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CORPORATE GOVERNANCE. MULTI-LENSES INTEGRATED APPROACH

In this paper the authors will develop the framework of the corporate governance process, where stakeholders actions and interactions with others play the main role. The following dimensions were examined: culture, strategic orientations, ethical behaviour moderated by organizational learning and knowledge management towards power and performance. Our paper presents the results of the empirical research carried out in 31 Polish companies. The research of the model of corporate governance process was carried out in 2001. The reliability of the questionnaire was measured by Cronbach's alpha = 0.93 and indicated that all items in the questionnaire are positively correlated. The objective of the research was to examine and develop a conceptual model of a new approach to understanding corporate governance as corporate governing. The following research hypothesis has been formulated: In corporate governing, the encompassing factors will positively influence power factors moderated by knowledge related factors. The empirical findings confirmed the usefulness of an integrated, holistic approach, where all elements of the multi-lenses framework are significant (and necessary) components. The model is based on a multi-lenses integrated approach to enterprises in society and the idea that enterprises are engaged, be it actively or passively, in creating and improving the relations among stakeholders in order to govern managerial life.

Keywords: corporate governance, integrated approach, multi-lenses approach

INTRODUCTION

There are specific areas of corporate governance which deal with the supervisory board and are most often discussed in the governance literature. Attention has been focused mainly on the control role, which describes the supervisory board's position in monitoring the behaviour of managers. A board also serves a service role in giving advice to the management board (Wawrzyniak and Bińczak 1990) and other top executives, and a resource dependence role, which focuses on the use of directors to provide links to the external environment in an effort to acquire critical resources (Chatterjee and Harrison 2001). Other authors' attention has also been directed to those traits of boards and stakeholders that lead to effective corporate governance. However, in spite of the large volume of research on these topics, we will

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present empirical evidence for the notion that effective corporate governance process is not overwhelming. In this paper we will develop a framework of the model of corporate governance: multi-lenses integrated approach where stakeholders actions and interactions with others play the main role (Daft and Weick 1984; Dutton and Jackson 1987; Gioia et al. 2000; Scot and Lane 2000); Thomas et al. (1993) and seem to emerge as an enactment perspective, as it has come to be applied in strategic management. We begin by developing a brief history of the concept. We then present our model and suggest that the stakeholder approach to corporate governance has several related characteristics that serve as distinguishing features. We close our considerations with a conclusion.

1. THEORETICAL BACKGROUND

When large firms emerged to develop the economies of scale, shareholders ceased to manage them directly and hired professional managers – below board level – to run them instead. So that the business organizations today are the institutional centrepiece of a complex society, which consists of many subjects with a multitude of interests, expectations, and demands. So we have seen an ever-changing social contract in which they need to be responsive to individuals and groups they once viewed as powerless and unable to make such claims on them – we call these individuals stakeholders (Caroll and Buchholtz 2000). The growing importance of the stakeholders concept to business was highlighted by several important conferences on stakeholders theory (Fridman and Miles 2002; Jawahar and McLaughlin 2001; Mitchell et al. 1997; Donaldson 1995) and thinking in last decade. In setting the direction for organization, a manager needs to understand the impact of change in business strategy on the underlying values of the organization and the new stakeholders relations that will emerge and influence the performance. Thus, at the enterprise level the task of setting strategic directions involves understanding the role of a particular organization as a whole and its relationships to other stakeholders.

As time went on, the managers began to graduate to board level, and gradually came to form the majority of board members (Kassinis and Vafeas 2002). This process of completely separating ownership and control accelerated the thinking about governance and has led to some interesting questions and much debate among researchers and practicing managers (Baysinger and Hoskisson 1990; Johnson et al. 1996). However, many researchers and practitioners wonder whether managers can be relied upon to sacrifice their own

self-interests and behave in a manner that is in the best interests of the shareholders, which ought to constitute one of the features of a multi-lenses integrated approach, which should be involved in monitoring the strategic and ethic direction of the firm (Chatterjee et al. 2003; Freeman and Gilbert 1988). Also business ethicists believe that executives can achieve organizational and stakeholder benefits by effectively integrating moral philosophy into the strategic management process (Hosmer 1994; Singer 1994).

