



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.  
**Jill E. Fisch**, Professor, University of Pennsylvania Law School and ECGI.  
**Caroline Flammer**, Associate Professor, Boston University's Questrom School of Business.  
**Claudine Gartenberg**, Assistant Professor, The Wharton School of 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.  
**Baroness Denise Kingsmill**, NED of Inditex and IAG.  
**Sophie L'Hélias**, President of LeaderXXChange and Co-founder of ICGN.  
**Juencio Maeztu**, Deputy CEO and CFO of Ingka (IKEA).  
**Colin Mayer**, Professor, University of Oxford and ECGI.  
**Paul Polman**, Co-founder and Chair of IMAGINE.  
**Joan Enric Ricart**, Professor, IESE Business School.  
**Henry Tricks**, Schumpeter Writer, The Economist.  
**José Viñals**, Chairman of Standard Chartered.  
**Xavier Vives**, Professor, IESE Business School and ECGI.  
**Ernst-Ludwig von Thadden**, Professor, University of Mannheim and ECGI.  
**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. Commencing at 15:45 (CET) each day, the event will encourage a dynamic interaction between scholars and corporate leaders.



## 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  
**Franz Heukamp**, Dean of IESE Business School

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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  
*Chair: Mireia Giné*, IESE Business School and ECGI

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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 of LeaderXXchange & Co-founder of ICGN  
*Chair: Xavier Vives*, IESE Business School and ECGI

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18:15-18:20 Closing Remarks

### 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

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

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17:30-18:30 Session 4  
**CORPORATE PURPOSE, OWNERSHIP AND PERFORMANCE**  
**Claudine Gartenberg**, The Wharton School  
*Discussant: Caroline Flammer*, Boston University  
*Chair: Ernst-Ludwig von Thadden*, University of Mannheim and ECGI

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18:30-18:35 Closing Remarks

18:45-19:45 Parallel Sessions (by invitation)  
**GROUP DISCUSSIONS**  
*Moderators: John Almandoz*, IESE Business School  
**Fabrizio Ferraro**, 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

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16:00-17:00 Session 5

### **UNPACKING THE PURPOSE OF THE CORPORATION**

**Rebecca Henderson**, Harvard Business School

*Discussant:* **Jordi Gual**, Chairman of CaixaBank

*Chair:* **Jill E. Fisch**, University of Pennsylvania Law School and ECGI

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17:15-18:15 Session 6

### **HOW SHOULD BOARDS OF DIRECTORS DEAL WITH CORPORATE PURPOSE?**

**Baroness Denise Kingsmill**, NED of Inditex and IAG

**Juvenio Maeztu**, Deputy CEO and CFO of Ingka (IKEA)

**José Viñals**, Chairman of Standard Chartered

*Chair:* **Jordi Canals**, IESE Business School

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18:15-18:30 Wrap-up

**Marco Becht**, ECGI and Université libre de Bruxelles

**Jordi Canals**, IESE Business School