

University of Groningen

Behavioral corporate governance

van der Laan, G.

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version

Publisher's PDF, also known as Version of record

Publication date:
2009

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

van der Laan, G. (2009). *Behavioral corporate governance: four empirical studies*. [Thesis fully internal (DIV), University of Groningen]. PrintPartners Ipskamp B.V., Enschede, The Netherlands.

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.

References

- Adams R.B., and Ferreira D. 2007. A theory of friendly boards. *Journal of Finance* **62**: 217-250
- Aguilera R.V., and Cuervo-Cazurra A. 2004. Codes of good governance worldwide: What is the trigger? *Organization Studies* **25**: 415-444.
- Aggarwal R.K., and Samwick A.A. 1999. Executive compensation, strategic competition, and relative performance evaluation: Theory and evidence. *Journal of Finance* **54**: 1999-2043.
- Akkermans D. H. M., Van Ees H., Hermes C. L. M., Hooghiemstra R. B. H., Van der Laan G., Postma T. J. B. M., and Van Witteloostuijn A. 2005. *Corporate Governance in Nederland: Een Onderzoek naar de Stand van Zaken in het Boekjaar 2004, alsmede naar de Verklaring van Verschillen tussen Beursgenoteerde Vennootschappen*.
www.commissiecorporategovernance.nl.
- Akkermans D.H.M., Van Ees H., Hermes C.L.M., Hooghiemstra R.B.H., Van der Laan G., Postma T.J.B.M., and Van Witteloostuijn A. 2007. Corporate Governance in the Netherlands: An overview of the application of the Tabaksblat Code in 2004. *Corporate Governance: An International Review* **15**: 1106-1118.
- Alves C., and Mendez V. 2004. Corporate governance policy and company performance: The Portuguese case. *Corporate Governance: An International Review* **12**: 290-301.
- Anderson J.C., and Gerbing D.W. 1988. Structural equation modelling in practice: A review and recommended two-step approach. *Psychological Bulletin* **103**: 411-423.
- Baber W.R., Kang S.H., and Kumar K.R. 1998. Accounting earnings and executive compensation: The role of earnings persistence. *Journal of Accounting and Economics* **25**: 169-193.
- Barney, J.B. 1991. Firm resources and sustained competitive advantage. *Journal of Management* **17**: 99-120.
- Barnhart S.W., Marr M.W., and Rosenstein S. 1994. Firm performance and board composition: Some new evidence. *Managerial and Decision Economics* **15**: 329-340.
- Baysinger B.D., and Butler H.N. 1985. Corporate governance and the board of directors: Performance effects of changes in board composition. *Journal of Law, Economics & Organization* **1**: 101-124.
- Bebchuk L.A., and Fried J.M. 2003. Executive compensation as an agency problem. *Journal of Economic Perspectives* **17**: 71-92.
- Bebchuk L.A., and Fried J.M. 2004. *Pay without Performance: The Unfulfilled Promise of Executive Compensation*. Harvard University Press: Cambridge (etc.).

