

# Invitation and Call for contributions to the Workshop **PURPOSE OR STRUCTURE? GOVERNANCE BETWEEN “STAKEHOLDERISM” AND “PURPOSISM” – May 29-30, 2024** **Bocconi University**

This workshop features among the 2024 initiatives approved by the Department of Management & Technology for developing the discussion among the faculty and international networks of scholars clustering around emerging perspectives. The emerging perspective, even field, is an interdisciplinary management and law approach; in this case applied to contributing to the currently flourishing debate on ‘purposes,’ and corporate purposes in particular. In fact, it became already evident in the criticism to the “shareholderism” that any serious analysis of those issues should also consider inputs from law and economics; and should be highly relevant for core management fields, such as strategy, organization, and control.

The keynote speeches should contribute to clarify the different ways in which purposes can be conceived and justified, to distinguish ethical from efficiency and contractual foundations, and to address enforcement problems.

Contributions from scholars working on the topic from Bocconi and other universities are invited (see Call for papers at the bottom) to foster a multi-directional dialogue.

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## **Evolution of stakeholderism and current discourses on purposes**

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The notion of “stakeholder” has successfully contested shareholder primacy in many fields of management. Originated in the corporate governance discourse, responsiveness to stakeholders became the standard claim for devising almost any organizational act or policy.

In the field of corporate governance, both regulators (e.g., in the European Union and France) and top executives (e.g., in the Business Roundtable’s “Statement on the Purpose of a Corporation” of 2019) have started to promote the view that business firms should not only serve their shareholders. Rather, they should consider the interests of a diverse set of different constituencies, also including employees, clients, and society at large. But while the rhetoric has quickly moved its emphasis from the primacy of shareholders to a plurality of diverse stakeholders, the question of how such a paradigmatic shift should materialize in corporate structures, procedures of decision-making, as well as the role of top management remains open.

The tension between purpose and structure can be expressed by the key question: Does responsiveness to stakeholders involve their representation in a participatory architecture, or will the “usual suspects” revise the goals pursued, with the corporate structure remaining unchanged? In other terms, there is a teleological version and a structural version of “stakeholderism.” Focusing only on purposes appears to be weak in the face of operational questions, such as: Who have a right to participate in defining purposes? Are there any criteria for distinguishing good and bad purposes (within the US ‘any lawful purpose’ and beyond the UK simplistic forbidding of the probably already unlawful ‘doing harm’)? How to redesign legal



and voluntary provision for the representation of legitimate interests in business organizations? The discussion on that is reappearing, in European and national political debates.

In the management field, the rise of “purpose” as a key way of improving the behavior of organized entities, and corporations in particular, seems to have taken a predominantly teleological approach, when not a “moralizing” overtone. While the term itself appears opalescent and its meaning ambiguous, scholars from different background are currently aiming to develop analytical traction of purpose as a concept.<sup>1</sup>

On the other side (also of the Atlantic), the principle that the directors of legal entities should behave in the best interest of the entity, and not of any particular constituency, has a long history, especially in European juridical thought, especially in Germany (e.g., the work of Walther Rathenau ).<sup>2</sup>

But who and how should define what such a best interest is and what purposes best represent it, and to what extent such can be made enforceable, have remained quite open challenging questions.

## Key speakers and discussants

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The keynote speakers in the prospected workshop include scholars who have already taken steps forward in integrating organization and management with law and economics.

- **Margaret Blair** Professor of Law (emerita) and Milton R. Underwood Chair in Free Enterprise (emerita) at Vanderbilt Law School. Working at the intersection of law, economics, and management studies, Margaret Blair has been a leading voice in criticizing shareholder primacy. She authored influential articles such as “A Team Production Theory of Corporation Law”<sup>3</sup> in the *Virginia Law Review* and “Board of Directors as Mediating Hierarchies.”<sup>4</sup> Consulting Editor of *European Management Review* for *Management & Law*.

- **Anna Grandori**, Professor of Business Organization at the Management and technology Department, Università Bocconi and Editor-in-Chief of *European Management Review*. She has recently published on “Constitutionalizing the Corporation”<sup>5</sup> in *Research of the Sociology of Organizations* as well on “A Rightholding Perspective on the Firm and Principled Governance”<sup>6</sup> in a Routledge book on *Alternative Theories of the Firm*.

