

Course Syllabus: Corporate Governance

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Time: Thursdays, 9:30 a.m. – 12:10 p.m., Levin Room 006 (The first class is on Thursday January 24.)

Course Number: 38:533:636:01 Index: 08827

Course Description

This course reviews the theories and practice of corporate governance. Among the topics covered are: the history of the corporation, boards of directors, the division of profit sharing and various forms of employee ownership and equity ownership among insiders, regulation, shareholder activism, the impact of takeovers and mergers and acquisitions on governance, ethical issues such as conflicts of interest and insider trading, international corporate governance, and policy developments likely to impact the corporation. It provides an introduction to the scientific evidence regarding corporate governance practices and economic performance. Each lecture will begin with the history and development of the topic under consideration. Cases and examples will be presented during the lectures and for team discussion. Special attention is paid in each session to the role of the human resource management professional and the implications for the field of human resource management.

Readings

Monks, Robert A.G. and Nell Minow. Corporate Governance. New York: John Wiley & Sons, 2011, 5th edition. Paperback only. ISBN 978-0-470-97259-5. Available from the Livingston Bookstore or the publisher or at online booksellers. *Please use only the Fifth Edition because it is significantly changed from the earlier editions. Available also in electronic Kindle edition. Two copies are on reserve in Livingston Library.*

The Wall Street Journal.

Note: Student subscription forms for the term will be available at the first class. This is recommended but not required.

Empirical studies on corporate governance for student research summaries, as assigned. Major web sites for empirical studies on corporate governance will be provided. All readings will be available on Sakai.

Approach

The lectures will not review the readings. They will be an opportunity to clarify the readings with questions and discussion. They will mainly cover additional material in the context of explaining the major points of the readings. Thus, it is important to do a close reading of all required class materials. A powerpoint covering the notes for each lecture will be available on Sakai before each class and you should print it out and bring it to class for additional note-taking. Students will receive instruction and coaching on the use of a variety of on-line resources relevant to the topic. Students will do several research summaries of empirical studies as a basis for discussion in the class. Each class will include a lecture, ample time for questions, a team meeting on a specific question or case, and, in some classes, a film or visitor to talk about a particular case or problem. Class participation will count for 30% of the entire grade and will be taken very seriously in this class so please try to ask questions and make comments on a regular basis. A roll will be taken at each class. It is your responsibility to sign the roll. Students may be excused from one class. Because of the

limited number of sessions, you should be sure that you can attend the classes. Students will be asked to do reading of relevant research papers and to hand in summaries that they present.

Evaluation and Grading

The 100 points in a grade will be distributed as follows: 32% final paper (a 15 page paper and a powerpoint presentation), 28% mid-term report (a seven page paper and a powerpoint presentation), 5% for handing in satisfactory research summaries and proposals on reports and final paper, 5% for the presentations, and 30% class participation including attendance. Grades will be distributed as follows: A+: 98-100, A: 95-97, A-: 92-94, B+: 88-91, B: 85-87, B-: 80-84, C+: 76-79, C: 73-75, C-: 70-72. Failing grade: Below 70. Students may miss one class without any effect on their grade. Students who miss more than three classes will receive an incomplete and have to make up the work. Plagiarism, including the use of other student's work or "purchased papers" or electronically available papers constitutes a serious violation of the ethical standards for the University and this class and will result in a failing grade for the class and disciplinary action by the School upon the recommendation of the professor. ALL PAPERS WILL BE CHECKED THROUGH turnitin.com for in order to evaluate whether sources were used that were not properly cited. If a student misses more than three classes that student will not receive credit for the class as part of the professor's grade.

Office Hours and Consultations

The instructor will be available for office hours for 1/2 hour immediately preceding class and following the class meeting until the last student has left in order to assist you in solving course-related problems or discussing issues related to your studies and career. There will also be a 10 minute mid-session break for each class in which you can also consult the professor. Extended office hours will be scheduled for consultation on the mid-term book report. Students can also make appointments with the instructor in class or by email if these times are not suitable. The Instructor will schedule a second set of office hours if there is more student demand.

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 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. e. 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.

