



SCHOOL OF MANAGEMENT AND LABOR RELATIONS  
DEPARTMENT OF LABOR STUDIES & EMPLOYMENT RELATIONS  
DEPARTMENT OF HUMAN RESOURCES MANAGEMENT

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**CORPORATE GOVERNANCE**

HUMAN RESOURCE MANAGEMENT, 37:533:376:01

*ALSO OFFERED AS:*

**CORPORATE GOVERNANCE, POWER, AND CONTROL**

LABOR AND EMPLOYMENT RELATIONS, 37:575:376:01

**SPRING 2020**

**TIME & LOCATION OF CLASS: TUESDAY AND THURSDAY, 3:20 - 4:40 PM**  
**TILLET HALL – ROOM 242, 53 AVENUE E, PISCATAWAY, NJ**

**PROFESSOR PETER ROKKOS**

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**Contact Information**

**Instructor:** Peter Rokkos  
peter.rokkos@rutgers.edu  
Cell: 732 216 4209  
Office: Janice H. Levin Building 94 Rockefeller Road, Suite 215

**Teaching Assistant:** Pallavi Jalakam  
pj228@scarletmail.rutgers.edu

Please note that other students probably have similar questions to yours so use the Discussions feature on Canvas for any public questions relating to assignments; use email for any personal messages. Please use “Corporate Governance” in the Subject section of any emails sent to the instructor or Teaching Assistants.

**Office Hours:** Office hours for Professor Rokkos are prior to and immediately after class in classroom; typically, between 6 and 7pm on Monday and 5 and 6:30pm on Tuesday in his office (although please email to confirm as this time changes) and otherwise by appointment. Office hours will be provided by the Teaching Assistants on Canvas. We strongly encourage students to schedule some time for office hours, either in an office or at various areas across campuses, so please reach out.

## **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. The course will discuss and analyze these implications for human resource management and labor and employment relations.

## **Course Materials**

### **Required:**

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. Referred to below as “Monks & Minnow”.

### **Notes:**

- The 5th edition is a complete revision of this text. Use only the 2011 new fifth PAPERBACK edition. Earlier used copies of the textbook will not be suitable for this course.
- Two copies of the textbook are on reserve at the Livingston Library.

Additional readings including research articles and working papers in corporate governance will be available on Canvas.

**Canvas:** The course will be using Canvas extensively; the course site for Canvas may be accessed through the following link:

<https://rutgers.instructure.com/courses/51498>

If you are new to Canvas, be sure to complete the Canvas Tutorials under Course Tools Tutorials section of the Modules.

**Poll Everywhere:** During lectures throughout the semester, I will often present you with polls and ask you to answer them using a website called Poll Everywhere. This site allows you to respond to polls in a number of different ways, including (1) your cell phone, via text message, (2) the web browser on your laptop, iPad/tablet, or cell phone, and (3) certain apps available on your cell phone.

Poll Everywhere will be used during the semester to collect your feedback and to take attendance. Please follow the following link in order to create a Poll Everywhere account.

<https://PollEv.com/peterrokkos/register>

By registering with this account, the instructor will be able to view your email and see your responses to polls (unless the poll is clearly marked as anonymous).

You will be asked to provide your email address, certify your mobile phone number (if you would like to participate in my polls via SMS texting), and create a password. Please choose to share your name with the instructor after you register. If you have any questions, please visit the Poll Everywhere User Guide (<http://www.polleverywhere.com/user-guide>).

It is considered a serious act of academic dishonesty to respond to Poll Everywhere questions when not physically present in the classroom. To be clear, you must be in your seat in the classroom: not on the bus, not down the hall—in the classroom, and ready to participate in the class!

**Recommended.** The reading of business publications such as the Wall Street Journal, New York Times, Fortune, or the Harvard Business Review is highly encouraged. Many business publications are available through the University Library – a service for which you have already paid. Additional web sites offering business insights in general and specific articles on corporate governance will be discussed in class and linked through Canvas. These sources can provide you with details for the Participation component of your grade discussed below.

### **School and Department Learning Objectives**

This course is designed to help students attain the following SMLR learning objectives:

- **Written & Oral Communication** – Communicate effectively at a level and in modes appropriate to an entry level professional.
- **Understanding Context** - Evaluate the context of workplace issues, public policies, and management decisions.

### **Class Goals and Skills**

Students will become 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 be presented with several 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 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.

## **Class Approach**

There will be a lecture at each class and then a discussion of a series of examples from recent news. Power Point presentations used during the lecture will be posted shortly prior to class on Canvas so that you can use them as a basis for taking notes or to follow along.

## **Participation**

Each student will be required to submit a comment on Canvas during most weeks prior to each class using the Assignments folder on Canvas. **This is part of your participation grade which accounts for 25% of your overall grade.** These comments should address issues discussed in the current week's readings, specific topics relating to certain movies assigned or guest lectures presented in class, or topics in the news relating to these materials. See Canvas each week for details on a particular week's submission. Students will be called upon in class to discuss their Participation comment so please come to class prepared to engage on the comment you provided. **Failure to be available in class to discuss your Participation comment if selected will result in a material grade reduction for your Participation submission during that class.**

## **Required Work**

In addition to the weekly Participation Assignments, students will take two multiple choice and essay exams (one midterm and one final exam during exam week). Each exam will include an essay question on a corporate governance problem that requires creative thought.