This stream of stakeholders research in the context to corporate governance has grown out of the contrast between the traditional view that it is the fiduciary duty of management to protect the interests of the shareholder and the stakeholders view that management should make decisions for the benefit of all stakeholders (Koładkiewicz 1999, Mesjasz 1998). Williamson (1984) used a transaction cost framework to show that shareholders deserved special consideration over other stakeholders because of asset specificity. He argued that a shareholder's stake was uniquely tied to the success of the firm and would have no residual value should the firm fail. Freeman and Evan (1990) have argued, to the contrary, that Williamson's approach to corporate governance can indeed be used to explain all stakeholders relationships. Many other stakeholders have stakes that are, to a degree, firm specific. Furthermore, shareholders have a more liquid market (the stock market) for exit than most other stakeholders. Thus, asset specificity alone does not grant a prime responsibility towards stockholders at the expense of all others.

Goodpaster (1991) outlined an apparent paradox that accompanies the stakeholder approach. The management appear to have a contractual duty to manage the firm in the interests of the stockholders and at the same time the management seem to have a moral duty to take other stakeholders into account. This stakeholder paradox has been attacked by Boatright (1994) and Marens (1999) and defended by Goodpaster and Holloran (1994). Others have explored the legal standing of the fiduciary duty of management towards stockholders (Orts, 1997). Many of these debates are on-going, with some advocating fundamental changes to corporate governance and with others rejecting the relevance of the whole debate to a stakeholder approach.

There has also been a number of attempts to expand stakeholder theory into what Jones (1995) has referred to as a central paradigm that links together theories such as agency theory, transactions costs and contracts theory into a coherent entity (Clarkson 1995). From this perspective, stakeholder theory can be used as a counterpoint to traditional shareholder-based theory. While it is generally accepted that stakeholder theory could constitute good management practice, its main value for these theories is to

expose the traditional model as being morally untenable or at least too accommodating to immoral behaviour. This literature has historically consisted of a fractured collection of different view points that share an opposition to the dominant neoclassical positive approach to business. Because of its accommodating framework, the stakeholder concept provided an opportunity to develop an overarching theory that could link together such concepts as agency theory, transactions costs, human relations, ethics, and even the environment.

The idea of stakeholder approach to corporate governance as a part of strategic management, suggests that managers must formulate and implement processes which satisfy all and only those groups who have a stake in the business. The central task in this process is to manage and integrate the relationships and interests of shareholders, employees, customers, suppliers, communities and other groups in a way that ensures the long-term success of the firm. A stakeholder approach emphasizes the active management of the business environment, relationships and the promotion of shared interests.

A stakeholder approach of corporate governance suggests that we redraw our picture of the firm. Thomas Donaldson and Lee Preston (1998), two of the leading stakeholder theorists, define a corporation as "a network involving multiple participants and interests, each of which may make contributions and receive rewards as a result of corporate activity". Also the natural environment, non-human species, and future generations are also seen as primary stakeholders who can have a direct impact on corporate activities (Wheeler and Sillanpaa 1998). Clarkson (1995) notes that a corporation's survival and continuing success depend upon the ability of its management to create sufficient wealth, value, or satisfaction for all primary stakeholder groups. Stakeholder framework does not rely on a single overriding management objective for all decisions. As such, it provides no rival to the traditional aim of maximizing shareholder wealth. To the contrary, a stakeholder approach rejects the very idea of maximizing a single objective function as a useful way of thinking about management strategy. Stakeholder management is a never-ending task of balancing and integrating multiple relationships and multiple objectives.

The strategic approach of corporate governance views stakeholders primarily as a factor to be taken into consideration and managed while the firm is pursuing profits for its shareholders. In this view managers might take stakeholders into account because offended stakeholders are likely to resist or retaliate. This approach sees stakeholders as instruments that may facilitate or impede the firm's pursuit of its strategic objective (Carroll and

Buchholtz 2000). Thus, consequently, managers can adopt corporate strategies with social ethics in response to pressure even if these strategies may be costly to shareholders (Wright and Ferris 1997). Therefore, managers find themselves increasingly under pressure from stakeholders concerns regarding social and ethical issues. The growth of the situation devoted to corporate responsibility and improvement of conditions highlights the increasing expectations of stakeholders (Robertson and Crittenden 2003).

