

COURSE SYLLABUS

Academic year 2012-2013

1. COURSE DESCRIPTION

Degree:	Administración y Dirección de Empresas (English teaching)
Double Degree:	
Course:	CORPORATE GOVERNANCE AND BUSINESS ETHICS (Gobierno Corporativo y Ética Empresarial - English teaching)
Module:	Business Organization
Department:	Business Organization and Marketing
Academic Year:	2012-2013
Term:	Second term
Total Credits:	6
Year:	3rd-4th
Type of Course:	Elective
Course Language:	English

Teaching model:	C1	
a. General/background:		50%
b. Theory-into-practice/developmental knowledge-building		50%
c. Guided Academic Activities:		0%

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2. TEACHING TEAM INFORMATION

2.1. Course coordinator: José Manuel Hurtado González

2.2. Teachers	
Name:	José Manuel Hurtado González
Faculty:	Business Administration
Department:	Business Organization and Marketing
Academic Area:	Business Organization
Category:	Profesor Contratado Doctor
Office hours:	Tuesdays 12:00-14:00 and Wednesday: 10:00-14:00
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3. ACADEMIC CONTEXT

3.1. Course Description and Objectives

This course provides an overview of corporate governance on multinational companies, specially focused on the role of shareholders activism on environmental, executive compensation and social issues. This will include an understanding of the structural relationships determining authority and responsibility for the corporation and their associated complexities.

The main objectives of the course are:

- understand concepts of corporate governance and corporate social responsibility;
- enable the development of a sound understanding of corporate governance practice in a national and international context and industries;
- integrate corporate governance aspects, economic viability and social and environmental impacts.

3.2. Contribution to the Training Plan

The first part explores theory and practice of corporate governance (agency theory, transaction cost theory, stakeholder theory, resource dependency theory), including topics such as structure and functioning of the board of directors, shareholder activism and executive compensation.

The second part presents the topic of corporate social responsibility (CSR) as a new approach to business activity. The growing importance of social and environmental aspects in the eyes of the stakeholders influence encourages companies to develop a more responsive and proactive approach. The dominance of the corporation in the modern economy has brought enormous challenges for the boards of directors charged with overseeing the corporation's affairs.

The third part deal with governance and ethics, corporate ethics, corporate codes of ethics, professional ethics.

3.3. Recommendations or Prerequisites

None.

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4. SKILLS

4.1 Degree Skills Developed during this Course

General Skills:

Instrumental Skills:

- Analysis and synthesis skills
- Organization and planning skills
- Oral and written communication in a foreign language
- Skills to obtain and analyze information from different sources
- Decision making and problem-solving skills

Personal Skills:

- Team work and interpersonal relations skills
- Personal relations skills
- Ethical compromise within the work place

Systemic skills:

- Autonomous learning skills
- Creativity
- Leadership
- Initiative and entrepreneurship

Specific Skills:

To know, understand and apply the most relevant aspects of the corporate governance, corporate social responsibility and ethics.

4.2. Module Skills Developed during this Course

GENERAL SKILLS

Systemic competences:

- Act in accordance with criteria of social responsibility.
- Sensitivity to environmental and social issues.
- Ability to learn independently.
- Ability to adapt to new situations.
- Creativity.
- Leadership.
- Initiative.

Personal skills:

- Ability to work as a team.
- Working in an international context.
- Skill in interpersonal relations.
- Ability to work in diverse and multicultural environments.
- Ability to critique and criticism.

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- Commitment to ethical work.

Instrumental skills:

- Capacity for analysis and synthesis.
- Ability to organize and plan.
- Oral and written communication in a foreign language.
- Ability to analyze and seek information from different sources.
- Ability to solve problems.
- Ability to make decisions.

MODULE-SPECIFIC SKILLS

- Understand the functions of managers: making decisions, planning, organizing, directing and controlling.
- Understanding the role of boards of directors and business ethics.

4.3. Course-specific Skills

- Students are expected to demonstrate an awareness of all areas of governance, and to be able to review common themes. They will be able to understand the scope of corporate governance, the various issues with which governance is concerned, and how these issues relate to each other. This includes the role and composition of the board, remuneration of directors and senior executives, audit and relations with shareholders and other stakeholders. Also, applying best practice in governance: voluntary and regulatory approaches, rules or principles, governance problems for global companies and groups, governance issues in the public sector.

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5. COURSE CONTENT (COURSE TOPICS)

PART 1. CORPORATE GOVERNANCE

Chapter 1. Defining corporate governance

Introduction

What is corporate governance?

Theoretical frameworks

Agency theory

Transaction cost theory

Resource dependency theory

Stakeholder theory

The evolving framework of corporate governance

Chapter 2. Corporate governance reform

Introduction

The UK and Spain experience

Corporate governance in the EU

Why is good corporate governance important?

