Rutgers University
School of Management and Labor Relations

Fall 2015
Corporate Governance, Undergraduate Course
Human Resource Management, 37:533:376:01 Index 09897

also offered as Corporate Governance, Power, and Control, Undergraduate Course
Department of Labor and Employment Relations, 37:575:376:01 Index 09907

Time: Wednesday, 8:40 a.m.-11:40 a.m.
Classroom: Tillett (TIL) 232, Livingston Campus

Professor Joseph R. Blasi, J. Robert Beyster Distinguished Professor
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Phone: 848-445-5444
Office: Levin Building, Suite 200C
Office Hours: Wednesday at 8:15 a.m. before class & 11:40 a.m. pm after class outside the classroom and additional office hours to be announced by appointment

Teaching Assistants:
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Teaching Assistant Office Hours: Wednesday at 8:15 a.m. before class & 11:40 a.m. pm after class outside the classroom and additional office hours to be announced

Secretary: Beth Schriefer, Suite 216 Levin Building
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Textbook:

Monks, Robert A.G. and Nell Minow. Corporate Governance. Fifth Edition. New York: John Wiley & Sons, 2011. Paperback only. ISBN 978-0-470-97259-5. Available from the Bookstore or the publisher or at online booksellers. **Note: The 5th edition is a complete revision of this text. Use only the 2011 new fifth edition.** Earlier used copies of the textbook will not be suitable for this course. **Note: Two copies of the text book are on reserve at the Livingston Library.**

The top research articles and working papers by major experts in corporate governance will be available. Each student will present a brief written and verbal presentation on one of these articles during the course to their class team.

The Wall Street Journal and The New York Times (for current corporate governance articles)

Note: Student subscription forms for the term will be available at the first class. This is recommended but not required. You will be also referred to pertinent articles on the web sites of the publications.)

Course Description:

This is an introductory survey course that explores the relationship between corporate governance and the economic, social, and political impact of corporations. Topics include: history of the corporation and citizen and employee stock ownership, boards of directors, minorities and women on corporate boards, principal-agent/stakeholder theories, role of management and executive compensation, broad-based profit sharing, employee ownership, stock options, shareholder rights and activism, takeovers and mergers, labor issues and the role of pension funds, international corporate governance, the relationship between governance, corporate performance and financial collapses, the role of public stock markets, government oversight and the U.S. Securities and Exchange Commission (SEC), social and environmental sustainability and corporate social responsibility, and debates about public policy and government regulation of the corporation. Discusses implications for human resource management and labor and employment relations.

Skills:

Students will be come conversant with the major issues of the modern corporation and the major social science questions raised about the corporation in terms of governance and its role in society and the important research questions and sources of evidence on corporate behavior. Students will learn how to use the U.S. Securities and Exchange Commission web site in order to understand the principal information in Annual Reports and Corporate Proxy Statements filed before the SEC. Students will become familiar with several corporations, their stories and issues, along with the principal institutions in corporate governance in the United States: regulatory bodies, stock exchanges, associations of corporations, shareholder rights groups, corporate governance standards groups, corporate social responsibility institutions, and the principal research centers on corporate governance in the U.S. Students will develop a general understanding of the differences between the corporate governance systems of several nations and geographic areas worldwide (for example, Asia, Europe, and Africa). Students will hear brief reports from fellow students on many of the leading research articles on corporate governance. Students will be presented with a number of possible careers in management, labor relations, law, academia, public service, media, and non-profit research related to the field of corporate governance. Students do not require an understanding of economics or finance in order to take this course and any concepts from these disciplines necessary to understanding the material of the class will be explained clearly during the lectures.

Approach:

There will be a lecture at each class and then a discussion of a series of cases with some small group discussions and breakouts. Students will receive a copy of a powerpoint providing a general overview of the lecture on Sakai before the class so that you can use it as a basis for taking notes. Please print it out and bring it to class. Additional copies will also be available from the instructor. Each student should submit one question and one comment on one sheet of paper to the teaching assistants before each class. This is part of your participation grade. The

entire class will be divided into affinity groups and teams made up of the 4 students sitting nearby. These groups will be used for smaller discussions, for team presentations, and to prepare questions for the instructor.

