

International Management Institute, Bhubaneswar

Corporate Governance & Business Ethics (CGBE) ST 607

Post Graduate Diploma in Management (1.5 Credits), 90 minutes

Term IV Year 2017-18

Batch 2016-18

Course Outline

Faculty: **Dr. Arun Kumar Rath**

Professor, Strategy and Corporate Governance

Email Id: arun.rath@imibh.edu.in & arun.rath@imi.edu

Tel ; +91-674-3042134 (Chamber Consultation Hrs : 1400-1500 Hrs on class days)

Course Introduction:

Good governance and social responsibility are emerging as cornerstones of corporate strategy. Governments, financial institutions and public representatives are concerned about the failures of high profile corporations which cause distress to innumerable shareholders and employees. With the globalization of business, corporate governance, a term virtually unknown earlier, has now become a mainstream topic. Every country is adopting new standards to enhance ethics and accountability of business corporations.

Corporate governance is a multi-disciplinary subject comprising elements of law, economics, finance, management and ethics. It deals with the accountability of management of the company to the shareholders, fiduciaries duties of directors, disclosure of strategic information regarding the company, audit of transactions, ethical practices by the corporation and above all, responsibility to the society. There is an increasing demand from the stakeholders for adoption of ethical corporate governance practices.

Course Objectives

Learning Outcome	Description
L01 Rational of the course	To understand rational of corporate governance & role of ethics
L02 Subject knowledge	To understand corporation corporate governance & ethics
L03 Strategic paradigms	To analyze corporate failures and develop strategies

	& reforms initiatives for Directors & Managers
L04 Business Responsibility	To sensitize students on regulatory framework of Director responsibility & board independence
L05 Applications	Examine cases of corporations in crisis & corporate sustainability
L06 Communications	Critically examine cases of ethical dilemmas & communicate ethical action plans
L07 Future Perspectives	Appreciate the corporate governance challenges in Indian & global companies & understand global paradigms of corporate governance

Pedagogy:

The course will be taught using a combination of readings, lectures, guest lectures, cases ,film and assignments.

Evaluation Criteria

S.No.	Component	Weightage
1	Group Assignment	15%
2	Group Assignment Presentation	15%
3	Class Participation	10%
4	Quiz 1&2	20%
5	End Term Examination	40%

Class Plan and Suggested Readings

Class	Topic	Learning objective	Reference
1	-Course Outline and Assessment Plan -Contribution of Corporations to Economy -Characteristics of A Corporation - Defining Corporate Governance	L01	My book
2	-Board of Directors - Role of Chairman & Directors - Role of Independent Directors in the Boardroom	L02	My book
3	<u>Corporate Failures and Governance Reforms:</u> -Maxwell Communications Scam : Cadbury code G1-Fall of Enron : Causes Consequences & Reforms-The SOX Act Case- Fall of Enron by Paul Harley & Krishna Palepu G2-Corporate Governance Failure at Satyam : Causes, Consequences & Reforms -Case- "Governance Failure at Satyam "– by Gaur & Kohli-Richard Ivey School of Business -Corporate Governance Issues in India	L03 L04	My book &Reading Material
4	<u>CG Theories</u> - Separation of ownership and control - Agency Theory - Stewardship Theory - Stakeholders Theory	L02 L04	My book &Reading Material
5	- Legal framework of Corporate Governance in India - SEBI Listing Regulations	L02 L04	My book &Reading Material
6	-Boardroom Governance : Issues & Challenges (Guest Lecture)	L02	
7	-Understanding Business Ethics :Ethics vrs Law G3-Introduction to Ethics : The Language of Ethics for Managers -Andrew C Wicks; R. Edward Freeman; Jared Harris; Bidhan Parmar; Jenny Mead - G4-Role of Values in Corporate Governance: Case-"Delhi Metro Rail Corporation" – by V	L06	Reading Material

	G Narayanan & Saloni Chaturvedi		
8	G5-Individual & Group ethics : -Case Study : Parable of the Sadhu G6-Ethics at Workplace-Issues & Challenges - Why do ethical people make unethical choices ? - Corporate Ethics Can't Be Reduced to Compliance	L06	Reading Material
9	-Ethical Corporation : Concept of Corporate Citizen G7-Case: Starbucks & Conservation International G8- Action Plan for Ethical Conduct : -What can you do to improve ethics at your company? - Being an Ethical Business in a Corrupt Environment	L04 L06	Reading Material
10	<u>Road Ahead</u> - G9-Do Independent Directors Strengthen Corporate Boards ? Article: Emerging Role of Independent Directors in the Boardroom-by Arun K Rath -Agenda for Reforms	L04 L07	My book & Reading Material

Book:

1. Towards Better Corporate Governance: Independent Directors in the Boardroom by Dr. Arun K Rath, Excel Books

References:

1. Monk, Robert A.G., and Minow, Nell (2004), *Corporate Governance*, Blackwell Publishing
2. Tricker , Bob, *Corporate Governance* ,Oxford University Press
3. Crane Andrew & Matten Dirk (2011), *Business Ethics*, Oxford University Press
4. Daniel Albuquerque (2010) ,*Business Ethics* ,Oxford University Press,
5. Good Ethics is Also Good Business –Article by Dominique Mele (New York Times/Economic Times Jan 3,2012)
6. Institute of Company Secretaries of India (ICSI) (2004) , *Corporate Governance – Modules and Best Practices*

7. Lalita S Som, 9 Sept. 30, 2006), Corporate Governance Codes in India, Economic and political Weekly.
8. OECD, Corporate Governance Guidelines (2004)
9. SEBI Listing Regulations