- Bebchuk L.A., Fried J.M., and Walker D.I. 2002. Managerial power and rent extraction in the design of executive compensation. *University of Chicago Law Review* **69**: 751-846.
- Berle A.A., and Means G.C. 1932. *The Modern Corporation and Private Equity*. MacMillan: New York.
- Bertrand M., and Mullainathan S. 2001. Are CEOs rewarded for luck? The ones without principals are. *Quarterly Journal of Economics* **116**: 901-929.
- Bhagat S., and Jefferis Jr. R.H. 2002. *The Econometrics of Corporate Governance Studies*. MIT Press: Cambridge (MA).
- Bhargava A., Franzini L., and Narendranathan W. 1982. Serial correlation and the fixed effects model. *Review of Economic Studies* **49**: 533-549.
- Blair M.M., and Stout L.A. 1999. A team production theory of corporate law. *Virginia Law Review* **85**: 247-328.
- Black B.S., Jang H., and Kim W. 2006. Predicting firm's corporate governance choices: Evidence from Korea. *Journal of Corporate Finance* **12**: 660-691.
- Bogle J.C. 2008. Reflections on CEO compensation. *Academy of Management Perspectives* **22**: 21-25.
- Boomsma A. 1983. On the Robustness of LISREL Maximum Likelihood Estimation against Small Sample Size and Nonnormality. University of Groningen: Groningen.
- Boot A.W.A., and Macey J.R. 1999. Objectivity, proximity, and adaptability in corporate governance, *University of Amsterdam, Faculty of Economics and Econometrics Working Paper #266*: 50pp.
- Butler J.K., jr. 1991. Toward understanding and measuring conditions of trust: Evolution of a conditions of trust inventory. *Journal of Management* **17**: 643-663.
- Cadbury committee. 1992. *The Financial Aspects of Corporate Governance*. Professional Publishing Ltd: London.
- Casadesus-Masanell R. 2004. Trust in agency. *Journal of Economics and Management Strategy* **13**: 375-404.
- Certo S.T., Daily C.M., Cannella A.A., and Dalton D.R. 2003. Giving money to get money: How CEO stock options and CEO equity enhance IPO valuations. *Academy of Management Journal* **46**: 643-653.
- Charkham J. P. 1994. *Keeping Good Company: A Study of Corporate Governance in Five Countries*. Clarendon Press: Oxford.
- Chirinko B., Van Ees H., Garretsen H., and Sterken E. 2004. Investor protections, concentrated ownership, and other corporate control mechanisms in The Netherlands. *German Economic Review* **5**: 119-138.
- Clarkson M. B. E. 1995. A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review* **20**: 92-117.

- Canyon M.J., and Mallin C. 1997. A review of compliance with Cadbury. *Journal of General Management* **22**(3): 24-37.
- Canyon M.J., and Peck S.I. 1998. Board control, remuneration committees, and top management compensation. *Academy of Management Journal* **41**: 146-157.
- Core J.E., Guay W.R., and Larcker D.F. 2003. Executive equity compensation and incentives: A survey. *Economic Policy Review* **9**: 27-50.
- Corporate Governance Committee. 2003. *The Dutch Corporate Governance Code: Principles of Good Corporate Governance and Best Practice Provisions*:
www.commissiecorporategovernance.nl.
- Cyert, R. M., and March, J. G. 1963. *A Behavioral Theory of the Firm*. 2nd edition (1992). Blackwell Publishing: Malden (MA).
- Daily C.M., Dalton D.R., and Cannella A.A. 2003. Corporate governance: decades of dialogue and data. *Academy of Management Review* **28**: 371-382.
- Dalton D.R., Daily C.M., Ellstrand A.E., and Johnson J.L. 1998. Meta-analytic reviews of board composition, leadership structure, and financial performance. *Strategic Management Journal* **19**: 269-290.
- Dalton D.R., Daily C.M., Johnson J.L., and Ellstrand A.E. 1999. Number of directors and financial performance: A meta-analysis. *Academy of Management Journal* **42**: 674-686.
- Dalton D.R., Hitt M. A., Certo S. T., and Dalton C. M. 2008. The fundamental agency problem and its mitigation: Independence, equity, and the market for corporate control. *Academy of Management Annals* **1**: 1-64.
- Das T.K., and Teng B.S. 2001. Trust, control, and risk in strategic alliances: An integrated framework. *Organization Studies* **22**: 251-283.
- Davis K. 1973. The case for and against business assumption of social responsibilities. *Academy of Management Journal* **16**: 312-322.
- Davis G.F., and Greve H.R. 1997. Corporate elite networks and governance changes in the 1980s. *American Journal of Sociology* **103**: 1-37.
- Davis J.H., Schoorman F.D., and Donaldson L. 1997. Toward a stewardship theory of management. *Academy of Management Review* **22**: 20-47.
- Davis J.H., Schoorman F.D., Mayer R.C., and Tan H.H. 2000. The trusted general manager and business unit performance: Empirical evidence of a competitive advantage. *Strategic Management Journal* **21**: 563-576.
- Dedman E. 2000. An investigation into the determinants of UK board structure before and after Cadbury. *Corporate Governance: An International Review* **8**: 133-153.