The new theory of the firm from a corporate governance perspective portrays the public corporation as a nexus of contracts (Einsenhardt 1989). In the contractual model the managers from the board were disciplined in their pursuit of shareholder value by a phalanx of mechanisms, from the way they were compensated, to the composition of the board of directors, to external market for corporate control (Davis and Useem 2002; Agle et al. 1999). The decade of the 1990s saw the development toward examination of the governance structure of the firm – the set of devices that evolve within the organization to guide managerial decision-making – as an ensemble. Governance structure, in short, was a configuration of interdependent elements: the whole set of legal, cultural, and institutional arrangements that determine what publicly traded corporations can do Blair (1995).

From another point of view R. E. Freeman (1984), who wrote *Strategic Management: A Stakeholder Approach*, argued that each company has its own unique set of stakeholder groups who are affected by corporate activities and can affect the corporation. Stakeholders have much more than just a passing interest in an organization's outcomes. They also actively attempt to affect an organization's behaviours in order to influence its direction so that it consistently meets the needs and priorities.

We can try to analyze a new approach to corporate governance by analyzing other models of corporate "control" in the context of responsibilities. For example: Hawley and Williams (2000) found four models: (1) the simple finance model – in this view, the central problem in corporate governance is to construct rules and incentives (that is, implicit or explicit contracts) to effectively align the behaviour of managers (agents) with the desires of principals (owners). (2) The stewardship model – managers are good stewards of the corporations and diligently work to attain high levels of corporate profit and shareholder returns. It also reinforces the social and professional kudos of being a manager. Donaldson and Davis (1994) note that managers are principally motivated by achievement and responsibility needs and given the needs of managers for responsible, self-

directed work, organizations may be better served to free managers from subservience to non-executive director dominated boards. (3) The stakeholder model – in defining a stakeholder theory Clarkson (1994) states the firm is a system of stakeholders operating within the larger system of the host society that provides the necessary legal and market infrastructure for the firm's activities. The purpose of the firm is to create wealth or value for its stakeholders by converting their stakes into goods and services. (4) The political model by Turnbull (2000) – recognizes that allocation of corporate power, privileges and profit between owners, managers and other stakeholders is determined by how governments favour their various constituencies. The ability of corporate stakeholders to influence allocations between themselves at the micro level is subject to the macro framework, which is interactively subjected to the influence of the corporate sector. The political model is also concerned with the related issue of trading off investors voice to investment exit, and institutional agents monitoring corporate agent (Monks and Minow 1996). We decided to add also other models of corporate governance for consideration, which are based on culture, power and knowledge (Turnbull 2000). A synthesis of all the elements of these models may be required if we are to efficiently develop, construct, test and implement new approaches.

As a reference to the models presented above, our consideration of corporate governance multi-lenses integrated approach begins when corporate executives identify customers requirements and then consider the requirements and potential contributions of employees, suppliers, and other key stakeholders. The company chooses a set of strategies and ethical behaviour that can reflect and support its web of stakeholder relationships and the implicit and explicit contracts it has with its stakeholders (Freeman and Evan 1990).

2. MODEL OF CORPORATE GOVERNANCE: MULTI-LENSES INTEGRATED APPROACH

The verified model covers several elements, which were designed to find out the configuration of a new framework of corporate governance process. This is a social and strategic framework built to understand the factors that have a significant influence on managers – as policy makers, and their ability to recognize potential ethical and social consequences to strategic decisions that concern stakeholders. This approach does not naively suggest that, by delving into the details, management can turn all constraints and trade-offs into a series

of win-win situations for stakeholders. All stakeholders will not benefit all the time. Obviously, even with a detailed understanding of a given stakeholder relationship, most strategies will distribute both benefits and harm between different groups of stakeholders. Win-win situations are not guaranteed. Indeed, it is just as important for management to control strategies that distribute harm in a way that ensures the long-term support of all the stakeholders. Yet, over time, stakeholder interests must be managed in the same direction.

