalization process, for example.

His academic work has been published in journals such as *Journal of International Business Studies*, *Journal of World Business*, *International Business Review*, *Journal of International Marketing*, *Technovation*, *International Marketing Review*, *International Journal of Production Economics* and *Journal of International Entrepreneurship*. He currently serves as an associate editor of *International Marketing Review*, and he is a member of editorial boards in journals such as *Journal of World Business* and *Journal of International Entrepreneurship*.

Olli is also a co-series editor of the UK and Ireland Chapter of the Academy of International Business book series published in association with Palgrave MacMillan. He has co-edited or is editing special issues for journals such as *International Small Business Journal*, *International Marketing Review*, *European Business Review* and *Industrial Marketing Management*. He has also been a track chair for several conferences such as Academy of International Business (AIB) Annual Conference in 2017 and European International Business Academy (EIBA) in 2014 and 2015.

**Pushyarag Puthusserry** is Senior Lecturer (Associate Professor) in International Business and Strategy at Kent Business School, University of Kent, UK. His research focuses on SME internationalisation, governance, social capital and learning in SMEs.

His work has appeared in journals such as *British Journal of Management*, *International Business Review*, *Management International Review*, *Journal of World Business*, *Global Strategy Journal*, *R&D Management*, and *International Marketing Review*. He regularly reviews for these journals and other leading journals, in addition to being on the editorial review board for *Management Organizational Review*. Pushyarag was previously a special issue guest editor for *International Business Review*.