- Dedman E. 2002. The Cadbury Committee recommendations on corporate governance – A review of compliance and performance impacts. *International Journal of Management Review* **4**: 335-352.
- De Jong D. 2001. Corporate governance in Nederland: Governance en financiële prestaties. *Maandblad voor Accountancy en Bedrijfseconomie* **74**: 103-116.
- De Jong A., DeJong D.V., Mertens G., and Wasley C.E. 2005. The role of self-regulation in corporate governance: Evidence and implications from The Netherlands. *Journal of Corporate Finance* **11**: 473-503.
- De Jong A., and Roosenboom P.G.J. 2002. De praktijk sinds 1997. In NCGS (Ed.), *Corporate Governance in Nederland 2002: De Stand van Zaken*. NCGS: Amsterdam.
- Demb A., and Neubauer F.F. 1992. *The Corporate Board: Confronting the Paradoxes*. Oxford University Press: New York (etc.).
- Der Hovanesian M. 2008. The high cost of compliance. *Business Week* **4067**: 17.
- Devers C.E., Cannella A.A., Reilly G.P., and Yoder M.E. 2007. Executive compensation: A multidisciplinary review of recent developments. *Journal of Management* **33**: 1016-1072.
- Dietz G., and Den Hartog D.N. 2006. Measuring trust inside organisations. *Personnel Review* **35**: 557-588.
- DiMaggio P.J., and Powell W.W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review* **48**: 147-160.
- Doidge C., Karolyi G.A., and Stulz R. 2004. *Why do Countries Matter so much for Corporate Governance?* ECGI Finance Working Paper No. 50/2004.
- Dorff M. 2005. Does one hand wash the other? Testing the managerial power and optimal contracting theories of executive compensation. *Journal of Corporation Law* **30**: 255-294.
- Duffhues P., and Kabir R. 2008. Is the pay-performance relationship always positive? Evidence from the Netherlands. *Journal of Multinational Financial Management* **18**: 45-60.
- Durnev A., and Kim E.H. 2005. To steal or not to steal: Firm attributes, legal environment, and valuation. *Journal of Finance* **60**: 1461-1493.
- Du Toit S., Du Toit M., Jöreskog K.G., and Sörbom D. 1999. *Interactive Lisrel, User's Guide*. Scientific Software International, Inc.: Chicago.
- Eisenhardt K. M. 1989. Agency theory: An assessment and review. *Academy of Management Review* **14**: 57-74.
- Economist. 2005. A price worth paying? *The Economist* **375**(8427): 71-73.
- Emerson R.M. 1962. Power-dependence relations. *American Sociological Review* **27**: 31-41

- Etzioni A. 1988. *The Moral Dimension: Toward a New Economics*. Collier Macmillan: London
- Fama E.F., and Jensen M.C. 1983. Separation of ownership and control. *Journal of Law and Economics* **26**: 301-325.
- Fernández-Rodríguez E., Gómez-Ansón S., and Cuervo-García A. 2004. The stock market reaction to the introduction of best practices codes by Spanish firms. *Corporate Governance: An International Review* **12**: 29-46.
- Finkelstein S. 1992. Power in top management teams: Dimensions, measurement, and validation. *Academy of Management Journal* **35**: 505-538.
- Finkelstein S., and Mooney A. 2003. Not the usual suspects: How to use board process to make boards better. *Academy of Management Executive* **17**: 101-113.
- Fitch H.G. 1976. Achieving corporate social responsibility. *Academy of Management Review* **1**: 38-46.
- Fombrun C., and Shanley M. 1990. What's in a name? Reputation building and corporate strategy. *Academy of Management Journal* **33**: 233-258.
- Forbes D.P., and Milliken F.J. 1999. Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups. *Academy of Management Review* **24**: 489-505.
- Freeman R. E. 1984. *Strategic Management: A Stakeholder Approach*. Ptiman: Boston (MA).
- Friedman M. 1970. The social responsibility of business is to increase its profits, *New York Times Magazine*: September 13th.
- Frentrop P. 2002. *Ondernemingen en hun Aandeelhouders sinds de VOC: Corporate Governance, 1602-2002*. Prometheus: Amsterdam.
- Fryxell G.E., and Wang J. 1994. The Fortune corporate 'reputation' index: Reputation for what? *Journal of Management* **20**: 1-14.
- Gabrielsson J., and Huse M. 2004. Context, behavior and evolution: Challenges in research on boards and governance. *International Studies of Management and Organization* **34**(2): 11-36.
- Ghoshal S. 2005. Bad management theories are destroying good management practice. *Academy of Management Learning and Education* **4**: 75-81.
- Gillespie N.A. 2003. Measuring Trust in Working Relationships: The Behavioral Trust Inventory, *Academy of Management Annual Meeting*: Seattle (WA).
- Gillespie N.A., and Mann L. 2004. Transformational leadership and shared values: The building blocks of trust. *Journal of Managerial Psychology* **19**: 588-607.
- Godfrey P.C. 2005. The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *Academy of Management Review* **30**: 777-798.