The model is based on a multi-lenses integrated approach to corporations in society and the idea that companies are engaged, be it actively or passively, in creating and improving the relations among stakeholders (see Figure 1).

Empirical research examined the following dimensions: culture, strategic orientations, ethical behaviour moderated by organizational learning and knowledge management towards power and performance. These processes are seen as being the lifeblood of the organization. Just as other living entities exist in a symbiotic relationship with their environment (stakeholders), so do corporations. They provide the energy, information, and resources that are necessary for survival.

Independent variable: building social relations and creating co-operation potential - cultural context, creating strategy intention (Berman et al. 1999) and ethical behaviour (Freeman and Gilbert 1988). To be effective, a strategy de Wit and Meyer (1998) must take account of information the organization receives from the external environment, including information about stakeholders' interests and values. For example, if customer satisfaction is identified as a strategically important goal, the strategy must address the question of what creates customer satisfaction. Companies must know what customers want. The properly chosen factors concerning the dimension of the strategic choice lead to defining a portfolio of categories shared by the members of the corporate governance process. Moreover, we can find out which of the actual and potential interests we should fulfill, care about and protect. Strategies also reflect corporate values. Company's core values, whether clearly articulated or not, influence the selection of strategic goals and decisions about how the company will negotiate and carry out its explicit and implicit contracts with stakeholders. Finally, the strategy identifies which stakeholders are important to the corporation's success and why.

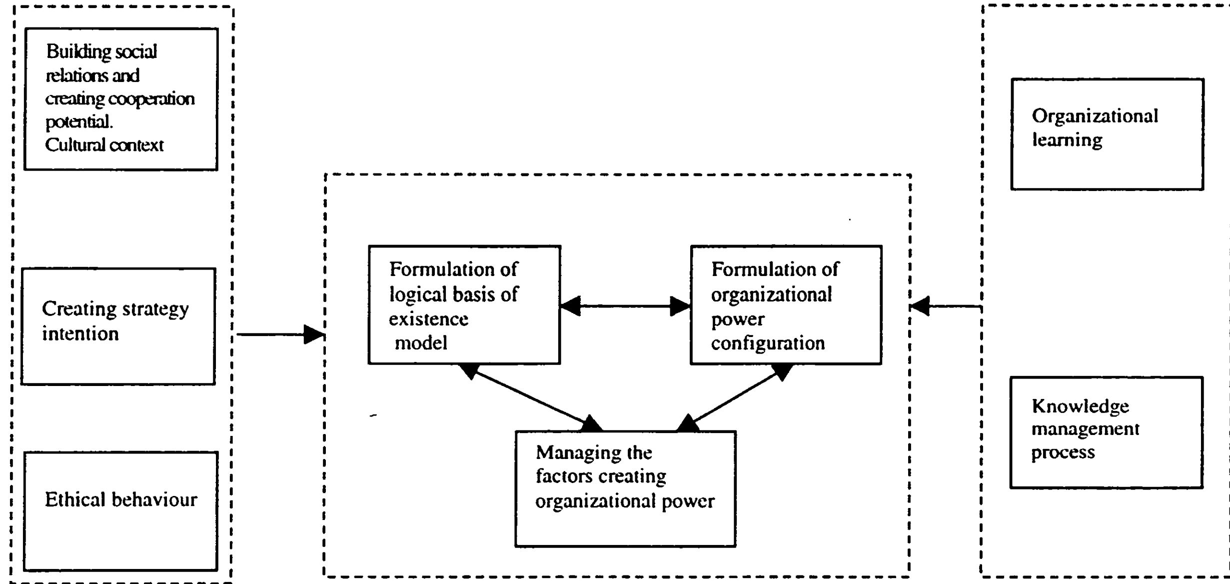

Figure 1. Model of Corporate Governance: Multi-lenses Integrated Approach
Source: Authors' own

Stakeholders may be important because they contribute to profitability, because corporate management and the board feel a sense of social responsibility to the stakeholders' group, because the corporation is legally obliged to participate in that stakeholders' group.

