# Joint Seminar – The Performance of Foundation-Owned Companies

| Speaker:          | Professor Steen Thomsen  
|                  | Copenhagen Business School |
| Date:            | 06 November 2013, Wednesday |
| Time:            | 12.30 pm – 2.00 pm |
| Chairperson:     | Dr Markus David Taussig |
| Venue:           | Mochtar Riady Building  
|                  | Research Seminar Room, BIZ1, #6-1 |

**Abstract**

A number of world class companies – such as the Tata Group, Robert Bosch, and Bertelsmann -- are majority owned by charitable nonprofit foundations. This structure places control of the company in the hands of a self-perpetuating foundation board that is immune to outside discipline through a proxy fight or hostile acquisition, and whose members receive no incentive compensation. Conventional economic theories of corporate governance predict that such companies would be riven with agency costs and therefore highly inefficient. Yet previous studies find that companies owned by industrial foundations seem to perform as well as more conventional investor-owned companies. In this paper we reassess the relative performance of foundation-owned companies by comparing a substantial sample of them from the Nordic countries with various different samples of investor-owned Nordic companies, including matched pairs of companies in the same industry and of comparable size. We find that, overall, foundation-owned companies have similar accounting profitability, take less risk, and grow more slowly than listed investor-owned companies. We offer alternative theories regarding the costs and benefits of foundation ownership that appear consistent with our results.

**About the Speaker**

Steen Thomsen, born 1959, Professor, Ph.D., is Chairman of the Center for Corporate Governance at Copenhagen Business School (CBS). He specializes in corporate governance as a teacher, researcher, consultant, commentator and practitioner. His academic publications include some 30 international journal articles and 3 books on the subject. His research is currently focused on industrial foundations – foundations that own business firms. Steen has served as a board member in several business companies and is currently a non-executive chairman of 2 consulting firms. He writes columns for the Danish business newspaper Børsen, and has served as a consultant and lecturer to several large companies and government organizations, including the EU, the UN, Copenhagen Stock Exchange, the Danish Central Bank and the Danish Venture Capital Association. He has also contributed to the Danish corporate governance code and other best practice codes. He is married to Annette Blegvad, lives in Charlottenlund, North of Copenhagen, and is the father of two grown-up boys.
Enquiries

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Lunch will be served at 12.00 noon at Staff Lounge.

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