- Goncharov I., Werner J.R., and Zimmermann J. 2006. Does compliance with the German corporate governance code have an impact on stock valuation? An empirical analysis. *Corporate Governance: An International Review* **14**: 432-445.
- Grabke-Rundell A., and Gomez-Meija L.R. 2002. Power as a determinant of executive compensation. *Human Resource Management Review* **12**: 3-23.
- Greve H.R. 2003. *Organizational Learning from Performance Feedback: A Behavioral Perspective on Innovation and Change*. Cambridge University Press: Cambridge.
- Griesinger D.W. 1990. The human side of economic organization. *Academy of Management Review* **15**: 478-499.
- Gulati R. 1995. Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances. *Academy of Management Journal* **38**: 85-112.
- Haalien L., and Huse M. 2005. Board of Directors in Norwegian Family Businesses: Results from the Value Creating Board Surveys, *Norwegian School of Management BI research report # 7/2005*: 69pp.
- Hair J.F., Black W.C., Babin B.J., Anderson R.E., and Tatham R.L. 2006. *Multivariate Data Analysis*. Pearson Prentice Hall: Upper Saddle River (NJ).
- Hall B., and Liebman J. 1998. Are CEOs really paid like bureaucrats? *Quarterly Journal of Economics* **113**: 653-691.
- Hambrick D.C., and Mason P.A. 1984. Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review* **9**: 193-206.
- Hambrick D.C., Von Werder A., and Zajac E.J. 2008. New directions in corporate governance research. *Organization Science* **19**: 381-385.
- Haxhi I., and Van Ees H. 2006. *A Framework Explaining Diversity in the Processes of Creating Corporate Governance Codes*. Paper presented at the Academy of Management Annual Meeting, Atlanta (GA).
- Hendry J. 2005. Beyond self-interest: Agency theory and the board in a satisficing world. *British Journal of Management* **16**: 55-63.
- Hermalin B.E., and Weisbach M.S. 2003. Boards of directors as an endogenously determined institution: A survey of the economic literature. *Economic Policy Review* **9**: 7-16.
- Hermalin B.E., and Weisbach M.S. 2006. A framework for assessing corporate governance reform, *SSRN Working paper*: 21pp.
- Hillman A.J., and Dalziel T. 2003. Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review* **28**: 383-396.
- Hillman A. J., and Keim G. D. 2001. Shareholder value, stakeholder management, and social issues: What's the bottom line? *Strategic Management Journal* **22**: 125-139.