Required Work:

Students are required to turn in one question on a sheet of paper to the teaching assistants before every class in the morning. These questions should address issues that were unclear in the reading or any past questions from past classes that require clarification. These will be used as a basis for questions the instructor will address in the current and subsequent classes. Students will take three multiple choice exams with a few narrative questions. Students will prepare a brief 1 page (front and back) report on a research article to present to their affinity group/team. Students have the option (only if they wish it) to do an honors paper at the end of the class on a corporate governance question. If you select this option, you may select the grade for the honors paper or the grade for your final exam, whichever is the highest, as your third exam grade.

Attendance:

Participation in the lectures and class meetings is critical to the class both in terms of being present in class and fully participating. Attendance will be taken in class and those not participating will lose points on the participation score. Materials will be presented in class that are not covered in the book and they will make up a significant part of the examinations. All materials will be available on Sakai. A student missing more than 3 classes will not receive credit for this course. Each student will have one excused absence that will not count towards these three classes. This excused absence can be used for any reason and does not require a note so it can be used for an absence related to an illness, for example. There will be two extra points on top of the entire grade for perfect attendance, meaning the excused absence is also not used.

Examinations:

There will be three examinations as noted on the course schedule. Each exam will cover approximately one-third of the course material. Make-up policy: An examination grade of "0" will be assigned to any student who is absent without a legitimate excuse on the day of the regularly scheduled exam. Legitimate excuses include illness (verified only by a note from a doctor or area Dean), inclement weather (only when the Rutgers Information Service (732-932-INFO) indicates that Rutgers is closed or when the instructor emails the class announcing class is suspended) or other dire circumstances such as a family emergency. One make-up exam will be held when all students needing to take a make-up exam can be present. Students requiring special arrangements should present a statement to that effect with appropriate documentation as early in the semester as possible, but certainly prior to the first midterm examination.

Grading:

Grades will consist of the following components of 100% of the grade: Examination 1 – 24%; Examination 2 – 20%; Examination 3 – 25%; Participation - 26%
Points can be deducted for not being present in order to participate in the class and for egregious classroom conduct (as described below). One class absence reduces your participation score by 2.5 points. Each exam will receive a score of 0 to 100 points.

A = 91% and above.; B+ = 85%-90%; B = 80%-84%; C+ = 75%-79%; C = 70%-74%; D= 65%-69%;F = less than 65%. Students will present one two-page written report dealing with a serious research article on corporate governance for 5% of their grade to their team. Honors students will have the option of doing a final paper in lieu of the final exam.

Academic Integrity:

The rights of students will be protected to insure that test scores are related to competence in the subject matter. Therefore, all examinations will be carefully proctored. If cheating is detected, it will be prosecuted to the limit allowed by University policies. An academic integrity contract is attached to this syllabus. Students must submit a signed copy of the contract before the second class they attend. ASSIGNMENTS AND EXAMS TURNED IN BEFORE THE ACADEMIC INTEGRITY CONTRACT IS HANDED IN WILL RECEIVE A GRADE OF "0."

Classroom Conduct:

It is important for a serious learning experience to have a quiet and respectful environment in the classroom. The following will not be permitted in class:
a. cell phones, pagers, and text messaging devices which should be turned off and put away and out of sight; b computers should be turned off and put away; c. napping; d. chit-chatting; e. reading the newspaper; f. studying for or doing homework for other courses; g. arriving at class late on a consistent basis; h. leaving class early on a consistent basis.; i. other behavior that disrupts the learning environment.. When you do any of these things it is hard to argue you are participating in class and points will be deducted from your participation score. Participation points will automatically be deducted for these behaviors.