- **Stephan Leixnering**, Deputy Director of the Research Institute for Urban Management and Governance at WU Vienna, Editor of *European Management Review*. He has recently published a study about “Purpose Dynamics in the History of the Aktiengesellschaft”, included in a special issue on the future of the corporation of *Research in the Sociology of Organizations* that he co-edited.<sup>7</sup>

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<sup>1</sup> Ocasio, William, Kraatz, Matthew, and Chandler, David (2023), “Making Sense of Corporate Purpose.” *Strategy Science*, 8(2): pp. 123-138.

<sup>2</sup> Rathenau, Walther (1921), *In Days to Come* (E. Paul & C. Paul, trans.). New York: Alfred A. Knopf.

<sup>3</sup> Blair, Margaret M., & Stout, Lynn A. (1999), “A Team Production Theory of Corporation Law.” *Virginia Law Review*, 85(2): 247-328.

<sup>4</sup> Blair, Margaret M. (2015), “Boards of Directors as Mediating Hierarchs.”, *Seattle University Law Review*, 38(2): 297-336.

<sup>5</sup> Grandori, Anna (2022), “Constitutionalizing the Corporation.” *Research in the Sociology of Organizations*, 78: 57-76.

<sup>6</sup> Grandori, Anna (2021), “A Rightholding Perspective on the Firm and Principled Governance: 10 Memos.” In Pirson, Michael, Wasieleski, David M., & Steckler, Erica L. (eds.), *Alternative Theories of the Firm* (pp. 56-71). New York: Routledge.

<sup>7</sup> Leixnering, Stephan, Meyer, Renate E., Doralt, Peter (2022), “The Past as Prologue: Purpose Dynamics in the History of the Aktiengesellschaft.” *Research in the Sociology of Organizations*, 78: 97-120.



- **Joseph T. Mahoney**, Professor of Strategy and Entrepreneurship, Caterpillar Chair of Business at Gies College of Business, Associate Editor of *Strategic Management Review*, Consulting Editor of *European Management Review* for Management & Economics. Recent work of Joseph Mahoney include the article on "Corporate Personhood and Fiduciary Duties as Critical Constructs in Developing Stakeholder Management Theory and Corporate Purpose," included in a special issue of *Strategy Science* on Corporate purposes.<sup>8</sup>

To nurture discussion, and to sustain interdisciplinarity we have gained acceptance of representative researchers on corporate governance in management, law, and economics to act as **Discussants**:

- **Alessandro Minichilli**, Professor of Strategy at the Mgt&Tech Dept of Bocconi University, Professor of Corporate Governance and Family Business at SDA Bocconi, Director of the Corporate Governance Lab, and co-director of the eSG Lab – excellence for Governance and Sustainability in SMEs.

- **Lorenzo Sacconi**, Professor of Economics in the Department of Public and Supranational Law, coordinator of the international PhD program Law Ethics and Economics for Sustainability at the University of Milan; president of the Italian Society of Law and Economics, director of the inter-university Center EconomEtica.

- **Marco Ventoruzzo**, Professor of Corporate Law and Financial Markets Regulation, Law Dept Bocconi University. Former Professor of Business Law at Penn State Law School, USA; and Director of the Max Planck Institute of Luxembourg. Research Associate of the European Corporate Governance Institute (ECGI).

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## Call for contributions

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In order to sustain participatory attendance, interventions/ contributions, especially but not exclusively from Bocconi Faculty in the Departments of Management and of Law, conducting work on the theme are called for. Anyone wishing to present own pertinent work is welcome to send an **Abstract** to [anna.grandori@unibocconi.it](mailto:anna.grandori@unibocconi.it), **by March 31<sup>st</sup>**. Abstracts will be jointly screened by the four workshop key speakers, and a reply will be given in two weeks.

Given the participation of scholars with editorial capacities in leading journals of the field (*European Management Review*, *Strategic Management Review*) and that these journals have a clear interest in governance themes, the workshop may trigger future publication initiatives.

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## Provisional Program

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The workshop is intended to last 1.5 days on **May 29 and May 30 (morning)**

**DAY 1** – 29 May 2024

Keynote speeches, discussants' interventions, panel responses, general discussion.

**DAY 2** – 30 May 2024 (morning, to be reduced or extended depending on responses)

Presentations of works deriving from this Call. The keynote speakers of Day 1 will act as discussants.

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<sup>8</sup> Mahoney, Joseph T. (2023), "Corporate Personhood and Fiduciary Duties as Critical Constructs in Developing Stakeholder Management Theory and Corporate Purpose." *Science Strategy*, 8(2): 212-220.