



Corporate governance

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- Fulltime
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1 Course Description

Corporate governance has been defined as

"A system of law and sound approaches by which corporations are directed and controlled, focusing on the internal and external corporate structures, with the intention of monitoring the actions of management and directors. These structures are written in order to mitigate Agency Risks which may stem from the misdeeds of corporate officers."

Contemporary discussions of corporate governance tend to refer to principles raised in three documents released since 1990: The Cadbury Report (UK, 1992), the Principles of Corporate Governance (OECD, 1998 and 2004), the Sarbanes-Oxley Act of 2002 (US, 2002).

The Cadbury Report and the OECD reports present general principles around which *businesses are expected to operate to assure proper governance*. The Sarbanes-Oxley Act, informally referred to as Sarbox or Sox, is an attempt by the federal government in the United States to *legislate* several of the principles recommended in the Cadbury and OECD reports.

This course explores these principles and challenges students to critically reflect on what this means for business practice. It gives examples where Corporate Governance has been abused. It shows that corporate governance and individual ethical decisions are closely intertwined. And finally it asks the student to examine and propose their own ethical solutions to cases of past corporate scandals.

2 Course Goals and Learning Objectives

After finishing this course, the student should:

- Understand why corporate governance exists and what it is supposed to do;
- Have knowledge and understanding of how corporate governance is implemented;
- Understand how decisions made by business professionals influence (other) people's lives;
- Understand what is ethical and what is correct and incorrect behaviour as a business professional;
- Understand how to be a board with a strong moral core;
- Be able to analyze and reflect on different business cases related to corporate governance;
- Be able to design policies and make recommendations for improvements in corporate governance behaviour.

And the student should be able to demonstrate:

- Accountability and responsibility;

- Ethical behaviour in an international context;
- The ability to analyse cases on bad and good practices;
- The ability to reflect on their own ethical views and behaviour.

3 Place in the Curriculum and Related Courses

This is a fourth year course that is obligated for all IBMS students. This course is a level three course that is related to the year 2 Business ethics course.

4 Study Burden

This course is worth **5 EC's**. That means you should be working on this course for 140 hours. A breakdown of these hours is as follows:

| | |
|----------------------------------|----------|
| Lectures | 14 hours |
| Preparation for weekly case work | 28 hours |
| Case work during class | 28 hours |
| Ethical Portfolio | 21 hours |
| Exam Preparation | 10 hours |
| Take Home Exam | 40 hours |

5 Pre-requisites

None

6 Exemption Possibilities

None

7 Competencies

This course will address the following IBMS competencies:

- The ability to write and analyse a strategic report
- The ability to write and analyse a financial report
- To understand, analyse and apply ethical behaviour in a business arena, in a case setting, and in personal and group situations

8 Didactic Forms

Lectures, films, case studies, online learning environment, presentation, take home exam and ethical passport.

9 Assessment

| Type of Assessment | Weight | Min. Mark |
|--|--------|-----------|
| Take home exam | 60 % | 5,5 |
| Portfolio (ethical passport and group assignments) | 40 % | 5,5 |

There is a resit opportunity for the take home exam

A weekly activity that fails must be repaired and resubmitted within one week.

All weekly assignments will be uploaded into the Osiris Plagiarism Program. If plagiarism is detected it will result in a failing grade for the course.

10 Course Material and Literature

This course will provide reading materials and videos via HUBL. No books are required. Since there are no costs for books, students are expected to purchase online films that are part of the required study material.

11 Course Evaluation

Evaluation by students of this course will be done at the end of the block.

12 Weekly activities

When we hear about Corporate Governance it may seem far away from our personal realities. The terms are new, and don't seem to apply to anything you've ever heard about. Or you have heard about it, for instance related to topics such as business ethics or organizational theory, that might seem even more far away from our personal realities. But we have examples of these terms almost daily.