The final major element of the model refers to the research of social relations - cultural context introduces to the model of corporate governance a process concerning shared values and the possibility of their adoption into the whole organization. Corporate culture is helpful in understanding different symbols and activities, therefore it enables the stakeholders to find the most suitable solution. Moreover, using corporate structures as a dimension in the description of corporate governance process can be useful in exploring values which are required but may not exist at the time of the research. Ethics control enables determining how the decisions are taken in respect with an increase of the long-term value in an organization, and how they correspond to justice requirements regarding resource distribution.

Moderating variable: knowledge management and organizational learning (Argyris 2000; Arygiris and Schön 1996; Nooteboom 2000) – another dimension that influences the creation of corporate governance process is knowledge. Since it is not restricted in any way and cannot be used simultaneously in several processes, it therefore seems to be the most effective medium. In organizational learning – almost every complex behaviour is acquired, therefore stakeholders can incorporate human behaviour into institutional forms or their direct participation in creating added values and intangible assets within an organization. Both knowledge diffusion and informed action are elements of exploitation, the process of resource acquisition and co-ordination. Both depend on the willingness of the actors to take risks (Shane and Venkataraman 2000). Organizational learning systems manage the acquisition and interpretation of knowledge, as it is only through diffusion that learning can alter outcomes based on shared processes. The learning process allows the stakeholders to integrate environmental, organizational, and individual processes into something that resembles strategic value (Gartner 1985).

Dependent variable: managing the factors creating organizational power, formulation of organizational power configuration, formulation of logical basis of existence model (Block 1989; Cohen and March 1974; Greiner and Schein 1988; Kanter 1989; Katz and Kahn 1979; Martin 1977; Mintzberg 1983). Possessing power in an organization creates opportunities for achieving goals and allowing a free choice of strategy. A proper selection of tools creating power increases the influence of stakeholders. Such

circumstances increase the chances for success of activities undertaken by stakeholders. Therefore, it is easier to interpret and form a proper strategy to these activities. The understanding of these factors allows us to establish the hierarchy of all factors which create organizational power and therefore it should have an effect in creating appropriate ways of thinking and recognizing the reasons of the managing of the stakeholders. Within the model there is a structure of aspiration factors which stakeholders should accept in order to create optimal governance process towards the categories of stakeholders. Another element which should appropriately exploit the information assets in the corporate governance process is the reflection of power context in an organization, which is used in an observation of social change. These factors indicate those stakeholders who are worth additional attention of a person who manages the corporate governance process and creates the effectiveness of an organization.

The model assumes that corporate performance can be measured using a stakeholder audit that incorporates non-financial as well as financial measures. A stakeholder audit allows corporations to begin to track and therefore understand the impact of stakeholder relationships on bottom line success.

3. METHODOLOGY

The objective of the research was to examine and develop a conceptual model of a new approach to understanding corporate governance as "corporate governing" process. The methodology was based on the strategy formulation, but incorporates additional elements to this process. The following research hypothesis has been formulated:

H1: In the corporate governance process, encompassing factors will positively influence the power factors moderated by knowledge related factors.

The questionnaire researching this process consisted of many statements divided into eight groups with specified factors (see Figure 1). The questionnaire to corporate governance based mainly on stakeholder view incorporates the following dimensions: culture – 22 factors were examined, power – 23 factors were examined, ethics – 8 factors were examined, knowledge creation – 26 factors were examined, organizational learning – 23 factors were examined, and strategy intention – where we examined 21 factors. The statements were constructed in a way making it possible for

respondents to indicate the digit on a seven grade Likert scale (1- I entirely disagree to 7 – I totally agree). The questionnaires were categorized and addressed to top management. The reliability of the questionnaire was measured by Cronbach's alpha (Sekaran 2003) and indicated that all items in questionnaire are positively correlated 0.93 (alpha = 0,93).

The research of the above presented model of corporate governance was carried out in 2001. The sample was prepared for 200 entities but ING Bank Śląski PLC drew only 31 companies by lot, settled in the region of Upper Silesia (Southern Poland). A random sample of these 31 organizations was constructed. It was divided according to the activity (in compliance with the European Classification of Industrial Activity ECIA).

