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CORPORATE GOVERNANCE: CHALLENGES AND DEVELOPMENT SAM 2016 Conference Highlight

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The 4th International Conference on Management and Organization »CORPORATE GOVERNANCE: CHALLENGES AND DEVELOPMENT« was organized by The Slovenian Academy of Management on June 9–10, 2016. The conference was organized with the support of the Slovenian Directors' Association for effective Corporate Governance. It took place at the Hotel Brdo, Brdo pri Kranju, Slovenia. 26 participants from Universities from Slovenia, Croatia, Montenegro, Sweden, Norway, Hungary and Italy as well as some Slovenian companies attended the conference. At the conference 19 papers were presented in six sessions, discussing the topic of the conference from different perspectives.

The conference was opened on the June 9th 2016 by the president of the Slovenian Academy of Management Tomaž Čater and the chair of the organizing committee of the conference Aleša Saša Sitar with some introductory words about the theme of the conference »Corporate Governance: Challenges and Development«, followed by some practical information.

In the first session, which was moderated by Rudi Rozman, the first key-note speaker Morten Huse, Professor of Organization and Management, Department of Communication and Culture, BI Norwegian Business School, Oslo, Norway and Professor and Chair of Management and Governance, Witten/Herdecke University, Germany in his presentation discussed Is it more likely that boards are destroying rather than creating values: The challenges for getting value creating boards. In his presentation he discussed what kind of value is created, to whom in what are the values. He concluded that the quality of corporate governance is important and in order to reach the quality, the boards should ask themselves, how to collaborate better and start working as a team, so they can really contribute to the value creation. Presentation by Jon Aarum Andersen followed, in which the author presented the paper called The managerial discretion concept in Corporate Governance - better off without it?, discussing different aspects on questioning, if managerial discretion influences effectiveness, does it impact the quality of managerial decision and concluding that more or less control should be done to prevent the misconduct. The last presentation of the first session was about Consequences of differences in governance bodies' perception of income distribution theories on stakeholders

motivation, presented by Miran Mihelčič. In his presentation the author addressed the question how governance bodies can contribute to income distribution that will be acceptable in society and will contribute to motivation of labor, capital and society.

In the second session, moderated by Jon Aarum Andersen, the second key-note speaker Irena Prijović from the Slovenian Directors' Association for effective Corporate Governance discussed the Development and Enforcement of Corporate Governance Codes and Board Best Practice Recommendations in Slovenia. She presented the situation in Slovenia and the endeavors of the Slovenian Directors' Association for effective Corporate Governance in respect to development and enforcement of corporate governance codes. The presentation by Rudi Rozman followed, discussing whether to improve and/or to change corporate governance? In his visionary presentation the author addressed, whether a new socio-economic system is emerging and how the corporate governance has been or should be changing in respect to that. Then Borut Bratina presented the paper Higher Qualitative Level of Corporate Governance: Monitoring of Corporate Governance to Attain Corporate Social Responsibility, prepared in co-authorship with Jernej Belak and Ronja Knap, taking a legal point of view and CSR perspective on corporate governance. The presentation stimulated a discussion about ways to establish efficient monitoring of compliance with corporate governance codes in Slovenia and that in the case of destructive legislation, it must be changed.

The third session was moderated by Iris Koleča and included the presentation of Maja Drakic-Grgur talking about Property rights and corporate governance. In the paper the author discussed different opinions on property rights and corporate governance, recognizing that property rights theory is a very promising theory in this discussion. The second presentation by Aleša Saša Sitar and Maja Zaman Groff followed, explaining the Contemporary role of internal auditing in corporate governance. In the paper, co-authored by Roberto Di Pietra, the authors evaluated the present situation on the role of internal auditing, explaining the main challenges and making some conclusions, how it will evolve in the future. The last paper of the session was presented by Mihály Görög explaining a theory-based approach to organisational project management maturity. In the presentation the author discussed the main limitations of the existing maturity models which are the process-based view and the mechanistic approach and further discussed how the project management theory should look like.