Students will also prepare one two-page written report analyzing a serious research article on corporate governance for 20% of their grade.

**Extra Credit Work.** Extra credit will be given for a written assignment which will be assigned towards the end of the semester.

## **Exams**

There will be two examinations as noted on the course schedule. The midterm exam will cover all materials through approximately mid-semester; and the final exam will be cumulative. **All exams are open book and open note, with full internet support available for PCs, tablets or cell phones.** However, all academic integrity standards including cooperation from a third party will be strictly maintained.

**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.

## CLASS SCHEDULE

Note that the class schedule, dates, materials and assignments noted below are tentative and subject to change. Please check Canvas regularly for updated schedules, materials and due dates as well as other relevant information.

Date	Topic	Reading Assignment
<p><b>Week 1</b> January 21 and 23</p>	<ul style="list-style-type: none"> <li>• Introduction</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 1-46</li> <li>• History of the Corporation: A Film (HW Viewing)</li> </ul>
<p><b>Week 2</b> January 28 and 30</p>	<ul style="list-style-type: none"> <li>• Theories of the Corporation and Corporate Power</li> <li>• Stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 47-100</li> </ul>
<p><b>Week 3</b> February 4 and 6</p>	<ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Shareholder Rights</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 101-143</li> <li>• See additional materials posted on Canvas</li> </ul>
<p><b>Week 4</b> February 11 and 13</p>	<ul style="list-style-type: none"> <li>• Shareholder Activist: Institutional Investors, Union Pension Funds, Hedge Funds, Activist Investors</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 144-205</li> <li>• See additional materials posted on Canvas</li> </ul>
<p><b>Week 5</b> February 18 and 20</p>	<ul style="list-style-type: none"> <li>• Board of Directors and Officers</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 206 -259</li> <li>• Monks &amp; Minow, 291-303</li> <li>• The Enron Movie – The Smartest Guys in the Room (HW Viewing)</li> <li>• See additional materials posted on Canvas</li> </ul>
<p><b>Week 6</b> February 25 and 27</p>	<ul style="list-style-type: none"> <li>• Corporate Governance Failures</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 260-291</li> <li>• Monks &amp; Minow, 304-346</li> <li>• See additional materials posted on Canvas</li> </ul>
<p><b>Week 7</b> March 3 and 5</p>	<ul style="list-style-type: none"> <li>• Catch up and Midterm Preparation</li> <li>• Midterm Examination</li> </ul>	<ul style="list-style-type: none"> <li>• Study Guide to be Provided</li> </ul>

<p><b>Week 8</b> March 10 and 12</p>	<ul style="list-style-type: none"> <li>• Employee Ownership</li> <li>• Profit Sharing</li> <li>• Broad Based Stock Options</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 347-391</li> <li>• See additional materials posted on Canvas</li> </ul>
<p>March 17 to 19</p>	<ul style="list-style-type: none"> <li>• NO CLASS</li> <li>• SPRING BREAK</li> </ul>	
<p><b>Week 9</b> March 24 and 26</p>	<ul style="list-style-type: none"> <li>• Executive Compensation</li> <li>• Publicly-traded Corporations</li> <li>• Closely-Held Corporations</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 399-414</li> <li>• Film: We The Owners (An Independent Film) (HW Viewing)</li> <li>• See additional materials posted on Canvas</li> </ul>
<p><b>Week 10</b> March 31 and April 2</p>	<ul style="list-style-type: none"> <li>• Takeovers, Mergers, Acquisitions and Strategic Transactions</li> <li>• Takeover Defense</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 283-290</li> <li>• See additional materials posted on Canvas</li> </ul>
<p><b>Note:</b> Students will select a major research article in a scholarly journal and prepare a 2-page summary. Details will be provided in class and on Canvas with a due date of ~April 30.</p>		
<p><b>Week 11</b> April 7 and 9</p>	<ul style="list-style-type: none"> <li>• Corporate Governance Standards and Report Cards</li> </ul>	<ul style="list-style-type: none"> <li>• See Canvas for Week 11 materials</li> </ul>
<p><b>Week 12</b> April 14 and 16</p>	<ul style="list-style-type: none"> <li>• The Securities and Exchange Commission</li> <li>• SEC Regulation</li> </ul>	<ul style="list-style-type: none"> <li>• See Canvas for Week 12 readings</li> <li>• Inside Job Movie (HW Viewing)</li> </ul>
<p><b>Week 13</b> April 21 and 23</p>	<ul style="list-style-type: none"> <li>• International Corporate Governance</li> <li>• Case Studies: China, Germany, Japan</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 415-463</li> <li>• See additional materials posted on Canvas</li> </ul>
<p><b>Week 14</b> April 28 and 30</p>	<ul style="list-style-type: none"> <li>• Corporate Ethics</li> <li>• Corporate Social Responsibility and the Sustainable Corporation</li> <li>• Socially Responsible Investing</li> </ul>	<ul style="list-style-type: none"> <li>• Monks &amp; Minow, 464-488</li> <li>• See additional materials posted on Canvas</li> </ul>