The sample was divided according to ECIA: 41% represented production activity; 16.12% building activity; similarly, wholesale and retail trade were represented – 12.9% researched sample. 9.6% researched sample were real estate companies. The remaining activities were represented by 20% of the sample.

According to their period of existence the surveyed companies were divided into the following categories: from 3 to 10 years was represented by 84% of the sample. In the period over 10 years of existence there were only 10% of researched companies and in the case of companies who have been in existence for under 3 years 6.5 % was represented in this survey.

4. DATA AND ANALYSIS

In order to verify the constructed hypothesis and because of the qualitative character of research, we calculated the Spearman's R correlation coefficient. We analyzed the results using SPSS PL for Windows. The results show that we properly selected the elements to the conceptual model for corporate governance multi-lenses integrated approach, which will be able to improve effectiveness in managing relations between stakeholders and shareholders. As we can see the elements are positively correlated. The research carried out made it possible to assess the ability of Polish companies to manage the relation between stakeholders and to set up proper strategic intentions. The regression results varied from $R=0.36$ to 0.69 for $p<0,05$ (see Figure 2).

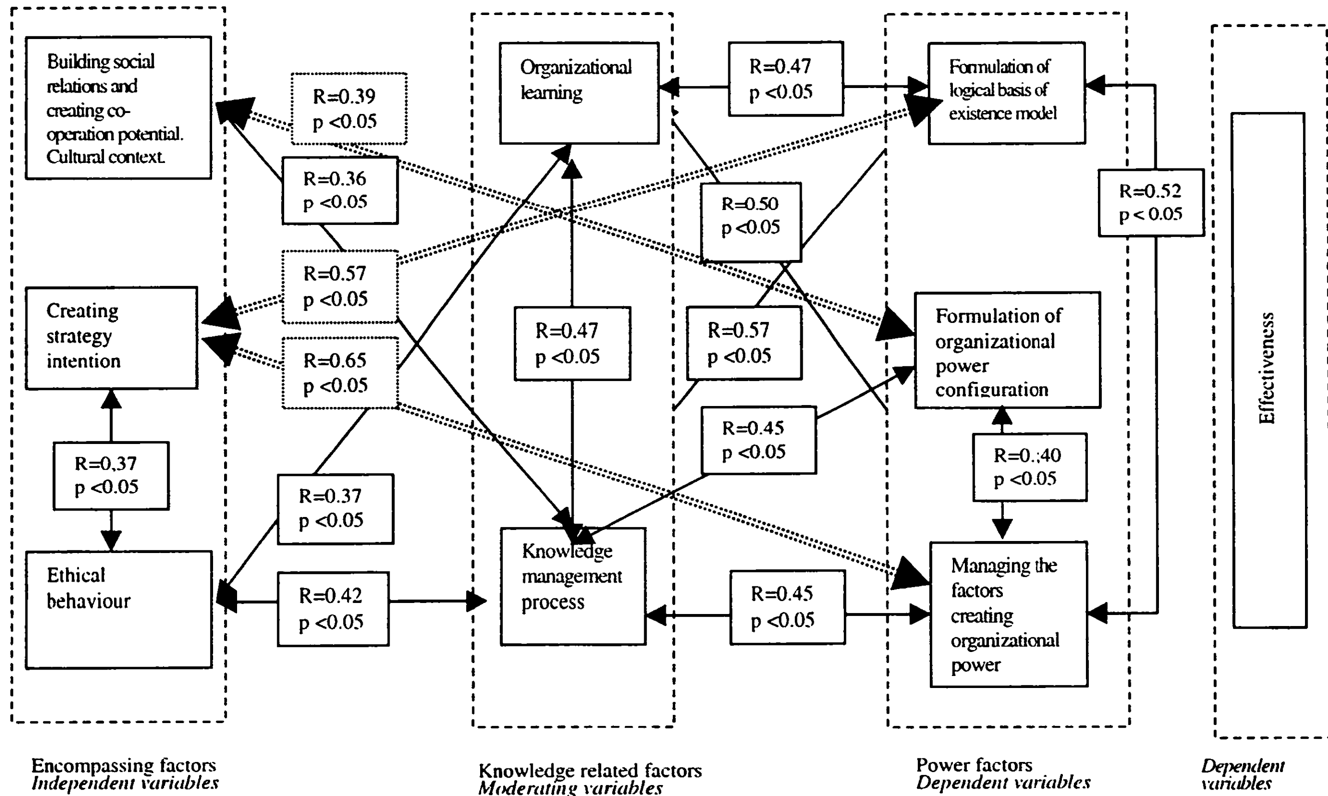

Figure 2. Empirical Evidence for Model of Corporate Governance: Multi-lenses Integrated Approach
Source: Authors' own

For example, the results achieved in the dimension of strategic intention show that there is a tendency in strategic management of a company to determine the level of actual and prospective impact of reference points, such as capital investments, form of property, price, product quality, knowledge, etc, which have a great impact on creating stakeholders' position compared to others and the corporation as a whole. The most important influence on creating the strategic intention for the companies under study (see Table1) is the quality of a product and its price.

Table 1

Comparison of Average Actual and Potential Preference Values in the Dimension of Creating the Strategic Intention

Reference	Average real influence	Average potential influence
Capital investments	4.48	5.45
Source of finance	4.80	5.25
Maintaining profit	4.00	4.93
Share of profits	3.66	4.90
Market specification	4.20	4.63
Product specification	4.58	4.96
Product quality	5.24	5.79
Prices	5.24	5.13
Raw materials	3.96	4.50
Knowledge	4.66	5.66
Results	4.53	5.76
Information	4.43	4.93
Wages	4.30	4.33
Employment	4.36	4.50
Working conditions	4.10	4.53
Roles of social behaviour	3.68	3.96
Environment protection	3.75	4.35
Decision concerning stakeholders	4.58	4.72