The last session of the first day, moderated by Borut Bratina, started with a presentation of Tadej Smogavec, presenting the paper titled Satisfaction with outsourcing: Empirical analysis on the case of SMEs, prepared in co-authorship with Darja Peljhan. In his presentation the author addressed the questions when and why SMEs decide for outsourcing and elaborated on the potential benefits that are created. Iris Koleča then presented the paper titled Interorganisational Networks for Internationalisation of Small and Medium Sized Enterprises, prepared in co-authorship with Andreja Jaklič, discussing why SMEs so rarely decide for participation in business clubs and what benefits would be created if they took the advantage of such associations, as they allow business to become more engaged in co-creation of business environment. The last presentation of the first day was about Differences between managing projects in an SME and in a large company, presented by Bálint Blaskovics. The paper highlighted an important finding, that in order to have a successful project in SMEs, the process

should be extended to sales and post-project communication, client management and that project manager should be a generalist.

After the fourth session of the conference the social program of the conference started and the participants gathered in the friendly atmosphere of hotel restaurant for gala dinner. During the evening excellent food was accompanied by lively discussions about plans for future research and possible collaboration.

On the second day of the conference, June 10th 2016, two sessions followed. The first session was moderated by Bálint Blaskovics and four papers were presented. First Veronika Petkovšek presented the paper called Governance issues and management of municipal water and wastewater utilities in Slovenia and selected European countries, talking about the potential advantages of municipal cooperation in water and wastewater utilities as well as other services in Slovenia, the need for professional management and careful management of the transaction costs of cooperation. The paper was prepared in co-authorship with Primož Pevcin. Then Dugar Boris-Anže and Vesna Vodopivec presented their paper titled Corporate governance in banks - Is the term corporate governance still appropriate? They discussed that the financial sector is heavily regulated, due to malpractices; therefore HR processes are regulated as well and presenting difficulties attracting and retaining top talent for most demanding managerial positions. The presentation of Nina Pološki Vokić followed, discussing her paper titled Looking at HRM through the lens of agency theory – are suboptimal HRM practices a consequence of moral hazard? The author discussed agency problems related to managing employees and addressed the question why are managers not adopting high effective corporate governance practices. The session ended by presentation of Ivan Matić, presenting the paper called Organization design and corporate governance of business groups: A comparison of the public and private sector, prepared in co-authorship with Tomislav Hernaus. In the paper authors presented the findings of their research which included the best business groups in both sectors and emphasized that the gap between companies is getting smaller and smaller and that there are practically no differences anymore.

In the second session, which was moderated by Tomislav Hernaus, István Fekete first presented his paper titled How to use the principles of corporate governance in practice? In the paper the author emphasized that the principles of governance critical for project management implementation are to finish the projects on time and within the budget. Then Simon Colnar presented the paper titled Problems and challenges regarding construction permits, discussing that one of the reasons why Slovenia is not interesting for foreign investments lies in the current process of obtaining construction permits, which should be simplified. The last paper of the conference titled Intangible investment in resource limited environment and the role of corporate governance was presented by Jovan Trajkovski and co-authored by Tjaša Redek. The paper addressed the relationship between investment into innovation and corporate governance. The author shared with the participants the result of the empirical analysis comparing developed and developing countries and their investments in innovation activities.

The conference ended on June 10th 2016 by concluding remarks by Rudi Rozman and Aleša Saša Sitar thanking all the participants for their papers and presentations, with special thanks to reviewers of the papers and members of the organizing and program committees of the conference and with discussion about the possible topics for SAM 2018 conference. The more

informal discussion then continued over lunch, held at the hotel restaurant.

All abstracts of the papers presented at the conference and photo gallery of the event can be found on SAM internet site <http://sam-d.si/En.aspx?cid=89>, whereas full papers are published in the conference proceedings. Some selected papers will also be published in the future issues of the two Slovenian Academy of Management Journals Dynamic Relationship Management Journal and Management Challenges.