Final Exam  TBD	The date and location chosen by the University for the final exam will be announced once confirmed by the University.
<p><b>Exam Notes</b></p> <p>The instructor will post on Canvas a study guide for each exam before the exams. The instructor and teaching assistants will also be available for extended office hours to help students' study for these exams.</p>	

**Assessment Policy**

**Grading**

Grades will consist of the following components of 100% of the grade:

Grading Components	% of Final Course Grade
Midterm Exam	25%
Final Exam	30%
Research Report	20%
Participation	25%

Letter Grade	Scores Based on Course Components
A	90-100
B+	85-89
B	80-84
C+	75-79
C	70-74
D	60-69
F	< 60

**Note:** Rounding up or down for 'in between grades' will be based on multiple factors including participation and attendance; but will only be considered for 1% point. For example, an 84.6% may round up to an 85% for a B+ if attendance and participation are exceptional; an 84.4% will in all but exceptional instances not round up; and an 83.9% will

not be considered for rounding up to a B+. The thresholds for final letter grades will be re-scaled if a conventional standard seems unreasonable.

Requests for recommendations must be made in writing after completion of the course.

### **Attendance and Participation**

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 using Poll Everywhere at various times during class, and those not in attendance will lose points on their final average score. Materials will be presented in class that are not covered in the readings and they will make up a significant part of the examinations. All additional materials will be available on Canvas.

A student missing more than 50% of the classes will not receive credit for this course. Each student will have one excused absence that will not count towards missed classes or receive any penalty to their attendance grade. 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.

Points can be deducted for not being present to participate in the class and for egregious classroom conduct (as described below).

At the instructor's discretion, perfect attendance (attending all classes in full) and consistent contributions to class discussions and homework review may improve your final grade. Conversely, attendance below ~85% will reduce your final grade on a sliding scale. You should track your attendance on Canvas, and your overall attendance percentage (present in class out of total classes where attendance was taken) can be seen on Canvas in the Gradebook under Roll Call Attendance.

### **Readings and Deadlines**

All readings should be completed prior to the date noted on the syllabus. Due dates and deadlines are firm. Unless you can get prior approval, each day late will result in increasing penalties. You must download your assignments and upload your completed written assignments in the Assignments folder on Canvas.

### **Academic Integrity**

All students are responsible for locating, reading, and abiding by the University Policy on Academic Integrity for Undergraduate and Graduate Students. The policy is available at <http://cat.rutgers.edu/integrity/policy.html>.

The rights of students will be protected to ensure 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.

Some additional thoughts on assignments, exams and academic integrity:

- Submissions must be complete; no partial assignments can be submitted; they will not be accepted.



- Cheating or copying from another student's answers will result in a ZERO for both involved.
- Working or studying together does not constitute as cheating as long as all work is original and not duplicated.
- Uploading or downloading course answers/materials/etc. or someone else's work from previous semesters is plagiarism and considered cheating resulting in a zero grade.
- Open book and open note exams are given to allow for a more realistic work environment that grants students access to all resources they could apply to a problem. Using these resources to search for relevant information on the internet is allowed however a Google search of a multiple-choice question to see if the answer key exists on the internet is not.

### **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. napping; b. chatting; c. browsing the internet; d. watching videos; e. studying for or doing homework for other courses; f. arriving at class late on a consistent basis; g. leaving class early on a consistent basis; h. 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/attendance points will be deducted for these behaviors.

### **Special Needs**

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation: <https://ods.rutgers.edu/students/documentation-guidelines>. If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the Registration form on the ODS web site at: <https://ods.rutgers.edu/students/registration-form>.

### **University Resources**

The Center for Teaching Advancement and Assessment Research supports teaching and learning through a variety of areas. Free for students are software workshops in Excel, Word, PowerPoint, Access, etc. [http://ctaar.rutgers.edu/workshops/ws\\_descr\\_IT.html](http://ctaar.rutgers.edu/workshops/ws_descr_IT.html)

Counseling, ADAP & Psychiatric Services (CAPS): (848) 932-7884 / 17 Senior Street, New Brunswick, NJ 08901. CAPS is a University mental health support service that includes counseling, alcohol and other drug assistance, and psychiatric services staffed by a team of professional within Rutgers Health services to support students' efforts to succeed at Rutgers

University. CAPS offers a variety of services that include: individual therapy, group therapy, and workshops, crisis intervention, referral to specialists in the community and consultation and collaboration with campus partners.

Violence Prevention & Victim Assistance (VPVA): (848) 932-1181 / 3 Bartlett Street, New Brunswick, NJ 08901. The Office for Violence Prevention and Victim Assistance provides confidential crisis intervention, counseling and advocacy for victims of sexual and relationship violence and stalking to students, staff, and faculty. To reach staff during office hours when the university is open or to reach an advocate after hours, call 848-932-1181.

Scarlet Listeners: (732) 247-5555. Free and confidential peer counseling and referral hotline, providing a comforting and supportive safe space.