

**2022 IESE-ECGI Corporate
Governance Conference**

**Corporate Governance,
Corporate Culture and
the Board's Culture**



**Center for
Corporate
Governance**



europaean corporate governance institute

Visible Hands Building an Equilibrium: Strategy and Culture in Organizations

Discussion

Bruno Cassiman

KU Leuven and IESE Business School

Visible Hand and Culture

- Culture: “C” vs “c”
 - “C” of CAGE: distance matters (Ghemawat, 2001)
 - “c” of Mercadona versus Carrefour
 - But need more clarity
 - Credibility and Clarity through culture, but how?
 - In which circumstances is there more or less credibility/clarity: uncertainty in the environment? Technological change? Critical events? Political statements by the organization?
 - Big Question: Expectations (vs Values) about what? And what does the Visible Hand actually do?

Visible Hand and Competition

- Visible Hand between organizations. What is “the market” anyways?
 - Alliances (Oxley, 1997)
 - Value-based strategy (Brandenburger and Stuart, 1996)
 - Value Systems, Platforms, Ecosystems,...
- Visible Hand and competition. Can Visible Hand be a source of Competitive Advantage?
 - Culture affects strategy. Competitive Advantage or Disadvantage.
 - How do we separate the effect of the Visible Hand from Culture “c”?

Visible Hand and New Equilibria

- Visible Hand builds new equilibria. How do we build a (new) equilibrium?
 - Strategy = choices that guide (force) other choices, so why not the building of a (new) equilibrium? (Van den Steen, 2017)
 - Complementarity: move many levers simultaneously (Milgrom and Roberts, 1992) and contextual complementarity (Cassiman and Veugelers, 2006)
 - Commitment: good commitment versus bad commitments (Cassiman, Ricart and Valentini, 2022)
 - Analogies: good analogies versus bad analogies (Gavetti and Rivkin (2005))

**2022 IESE-ECGI Corporate
Governance Conference**

**Corporate Governance,
Corporate Culture and
the Board's Culture**