- Hofstede G.J. 2005. *Cultures and Organizations: Software of the Mind*. McGraw-Hill: New York (NY).
- Hooghiemstra R.B.H., and Van Manen J.A. 2004. The independence paradox: (Im)possibilities facing non-executive directors in The Netherlands. *Corporate Governance: An International Review* **12**: 314-324.
- Hulland J. 1999. Use of partial least squares (PLS) in strategic management research: A review of four recent studies. *Strategic Management Journal* **20**: 195-204.
- Huse M. 1993. Relational norms as a supplement of neo-classical understanding of directorates. *Journal of Socio-Economics* **22**: 219-240.
- Huse M. 2005. Accountability and creating accountability: A framework for exploring behavioural perspectives of corporate governance. *British Journal of Management* **16**: S65-S79.
- Huse M. 2007. *Boards, Governance, and Value Creation: The Human Side of Corporate Governance*. Cambridge University Press: Cambridge.
- Ibrahim N. A., Howard D. P., and Angelidis J. P. 2003. Board members in the service industry: An empirical examination of the relationship between corporate social responsibility orientation and directorial type. *Journal of Business Ethics* **47**: 393-401.
- James L.R., Mulaik S.A., and Brett J. 1982. *Causal Analysis: Models, Assumptions, and Data*. Sage Publications: Newbury Park (CA).
- Jawahar I.M., and McLaughlin G.L. 2001. Toward a descriptive stakeholder theory: An organizational life cycle approach. *Academy of Management Review* **26**: 397-414.
- Jensen M. C. 2002. Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly* **12**: 235-256.
- Jensen M.C., and Meckling W.H. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics* **48**: 831-880.
- Jensen M. C., and Murphy K.J. 1990. Performance pay and top-management incentives. *Journal of Political Economy* **98**: 225-264.
- Jones G.R., and George J.M. 1998. The experience and evolution of trust: Implications for cooperation and teamwork. *Academy of Management Review* **23**: 531-546.
- Jöreskog K.G., and Sörbom D. 1999. Lisrel 8.30. Scientific Software International, Inc.: Chicago.
- Judge W.Q., and Zeithaml C.P. 1992. Institutional and strategic choice perspectives on board involvement in the strategic decision process. *Academy of Management Journal* **35**: 766-794.
- Kahneman D., and Tversky A. 1979. Prospect theory: An analysis of decisions under risk. *Econometrica* **47**: 263-291.

- Kaplan S.N. 2008. Are U.S. CEOs overpaid? *Academy of Management Perspectives* **22**: 5-20.
- Keim G.D. 1978. Corporate social responsibility: An assessment of the enlightened self-interest model. *Academy of Management Review* **3**: 32-39.
- Kirchler E., and Maciejovsky B. 2001. Tax compliance within the context of gain and loss situations, expected and current asset position, and profession. *Journal of Economic Psychology* **22**: 173-194.
- Kostant P.C. 1999. Exit, voice and loyalty in the course of corporate governance and counsel's changing role. *Journal of Socio-Economics* **28**: 203-246.
- Lang M.H., and Lundholm R. 1993. Cross-sectional determinants of analyst ratings of corporate disclosures. *Journal of Accounting Research* **31**: 246-271.
- Langfred C.W. 2004. Too much of a good thing? Negative effects of high trust and individual autonomy in self-managing teams. *Academy of Management Journal* **47**: 385-399.
- La Porta R., Lopez-de-Silanes F., Shleifer A., and Vishny R.W. 1998. Law and finance. *Journal of Political Economy* **106**: 1113-1155.
- Lewicki R.J., McAllister D.J., and Bies R.J. 1998. Trust and distrust: New relationships and realities. *Academy of Management Review* **23**: 438-458.
- Lewicki R.J., Tomlinson E.C., and Gillespie N. 2006. Models of interpersonal trust development: Theoretical approaches, empirical evidence, and future directions. *Journal of Management* **32**: 991-1022.
- Lorsch J.W., and MacIver E. 1989. *Pawns or Potentates: The Reality of America's Corporate Boards*. Harvard Business School Press.
- Lubatkin M.H., Lane P.J., Collin S., and Very P. 2005. Origins of corporate governance in the USA, Sweden, and France. *Organization Studies* **26**: 867-888.
- Maassen G.F., and Van den Bosch F.A.J. 1999. On the supposed independence of two-tier boards: Formal structure and reality in the Netherlands. *Corporate Governance: An International Review* **7**: 31-37.
- Macaulay S. 1963. Non-contractual relations in business: A preliminary study. *American Sociological Review* **28**: 55-67.
- MacNeil I.R. 1980. *The New Social Contract: An Inquiry into Modern Contractual Relations*. Yale University Press: New Haven.
- March, J.G., and Shapira, Z. 1987. Managerial perspectives on risk and risk taking. *Management Science* **33**: 1404-1418.
- Margolis J.D., and Walsh J. P. 2003. Misery loves companies: Rethinking social initiatives by business. *Administrative Science Quarterly* **48**: 268-305.
- Mariolis P. 1975. Interlocking directorates and control of corporations: The theory of bank control. *Social Science Quarterly* **56**: 425-439.