- Volkswagen lies on its emission standards to keep profits high..... **Agency Theory**.
- Mark Hurd of Oracle earned \$53 million in 2014. Is Oracle's Compensation **Committee** headed by Mr. Hurd?
- Nike sells tennis shoes for \$210 a pair. Workers in Pakistan are paid \$5 a day.

Corporate Governance is life. Every topic we study in class has a real world counterpart. We shall try to make corporate governance become more meaningful and applicable to you.

Here are your weekly topics.

Details, including required readings and assignments, will be explained during the lectures and shared weekly on the HUBL site. The lectures serve to equip you with the concepts and knowledge needed to make the weekly assignments.

Week 1: Introduction Corporate Governance (presentation)

What do we mean by the word? What does it apply to? How does it work? How is it organized and regulated? Finally, what does it mean in your own words. How does it impact businesses in their day-to-day activities? How does it impact you?

Week 2: Me, myself and I (report)

We aren't a part of corporate governance. Or are we? Personal issues in work and life, 'stealing' pens from work, printing on the school's account, claiming extra mileage, misusing a lease car, expenses. What do we want to see in our world in 2025?

Week 3: Cultural dimensions of corporate governance (report)

We will discuss different perspectives on what is right and wrong. There are different values, norms in each country and in a globalized world this raises all kinds of dilemmas for companies as well as for professionals. Is it unethical if it is against the law? Is it ok for a company to behave differently in western economies than in emerging economies?

Week 4: Industries (presentation)

Some industries face specific corporate governance challenges, like the music industry, food industry, garment industry (labour rights), sports (match fixing), telecommunication (data abuse), financial industry, pharmaceutical etc. What issues play a role and how do industries react?

Week 5: Accounting fraud (report)

Who hasn't heard of Enron, and Lehman Brothers and Volkswagen? How did they get away with it? How can we make sure it can't happen again? We use the movie The Big Short as a starting point for discussion.

Week 6: Whistle blowers (presentation)

What is a whistle blower...? A hero or a traitor? What happens when the media attention fades away? Do they have any protection? We use real life examples to look at whistle blowing policies and protection measures in different countries and industries.

Week 7: Right for the wrong reason (ethical resume)

Shell, destroying lives while spurring on an economy. Nestles, helping feed babies without thinking of lack of milk and contaminated water. CSR is sometimes used as a marketing tool or for green washing: companies that do something terrible to the environment (social) and at the same time start a project to counter their actions.

How does this course work?

The course workload consists of weekly assignments (bundled in a portfolio) and a take home exam.

Weekly assignments: Every week you will receive an assignment, that consists of a group assignment and individual reflection. **As this course is based on a 'pressure cooker learning method, you are expected to finalize and work on the assignment in class (tutorial).** Group assignments are either reports made under time pressure in class, or presentations prepared in class.

The deadline of submitting your weekly assignment is one hour after the end of your tutorial. Hand in your assignment as a group. Start with the group assignment and add all the individual assignments to the same document. This assignment includes your weekly group assignment plus the weekly individual assignments from each group member. You will receive feedback each week on your assignment and a pass or fail indication.

Portfolio: all your assignments per week form the basis for one final document (your portfolio) and that should be handed in for a final grade before 17:00 after your tutorial in week 7.

Take home exam: You will receive your take home exam on Friday 30 March
The deadline for submitting the take home exam is Monday 9 April at midnight.

A format will be provided for both the portfolio and your take home exam. Portfolio and exam will only be graded if it is according to the provided format. All assignments will go through Ephorus to check for plagiarism. Plagiarism is forbidden and committing plagiarism will result in failing the course.

Required Format for all assignments and reflections

Make sure all documents are professionally looking and sent in Word to allow tutors easy access for typing feedback

A: Cover Page

Assignment week

Tutor

Name of your tutor

Date:

Team members

Student name and id number

Starting from first page

Assignment Week

A; Group Assignment

Add assignment here

B; Individual Reflection

Add reflection here