Corporate governance in strategy management process	4.51	5.89
Area of stakeholders control	4.20	4.63
Property	4.55	4.75

Source: Authors' own

Both these reference points achieved an average influence score over 5 points. The analysis of respondents expectations concerning future reference points needed for creating strategic intentions shows that the most required are knowledge resources, reinforcement of corporate governance process's participation in strategic management, as well as financial investments. Price and quality maintained their positions. As reference points of low value (the score below 5) the respondents regard social behaviour rules, environmental care, appropriate share of profits and care of raw materials. The following dimension was the formulation of logical basis of existence (see Table 2a and Table 2b).

Table 2A

Formulation of Logical Basis of Existence

Stakeholders category	Stakeholders aspirations shared in the process of corporate governance	Average actual state
Stockholder	Protection, profit	4.77
Banks	Safety, profit, capital value	4.30
Capital investors	Cooperation , potential of influence	4.43
Board of directors	Planning, competence	5.68
Supervisory board	Honesty, reliability	5.03
Middle management	Effectiveness	4.53
Workers	Employment, wages, free time	4.32
Trade unions	Humanitarian help, peace	3.27
Suppliers	Price, quality of service, discounts	4.12
Clients	Quality, price, speed of service	4.62
Competitors	Information, access to the market	2.70
Creditors	Reliability, speed of information cycle	4.50
Local authority	Development, possibility of influence	2.91
Political groups	Co-operation, possibility of influence	2.19
Ecological organizations	Natural protection of environment	3.54
Local society	Donation, social welfare	2.23
Government	Economic development, income from taxes	2.59

Table 2B

Formulation of Logical Basis of Existence

Stakeholders category	Stakeholders aspirations shared in the process of corporate governance	Average prefer state
Stockholder	Protection, profit	5.83
Banks	Safety, profit, capital value	4.69
Capital investors	Cooperation , potential of influence	5.13
Board of directors	Planning, competence	6.34
Supervisory board	Honesty, reliability	5.96
Middle management	Effectiveness	6.03
Workers	Employment, wages, free time	5.09
Trade unions	Humanitarian help, peace	4.21
Suppliers	Price, quality of service, discounts	5.43
Clients	Quality, price, speed of service	6.13
Competitors	Information, access to the market	3.91
Creditors	Reliability, speed of information cycle	5.38
Local authority	Development, possibility of influence	4.26
Political groups	Cooperation, possibility of influence	3.38
Ecological organizations	Natural protection of environment	3.86
Local society	Donation, social welfare	3.57
Government	Economic development, income from taxes	4.18