- Mayer R.C., Davis J.H., and Schoorman F.D. 1995. An integrative model of organizational trust. *Academy of Management Review* **20**: 709-734.
- McLaughlin Mitchell S., and Hensel P.R. 2007. International institutions and compliance with agreements. *American Journal of Political Science* **51**: 721-737.
- McNulty T., and Pettigrew A.M. 1999. Strategists on the board. *Organization Studies* **20**: 47-74.
- McWilliams A., and Siegel D. 2001. Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review* **26**: 117-127.
- Milgrom P. R., and Roberts J. 1992. *Economics, Organization and Management*. Prentice-Hall: Englewood Cliffs (NJ).
- Mizruchi M.S. 1996. What do interlocks do? An analysis, critique, and assessment of research on interlocking directorates. *Annual Review of Sociology* **22**: 271-298
- Murphy K.J. 2002. Explaining executive compensation: Managerial power versus the perceived cost of stock options. *University of Chicago Law Review* **69**: 847-869.
- Norwegian Corporate Governance Board. 2007. *The Norwegian Code of Practice for Corporate Governance* (4 ed.). www.ncgb.no.
- Oh H., Labianca G., and Chung M.H. 2006. A multilevel model of group social capital. *Academy of Management Review* **31**: 569-582.
- Olson B.J., Parayitam S., and Bao Y. 2007. Strategic decision making: The effects of cognitive diversity, conflict, and trust on decision outcomes. *Journal of Management* **33**: 196-220.
- O'Reilly C.A. III, Main B.G., and Crystal G.S. 1988. CEO compensation as tournament and social comparison: A tale of two theories. *Administrative Science Quarterly* **33**: 257-274.
- Orlitzky M. 2001. Does firm size confound the relationship between corporate social performance and firm financial performance? *Journal of Business Ethics* **33**: 167-180.
- Orlitzky M., Schmidt H.L., and Rynes S.L. 2003. Corporate social and financial performance: A meta-analysis. *Organization Studies* **24**: 403-441.
- Parker S.C., and Van Witteloostuijn A. 2008. *A General Framework for Estimating Multidimensional 'Fit'*. Working paper: University of Antwerpen.
- Pava M.L., and Krausz J. 1996. The association between corporate social-responsibility and financial performance: The paradox of social cost. *Journal of Business Ethics* **15**: 321-357.
- Pearce J.A., and Zahra S.A. 1991. The relative power of CEOs and boards of directors: Associations with corporate performance. *Strategic Management Journal* **12**: 135-153.

