

Table of contents

Feature articles

- 2 **Aspiration alignment: a hidden key to competitive advantage** 12
- 3 **Arun Maira**
- 5 *Strategy-making cannot be a purely rational process, driven by analysis of numbers. To obtain support for the strategy, aspirational values of the principal protagonists as well as the political forces must be considered. Since the value of any strategy is realized only if it is implemented, the commitment and support of key people, beyond the head of government or CEO, are essential. And, to get their full support, engagement of their heads only is not enough – their emotional commitment is essential also. Therefore, a widely prevalent paradigm, “first the strategy and then the implementation” must be challenged.*
- of **Corporate governance in Europe: current status and future trends** 19
- 8 **Catherine Albert-Roulhac and Peter Breen**
- on *This fourth study of corporate governance in Europe from Heidrick & Struggles documents the movement of some 300 of Europe’s top companies towards best practices in corporate governance. The survey examines the key aspects of board structure, board composition and disclosure. This year’s study shows significant progress across Europe; with Switzerland demonstrating the greatest improvement, and with Portugal and Spain picking up in pace, leaving Italy and Germany lagging.*
- ard **The real role of corporate directors: balancing prudence with progress** 30
- at **Bob Garratt**
- *Most board directors never function properly in their directorial, as distinct from executive, role. They seem especially ineffective at thinking strategically. Whilst assuming happily the title “board (statutory) director”, they have rarely any rigorous induction or development process to explain that directing is very different from managing and takes them into a wider world where many are uncomfortable. They must develop the necessary attitudes and skills to think strategically and effectively beyond the executive planning demands. Moreover, directors have a legal duty to think independently.*
- 10 **Navigating growth in emerging markets: six rules for improving decision making between corporate and local leadership** 37
- ard **Thomas A. Olsen, Monica Pinto and Shalina Virji**
- 61 *In order to achieve sustainable profitable growth in emerging markets, multinationals need to rely less on preexisting corporate management models and more on a flexible, principle-based set of practices that can change from market to market and even from year to year. Such practices will help local and corporate leaders steer the path to long-term success more nimbly than standard models. The article describes six practices in particular where multinationals must strike the right balance.*
- ur **Strategically managing risk in the information age: a holistic approach** 45
- a of **Eric G. Olson**
- 65 *Risk exposure has increased steadily over the past decade from outsourcing partnerships, as businesses form more alliance partnerships, and as businesses benefit from technology. In the information age, the nature of stakeholders has also changed and become less predictable, and led to changes in how risk is strategically managed. It is more complex than ever before and requires a holistic approach across multiple business operations. This new landscape is characterized by complex risk management requirements, the need for developing new techniques, and the requirement for developing new strategies to manage risk.*
- 65 **A strategic response to Friedman’s critique of business ethics** 55
- 65 **Scott Gallagher**
- 65 *If behaving ethically was immediately rewarding economically or obvious, there wouldn’t be a need for business ethics. Nor do managers view decisions as ethical or unethical; they view them in terms of success or failure. Since ethics is tied to broadly accepted cultural norms for conduct, acting ethically is a way to minimize the effects of change from the socio-cultural environment on the firm. A firm that is acting ethically is better able to gain a sustainable competitive advantage because its conduct and behavior are tied more closely to the social macro-environmental force.*