SMLR Learning Objectives

These are the objectives established for this course:

- I) Written & Oral Communication – Communicate effectively at a level and in modes appropriate to an entry level professional.
 - Communicate complex ideas effectively, in standard written English
 - Analyze and synthesize information and ideas from multiple sources to generate new insights
 - Produce quality research papers with proper convention of attribution/citation
 - Produce high quality executive summaries
 - Make an argument using contemporary and/or historical evidence
 - Present ideas and arguments in a logical and effective way

V) Understanding Context - Evaluate the context of workplace issues, public policies, and management decisions

- Analyze the degree to which forms of human difference shape a person’s experience of, and perspectives on work
- Analyze a contemporary global issue in their field from a multi-disciplinary perspective
- Analyze issues related to business strategies, organizational structures, and work systems
- Analyze issues of social justice related to work across local and global contexts (LSER)
- Analyze issues related to the selection, motivation, and development of talent in a global context (HRM)

VI) Application – Demonstrate an understanding of how to apply knowledge necessary for effective work performance

- Apply concepts and substantive institutional knowledge, to understanding contemporary developments related to work
- Understand the legal, regulatory and ethical issues related to their field
- Develop human resource management functional capabilities used to select, motivate, and develop workers (HRM)
- Understand the internal and external alignment and measurement of human resource practices (HRM)

Class Schedule

Date	Topic	Reading Assignment(s)
Thursday Jan 24	History and Theories of the Corporation Case Study: General Motors	Monks & Minow, 1-101 Powerpoint Case Study in class
Thursday Jan 31	Shareholders Case Study: Microsoft How To Read a Corporate Proxy?	Monks & Minow, 101-143
Thursday Feb 7	Case Study: Enron, Full-length Film	Monks & Minow, 251-259 & Monks & Minow, 291-303
Thursday Feb 14	Boards of Directors Case Study: Lehman Brothers	Monks & Minow, 260-291, 304-346

Supplementary online resources:

The Business Roundtable

<http://www.businessroundtable.org//taskForces/taskforce/index.aspx?qs=1495BF159F9>

National Association of Corporate Directors

<http://www.nacdonline.org/>

Directors and Boards Magazine

<http://www.directorsandboards.com/>

Thursday

Feb 21

Executive Compensation as a Governance Issue
Workshop: How To Read An Annual Report

Monks & Minow, 347-391
Online reading:

www.SEC.gov

Thursday

Feb 28

Shareholder Activism: Institutional Investors, Public Pension Funds, Union
Pension Funds, and Activist Investors
Case Study: To be announced

Monks & Minow, 144-250

Supplementary online resources:

The Conference Board

<http://www.conference-board.org/knowledge/governance.cfm>

The Council of Institutional Investors in the United States.

<http://www.cii.org/>

Example of An Active Investor: Mr. Carl Icahn

<http://www.icaahnreport.com/>

Office of Investment, AFL-CIO

<http://www.aflcio.org/corporatewatch/capital/corporategovernance.cfm>

Policy and Advocacy Program on Corporate Governance, Harvard Law School:

<http://www.law.harvard.edu/faculty/bebchuk/policy.shtml>

Thursday

March 7

Corporate Governance Standards
Case Study: ISS Shareholder Services
Reports will be posted to Sakai
For background, see:

Web sites:

<http://www.issgovernance.com/>

Supplementary online resources:

U.S. Securities and Exchange Commission - www.sec.gov

The New York Stock Exchange

<http://www.nyse.com/regulation/listed/1101074746736.html>

The NASDAQ

http://74.125.45.104/search?q=cache:riGM3Pu3NI0J:www.nasdaq.com/about/CorpGovSummary.pdf+NASDAQ+corporate+governance&hl=en&ct=clnk&cd=2&gl=us&lr=lang_en

PriceWaterhouseCoopers Sarbanes-Oxley Compliance

<http://www.pwc.com/extweb/service.nsf/docid/BE3AE945AE3901F085257013005ADD5E>

Thursday
May 2

Presentation of Final Projects by Powerpoint

Monday
May 6

Final Papers are due by email and in 2 hard paper copies in the instructor's mailbox

END