- Pennings J.M. 1980. *Interlocking Directorates: Origins and Consequences of Connections among Organizations' Boards of Directors*. Jossey-Bass Publishers: San Francisco (etc.).
- Pettigrew A.M. 1992. On studying managerial elites. *Strategic Management Journal* **13**(Special issue): 163-182.
- Pettigrew A.M., and McNulty T. 1998. Sources and uses of power in the boardroom. *European Journal of Work and Organizational Psychology* **7**: 197-214.
- Pfeffer J., and Salancik G.R. 1978. *The External Control of Organizations*. Harper and Row: New York.
- Podsakoff P.M., MacKenzie S.B., Lee J.Y., and Podsakoff N.P. 2003. Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology* **88**: 879-903.
- Pollock T.G., Fischer H.M., and Wade J.B. 2002. The role of power and politics in the repricing of stock options. *Academy of Management Journal* **45**: 1172-1182.
- Poutsma E., and Braam G. 2005. Corporate governance and labour management in The Netherlands: Getting the best of both worlds? In H. Gospel and A. Pendleton (Eds.), *Corporate Governance and Labour Management: International Comparison*: 148-172. Oxford University Press: Oxford.
- Roberts J., McNulty T., and Stiles P. 2005. Beyond agency conceptions of the non-executive director: Creating accountability in the boardroom. *British Journal of Management* **16**: S5-S26.
- Rodrigues U. 2008. The fetishization of independence. *Journal of Corporation Law* **33**: 447-495.
- Rousseau D.M., Sitkin S.B., Burt R.S., and Camerer C. 1998. Not so different after all: A cross-discipline view of trust. *Academy of Management Review* **23**: 393-404.
- Schmidt H.L. 1992. What do data really mean? *American Psychologist* **47**: 1173-1181.
- Sharfman M. 1996. The construct validity of the Kinder, Lydenberg, & Domini social performance ratings data. *Journal of Business Ethics* **15**: 287-296.
- Shleifer A., and Vishny R. W. 1997. A survey of corporate governance. *Journal of Finance* **52**: 737-783.
- Thomsen S. 2006. The hidden meaning of codes: Corporate governance and investor rent seeking. *European Business Organization Law Review* **7**: 845-862.
- Tosi H. L., Werner S., Katz J. P., and Gomez-Mejia L. R. 2000. How much does performance matter? A meta-analysis of CEO pay studies. *Journal of Management* **26**: 301-339.
- Tricker R.I. 1994. *International Corporate Governance*. Prentice Hall: New York.

- Udueni H. 1999. Power dimensions in the board and outside director independence: Evidence from large industrial UK firms. *Corporate Governance: An International Review* **7**: 62-72.
- Van der Laan G., Van Ees H., and Van Witteloostuijn A. 2008. Corporate social and financial performance: An extended stakeholder theory, and empirical test with accounting measures. *Journal of Business Ethics* **79**: 299-310.
- Van der Laan G., and Zhang P. 2007. *Power and Trust in Board Working Relationships*. Working paper presented at European Academy of Management (Paris).
- Van Ees H., Gabriëlsson J., and Huse M. 2005. *For a Behavioral Theory on Boards and Governance*. Unpublished working paper: University of Groningen.
- Van Ees H., and Postma T.J.B.M. 2005. Dutch boards and governance: A comparative institutional analysis of board roles and member (s)election procedures. *International Studies of Management and Organization* **34**: 90-112.
- Van Ees H., Van der Laan G., Engesaeth E. J. P., and Selker C. A. S. 2007. *De Relatie tussen de Bezoldiging van Bestuurder van Beursgenoteerde Ondernemingen en de Prestaties van deze Ondernemingen*. Research report for Monitoring Committee Corporate Governance. www.commissiecorporategovernance.nl.
- Van Ees H., Van der Laan G., and Postma T.J.B.M. 2008a. Effective board behavior in The Netherlands. *European Management Journal* **26**: 84-93.
- Van Ees H., Van der Laan G., and Postma T.J.B.M. 2008b. Trust and board task performance. In M. Huse (Ed.), *The Value Creating Board: Behavioral Perspectives on Boards and Governance*. Routledge.
- Van Veen K., and Marsman I. Forthcoming. How international are executive boards of MNCs: Nationality diversity in 15 European countries. *European Management Journal*
- Van Witteloostuijn A. 1988. Maximising and satisficing: Opposite or equivalent concepts? *Journal of Economic Psychology* **9**: 289-313.
- Van Witteloostuijn A. 2003. A game-theoretic framework of trust. *International Studies of Management and Organization* **33**(3): 53-71.
- Von Werder A., Talaulicar T., and Kolat G.L. 2005. Compliance with the German corporate governance code: An empirical analysis of the compliance statements by German listed companies. *Corporate Governance: An International Review* **13**: 178-187.
- Walker G. 1985. Network position and cognition in a computer software firm. *Administrative Science Quarterly* **30**: 103-130.
- Weisbach M.S. 2007. Optimal executive compensation versus managerial power: A review of Lucian Bebchuk and Jesse Fried's Pay without Performance: The Unfulfilled Promise of Executive Compensation. *Journal of Economic Literature* **45**: 419-428.