Class Schedule:

Date	Topic	Reading Assignment
Sept. 2	Introduction History of The Corporation The Corporation: A Film (homework viewing)	 Monks & Minow, 1-46
Sept. 9	Theories of the Corporation and Corporate Power Case Study: General Motors	 Monks & Minow, 47-100 See Powerpoint on Sakai
	Workshop: How To Read A Corporate Proxy?: Google	 www.sec.gov
Sept. 16	Shareholders Shareholder Activism: Institutional Investors, Union Pension Funds, Hedge Funds, Activist Investors	Monks & Minow, 101-143 Monks & Minow, 144-250

	Case Study: Microsoft	
	What Is a Proxy Contest?	
Sept. 23	Case Study: The Enron Movie The Smartest Guys in the Room (Full length motion picture)	Monks & Minow, 251-259 Monks & Minow, 291-303
Sept. 30	Boards of Directors Case: Lehman Brothers	Monks & Minow, 260-291 Monks & Minow, 304-346
Oct. 7	Midterm Examination I	See Study Guide on Sakai

Note: The instructor will hand out a study guide for Exam One before the exam and hold special extended office hours in a conference room to help students study for it. The teaching assistants will also hold several special office hours to help students study for this exam. The professor will also hold a Sakai Chatroom 3 days before the exam in order to answer your online questions about subjects that will appear on the exam.

Oct. 14	Executive Compensation Selected cases	Monks & Minow, 347-391
Oct. 21	Employee Ownership, Profit Sharing, and Broad-Based-Stock Options	Monks & Minow, 399-414 Introduction, Shared Capitalism At Work by Kruse, Freeman, Blasi Chs. 1, 4 In The Company of Owners by Blasi, Kruse, Bernstein. (Available on Sakai)
	Publicly-traded Corporations: Case Study: Procter & Gamble Case Study: Southwest Airlines	Readings at: www.pg.com www.southwest.com
	Closely-Held Corporations Film: We The Owners (An Independent Film)	
	What Is An Employee Stock Ownership Plan (ESOP)?	www.nceo.org
	The Role of Entrepreneurial Start-ups in the Economy	

Oct. 28	Takeovers, Mergers, Acquisitions, Privatizations, & Nationalizations Case: Citicorp	Monks & Minow, 283-290
Nov. 4	Midterm Examination II	See Study Guide on Sakai

Note: The instructor will hand out a study guide for Exam One before the exam and hold special extended office hours in a conference room to help students study for it. The teaching assistants will also hold several special office hours to help students study for this exam. The professor will also hold a Sakai Chatroom 3 days before the exam in order to answer your online questions about subjects that will appear on the exam.

Note: Students will select a major research article in a scholarly journal and prepare a 2 page summary and presentation to their group. See Journal Article and Model Format on Sakai.

Nov. 11	Corporate Governance Standards & Report Cards Web sites: http://www.issgovernance.com/ http://www.gmiratings.com/about.aspx Case Study: Actual corporate report card to be announced from the most recent proxy season	Available online & Sakai Sample Corporate Report Cards
Nov. 18	The Securities & Exchange Commission & Regulation Workshop on Understanding Corporate Information on the SEC Web Site Workshop: How To Read A Corporation's Annual Report? Example of Google	Selected readings at: www.sec.gov See Proposed Rule on Corporate Political Spending (Sakai)
Nov. 25	THERE WILL BE NO CLASS THE WEDNESDAY BEFORE THANKSGIVING.	

Nov. 26-Nov. 29 Thanksgiving Holiday

Dec. 2 International Corporate Governance
Case Studies: China, Germany,. Japan, and India

Monks & Minow, 415-463
Also read: Investor Protections: Origins, Consequences,
And Reform. LaPorta, deSilanes, Shleifer, Vishny (Sakai)

Dec. 9

Corporate Ethics

Monks & Minow, 464-488

Case Study: Hewlett Packard

Corporate Social Responsibility
& The Sustainable Corporation

Socially Responsible Investing

Tomorrow's Owners: Stewardship of Tomorrow's Company" by Mark Goyder (Sakai)
The Pyramid of Corporate Social Responsibility by Archie B. Carroll (Sakai).

The date of the final exam will be announced. See the Study Guide on Sakai.

THE FINAL EXAM. The date chosen by the University for the final exam will be announced early in the class. Note: The instructor will hand out a study guide for the Final Exam before the exam and hold special extended office hours in a conference room to help students study for it. The teaching assistants will also hold several special office hours to help students study for this exam. The professor will also hold a Sakai Chatroom 3 days before the exam in order to answer your online questions about subjects that will appear on the exam.