Corporate governance and corporate performance

A risk perspective on corporate

Chapter 3. The role of boards in corporate governance

Introduction: enhancing board effectiveness

Unitary and two-tier board structures

Splitting the role of chairman and chief executive

The role of non-executive directors in corporate governance

Remuneration

Other factor contributing to board effectiveness

Ethical health of boards

Chapter 4. The role of institutional investors in corporate governance

Introduction

Institutional ownership

Institutional investor voting

Institutional investor engagement and power

Chapter 5. The role of institutional investors in corporate governance

Introduction

Disclosure and corporate governance

Corporate disclosure and executive remuneration

Corporate disclosure and non-executive directors

The role of internal control, internal audit, external audit and audit committees in effective corporate governance

Corporate governance and risk in the banking sector



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PART 2. CORPORATE SOCIAL RESPONSIBILITY AND ETHICS

Chapter 6. Corporate governance and Corporate social responsibility

Introduction

Early roots of corporate social responsibility

Does corporate social responsibility improve financial performance?

Sustainability and a stakeholder perspective

Sustainability reporting

Stakeholder engagement

Chapter 7. Socially responsible investments

Introduction

Socially responsible investment strategies

Private social and environmental reporting: institutional investor engagement

Socially responsible investment in a international context



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6. METHODOLOGY AND RESOURCES

Some case studies will be handed to the students to help them to learn the theory through practical applications.

Teams should come prepared to discuss topics such as:

Why don't shareholders behave as owners?

What are the incentives to engage shareholders?

What are the most common types of abuse of shareholders?

Are shareholders the most important stakeholders of a company?

Class participation:

Your obligation in this course is to prepare for class discussion by thorough reading and analysis of the assigned material before each class. Readings and case discussions are an essential part of the course.

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7. ASSESSMENT

The course will be assessed by a written examination which will account for 50% of the module mark and will require discussion of both theoretical and practical aspects of corporate governance.

Written exam parts:

Multiple choice questions (50%): these questions will have 3 possible answers to choose from. There is only one correct answer per question. Three wrong answers cancel out a right one. Students must pass this part of the exam in order to qualify for the rest of their exam to be corrected.

Theory-based questions (50%): these questions will be based on the required reading texts/notes and the explanations given in class by the professor.

Activities assigned in seminar group sessions, due within the end of the module, will account for 40% of the final mark.

Also, a presentation would be made by each team to the rest of the students. The teams will select a firm to study during the course. At the end of the semester teams will be expected to prepare a 30 minute presentation of their corporation, to include a discussion of the pertinent legal and business issues relevant to a particular governance issue.

Active class participation will account for the remaining 10%.

Students who do not attend Seminar Sessions and/or do not complete learning activities assigned in said sessions will only be eligible to receive a maximum of 50% or 5/10. By no means will these students be allowed to make up the missing 50%.

Mobility:

Those students enrolled in some of the official mobility programs (Sócrates-Erasmus, SICUE-Séneca, Atlánticos and so on) and following the subject out of their mobility contract could recuperate the percentage related to the continuous evaluation required through some additional test included in the final exam. Students in this situation must report a written document to the teaching team before the 30th of April. Any report after this deadline must be supported by the academic coordinator of the mobility contract.

PLEASE NOTE: In compliance with Title II, Chapter II, Articles 12.2 and 14.3 of the Normativa de Régimen Académico y de Evaluación del Alumnado (signed in Consejo de Gobierno de la Universidad Pablo de Olavide de Sevilla on July 18, 2006): “With regard to essays or other homework, plagiarism and/or the use of unoriginal material—including information obtained from online sources—without explicit and proper citing



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(and, where required, the express permission of the author), may warrant a grade of FAIL for the module, in addition to any other applicable academic sanctions warranted by academic misconduct on the part of students. [...] After consulting professors, students and any other university bodies deemed necessary, the Director of the Department responsible for the module in question will decide on the need for further measures including an official academic integrity hearing.”

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8. BIBLIOGRAPHY

8.1. GENERAL READING:

JF Solomon (2010) Corporate Governance and Accountability 3rd John Wiley Inc.

8.2. SPECIFIC READING:

Business and society: ethics and stakeholder management / Archie B. Carroll, Ann Buchholtz.

OECD. OECD Principles of Corporate Governance. Paris: OECD Publication Services, 2004. Available at <http://www.oecd.org/dataoecd/32/18/31557724.pdf>

OECD. Using the OECD Principles of Corporate Governance – A Boardroom Perspective. Paris: OECD, 2008. Available at <http://www.oecd.org/dataoecd/20/60/40823806.pdf>

OECD Principles of Governance 2004
<http://www.oecd.org/dataoecd/32/18/31557724.pdf>

UN Global Compact/ UN Principles for Responsible Investment
<http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html>
<http://www.unpri.org/principles/>

The Social Responsibility of Business is to Increase Its Profits, Milton Friedman

The Oxford handbook of corporate social responsibility / edited by Andrew. Oxford: Oxford University Press, 2008.