According to the respondents the most important are: competencies and planning (management board; 5.68; 6.34), honesty and reliability (supervisory board; 5.03; 5.96), efficiency (middle management; 4.53; 6.03), and quality and price (clients; 4.62; 6.13); while the least important are development and influence (local authorities; 2.91; 4.26), natural environment protection (ecological organizations; 3.54; 3.86).

CONCLUSION

Based on our considerations, several questions arise: does the group have a moral, ethical or legal claim on the corporation?, Does the stakeholder group have the power to affect the corporation?, Does the stakeholder make a claim for urgent action? Does the group demand immediate attention from the corporation? These questions and others should be asked for the characteristics of the influence, whether a manager will pay attention to the stakeholders' group or not. It may show that managers thinking about building owners' competitive advantage should use them together. Some would argue that we are again on the threshold of a major shift in perspective from a stakeholders theory to shareholders theory of corporations in society. We can conclude that the model of corporate governance process and the empirical results based on this model represent that the attitude towards corporate governance showed that elements in model of corporate governance process should be considered as an integrated approach, which treats the corporation as embedded in a network of interdependent stakeholder relationships that are evolving. While most business leaders today accept the idea that companies have "stakeholders" that both affect the organization and are affected by it, the dynamism of the relationship and the degree of interdependence between companies and their stakeholders is less widely understood. The tool we have presented was used to diagnose corporate governance process (Bratnicki and Kozłowski 2002) as an integrated approach. It is useful in a whole range of organizations: small and medium companies, large corporations, local and multinational. While researching the issues concerning corporate governance we could also use the tool used in diagnosing non-financial risk management (Bratnicki et al. 2002; Bratnicki et al. 2001).

While analyzing the corporate governance process it should become obvious that managers need a complex tool to manage stakeholders' group inside and outside a firm. This will expose a firm and its top management to the waves of conflicts inside thes groups and between them and a firm.

However, the proper balance of these relations, which are included in the presented model of corporate governance process, determines the success of a firm's strategic management.

We may conclude that a business ecosystem consists of multiple stakeholder relationships. Within that business ecosystem, corporate decision-makers and stakeholders cooperate, compete, and co-evolve, as each develops new capabilities and forces others to grow and change.

The findings of this study suggest that corporate governance does matter, and that it is possible to identify the proper relations employed for different types of stakeholders. Beyond the obvious theoretical implications, both practitioners and consultants may benefit from utilizing the model proposed in this study as an analytical framework to improve corporate governance.

Today, integrating process, contexts, and outcomes require the simultaneous and repeated measurement of complex variables located at different levels of analysis. For example, feedback from effectiveness modifies stakeholders' strategies, which, in turn, alter the likelihood of achieving a new outcome. At least in theory, if stakeholders learn then outcomes also shape strategy. Paradoxically, the more we learn as researchers, the more we discover what else we need to know.

The exploration of the different dimensions, variables, and issues of an integrated study of corporate governance should be put into further consideration. The main task set by us, this integration, is still unfulfilled. But how can we accomplish such an overwhelming task? Many of referees recommendations still apply. We need more longitudinal studies that may help us find causal linkages among variables and that can also provide a picture of on-going adaptation processes.

We also need to improve our measurements of environments and strategies. If we cannot measure the environmental forces that affect a corporation and the sometimes subtle changes in response to them, how can we aspire to understand the reciprocal relationships between them? The next step in corporate governance research is very clear: we need to explain the interactions among stakeholders, strategy, environment, process, context and effectiveness. Our challenge is to generate new theoretically derived hypotheses, develop measures, collect data, and apply statistical techniques. This is not a small task, but is surely worth our efforts over the next years.

Finally, further research based on larger samples are needed to generate a satisfactory picture of model of corporate governance: multi-lenses integrated approach.

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