Please see the Academic Integrity Contract which must be signed and turned in at the first class. Bring a signed copy with you to the first class.

Academic Integrity Contract

(To be signed and turned in at the first class)

All members of the Rutgers University community are expected to behave in an ethical and moral fashion, respecting the human dignity of all members of the community and resisting behavior that may cause danger or harm to others through violence, theft, or bigotry. All members of the Rutgers University community are expected to adhere to the civil and criminal laws of the local community, state, and nation, and to regulations promulgated by the University. All members of the Rutgers University community are expected to observe established standards of scholarship and academic freedom by respecting the intellectual property of others and by honoring the right of all students to pursue their education in an environment free from harassment and intimidation. Please see http://policies.rutgers.edu/PDF/Section10/10.2.11-current.pdf for details regarding the Student Code of Conduct. Please see http://academicintegrity.rutgers.edu/files/documents/AI_Policy_9_01_2011.pdf for details regarding the Academic Integrity Policy.

Similarly, all students and faculty members of the academic community at the School of Management and Labor Relations should uphold high standards for personal conduct, ethical behavior, and professional integrity. In the area of academic integrity, students are expected to refrain from cheating, fabricating information, plagiarizing, inappropriately denying others access to material, and facilitating others in academic dishonesty. Please see http://policies.rutgers.edu/PDF/Section10/10.2.11-current.pdf (pp. 24-28) for detailed descriptions of each type of action.

Any of the following acts, when committed by a student, is an act of academic dishonesty and decreases the genuine achievements of other students and scholars. Academic dishonesty includes, but is not limited to, any of the following:

Plagiarism/False Representation of Work

· Quoting directly or paraphrasing portions of someone else's work without acknowledging the source.

· Submitting the same work, or major portions thereof, including presentations, to satisfy the requirements of more than one course without permission from the instructor.

· Using data or interpretative material for a report or presentation without acknowledging the sources or the collaborators.

· Failing to acknowledge assistance from others, such as help with research, statistical analysis, or field data collection, in a paper, examination, or project report.

· Submitting purchased materials such as a term paper as your own work.

· Copying or presenting material verbatim from any source without using quotation marks.

· Copying from any source and altering a few words to avoid exact quotation, without the appropriate documentation or by using improper documentation of the source.

· Rewording the major concept found in a source but then omitting documentation or improperly citing the source.

· Submitting as one's own any work created by someone else (e.g., paper, project, speech, video, exercise, etc.) without crediting them. Large duplication of someone else's work should be avoided unless you obtain express permission from both the instructor and originator of the work.

· Fabricating or misrepresenting data or information

· Forging signatures

Cheating

· Copying work on examinations.

· Acting to facilitate copying during an exam.

· Sharing answers through technology or in written or verbal form when such interactions are prohibited

· Using prohibited materials, such as books, notes, phones, or calculators during an examination.

· Working with another student on an assignment when such collaboration is prohibited.

· Stealing or having in one's possession without permission any materials, or property belonging to or having been generated by faculty, staff, or another student for the course.

· Willfully offering to do another student's work so they may represent it as their own

· Assisting another student in cheating or plagiarizing

· Doing another student's work, excluding collaborative learning assignments or joint assignments approved by the instructor.

Engaging in any of the above behaviors can result in an F on the examination or project, an F in the course, denial of access to internships, suspension for one or more semesters, or permanent expulsion from the School of Management and Labor Relations at Rutgers University.

I, _____ understand the Policies on Academic Integrity and the Student Code of Conduct at Rutgers University and the School of Management and Labor Relations. Furthermore, I understand the consequences of unethical behavior.

We all share a responsibility in creating an ethical environment. I resolve to uphold and support high standards for ethics and integrity at Rutgers University. If I see, hear, or observe violations of ethics and integrity I will report them to my instructor, Department Chair, or Dean.

Student Signature: _____ Date: _____

Student Name (Please Print): _____

Rutgers University ID: _____

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