- Wenstøp P.Z. 2008. *Effective Board Task Performance: Searching for Understanding into Board Failure and Success*. PhD Thesis. Norwegian School of Management BI: Oslo, Norway.
- Westphal J.D. 1998. Board games: How CEOs adapt to increases in structural board independence from management. *Administrative Science Quarterly* **43**: 511-537.
- Westphal J.D. 1999. Collaboration in the boardroom: Behavioral and performance consequences of CEO-board social ties. *Academy of Management Journal* **42**: 7-24.
- Westphal J.D., and Bednar M.K. 2008. The pacification of institutional investors. *Administrative Science Quarterly* **53**: 29-72.
- Westphal J.D., and Khanna P. 2003. Keeping directors in line: Social distancing as a control mechanism in the corporate elite. *Administrative Science Quarterly* **48**: 361-398.
- Westphal J.D., and Stern I. 2006. The other pathway to the boardroom: Interpersonal influence behavior as a substitute for elite credentials and majority status in obtaining board appointments. *Administrative Science Quarterly* **51**: 169-204.
- Westphal J.D., and Stern I. 2007. Flattery will get you everywhere (especially if you are a male caucasian): How ingratiation, boardroom behavior, and demographic minority status affect additional board appointments at U.S. companies. *Academy of Management Journal* **50**: 267-288.
- Westphal J.D., and Zajac E.J. 1996. Who shall govern? CEO/board power, demographic similarity, and new director selection. *Administrative Science Quarterly* **40**: 60-83.
- Whitener E.M., Bordt S.E., Korsgaard M.A., and Werner J.M. 1998. Managers as initiators of trust: An exchange relationship framework for understanding managerial trustworthy behavior. *Academy of Management Review* **23**: 513-530.
- Willemyns M., Gallois C., and Callan V.J. 2003. Trust me, I'm your boss: Trust and power in supervisor-supervisee communication. *International Journal of Human Resource Management* **14**: 117-127.
- Wiseman, R.M., and Gomez-Meija, L.R. 1998. A behavioral agency model of managerial risk taking. *Academy of Management Review* **23**: 133-153.
- Williams K.Y., and O'Reilly C.A. 1998. Demography and diversity in organizations: A review of 40 years of research. In L. Cummings and B. Staw (Eds.), *Research in Organizational Behavior*, Vol. 20: 77-140. JAI Press: Greenwich.
- Wood D.J. 1991a. Corporate social performance revisited. *Academy of Management Review* **16**: 691-718.
- Wood D.J. 1991b. Social issues in management: Theory and research in corporate social performance. *Journal of Management* **17**: 383-406.

- Wood D.J., and Jones R.E. 1995. Stakeholder mismatching: A theoretical problem in empirical research on corporate social performance. *International Journal of Organizational Analysis* **3**: 229-267.
- Yermack D. 1995. Do corporations award CEO stock options effectively? *Journal of Financial Economics* **39**: 237-269.
- Zahra S.A., and Pearce J.A. 1989. Boards of directors and corporate financial performance: A review and integrative model. *Journal of Management* **15**: 291-334.
- Zajac E. J., and Westphal J. D. 1998. Towards a behavioral theory of the CEO-board relationship: How research can enhance our understanding of corporate governance practices. In: Hambrick D. C., Nadler D.A., and Tushman, M.L. (eds.). *Navigating Change: How CEOs, Top Teams, and Boards Steer Transformation*. pp. 256-277. Harvard Business School Press: Boston (MA).
- Zand D.E. 1972. Trust and managerial problem solving. *Administrative Science Quarterly* **17**: 229-239.
- Zhang I.X. 2005. *Economic Consequences of the Sarbanes-Oxley Act of 2002*. working paper: University of Rochester
- Zona F., and Zattoni A. 2007. Beyond the black box of demography: Board processes and task effectiveness within Italian firms. *Corporate Governance: An International Review* **15**: 852-864.