Learning results from what the student does and thinks and only from what the student does and thinks. The teacher can advance learning only by influencing what the student does to learn.

-- Herbert A. Simon

ACCY 6801 & SMPP 6215: CORPORATE GOVERNANCE & ETHICS (Fall 2016)

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It is helpful to let me know in advance to make sure I am available and do not have conflicting commitments; other times by appointment

What is the bulletin description?

Corporate governance refers to the set of policies, processes and customs that direct an institution. How a company is governed influences rights and relationships among organizational stakeholders. This course examines the nature of corporate governance and the relationship between the firm, management and its stakeholders. The purpose of ACCY 6801/SMPP 6215 is to examine the issues that challenge corporate governance, including concerns linked to boards of directors, senior management, investors, media, shareholders and compensation.

Why should you care about corporate governance?

Do you want to run an organization? Do you invest money in organizations? Do you want to start your own organization? Do you want to understand how top management and boards of directors make decisions that affect you? This course tackles those very questions, and more…. It is first and foremost
about business decision-making, with ethics being explored within the context of the impact on sound decision-making, particularly by top management and boards of directors. The believe that anyone can run an organization is a fallacy that we spend a semester challenging; in fact, integrating attention to values and rules in the front end of the decision-making process can reveal tremendous profit-making opportunities while creating value in society. We will view corporate decision-making through the lens of responsible business practices.

**What is or are “ethics”?**

When sociologist Raymond Baumhart asked business people what ethics meant to them, he received a variety of replies:

- “Ethics has to do with what my feelings tell me is right or wrong.”
- “Ethics has to do with my religious beliefs.”
- “Being ethical is doing what the law requires.”
- “Ethics consists of the standards of behavior our society accepts.”
- “I don’t know what the word means.”

What is clear is that we do not really share a single definition of “ethics”; instead, we refer to behavior we want to encourage as “ethical” and behavior we want to discourage as “unethical.” I ask that we not use either word in class. Why? Because it means different things to different people—it is not precise. If we want to talk about desirable behavior, let’s call it that, “desirable”; if we want to talk about other sorts of behavior, let’s call it “inappropriate” or “questionable.”

What, then, is the role of ethics? Ethics refers to patterned reasoning; it is about anchoring decisions in moral values and about promoting consistency in business decision-making. In this course we will journey together through a host of real-life business situations. We will analyze and discuss them in class to practice making decisions to borrow from the vicarious experience of others. We will all participate in these discussions to enhance our thinking, communicating and decision-making abilities.

**What is corporate governance?**

Corporate governance refers to the system of rules, practices and processes according to which a company is directed and controlled. It involves the balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. It refers also to the interplay between top management and boards of directors.

**What is the goal of this course?**

The goal of this course is to give you experience thinking through the business decisions you would make as someone involved in corporate governance to see the sorts of decisions confronted and to “practice” making those sorts of decisions. The temptation is to do what seems expected; I will
encourage you to fight that temptation and will arm you with an array of legal, ethical and pragmatic reasons for consciously choosing the decisions you make, regardless of what other people might do.

In business, as in life, there is no single right answer; there are, however, a lot of “wrong” answers. My hope is that, in our time together, you will learn how and why “wrong” answers can and should be avoided through responsible decision-making. I am not trying to convert sinners into saints or to preach absolute truths, but to demonstrate how responsible decision-making can often enhance long-term performance, profitability and value creation.

Life is not binary. There are always more than two options. If you have a controversial product, for example, your choice is not simply to distribute or not distribute that product. You can modify that product, or narrow the target market for the product, or include a warning. This course will focus on expanding the array of options you see as available to you and exercising your moral imagination to see how you can come up with creative alternatives to common problems.

**How will this course help you succeed in business?**

Business is full of both challenges and opportunities, many of which are not visible to the naked eye. This course will help you become a more discerning manager—a critical thinker—who questions behavior and does not take anything at face value. By the end of the course you will have encountered the following learning opportunities:

- What are my personal values and what moral frameworks guide my decision-making?

- How can I articulate and defend my decision-making rationales more effectively with support from good reasons consistent with laws and values?

- How can I identify influences on business decision-making and the interplay between managers, shareholders and directors?

- How can I think critically about ethics, laws and their influence on business decision-making in the context of corporate governance and evaluate challenges and opportunities with reference to their potential impact on stakeholders?

- How can I communicate more effectively and influence decision-making by drawing upon personal experiences and other real world information to challenge expectations and norms through persuasive arguments?

- How can I reflect upon personal values and integrate them in an understanding of to whom corporations are responsible?

- How can I develop commitment to supporting business endeavors consistent with responsible global citizenship?
What is the learning environment?

This course is conducted according to the “case method.” This means that you will do most of the talking. My primary role is to moderate, not to lecture. We, as a class, will discuss business situations. My goal, through these discussions, is to awaken your critical thinking skills and inspire you to want to engage in more learning. It is important that you come to class prepared—i.e., that you have read the case prior to class—so that we can have productive discussions. I have consciously selected a variety of cases; while not every case will interest you, my hope is that there will be some that resonate with each of you. And, even though, not all will necessarily excite you, they all represent tremendous opportunities for learning in that they all relate to the sorts of situations you will confront as managers.

How will you succeed in this course?

Participate! You are expected to participate actively in class sessions. Since you all come from different backgrounds and business experiences, your peers are valuable resources. Your learning depends on the contributions of your peers, which means that their learning depends on your contributions as well. And contributing enhances your own engagement and learning!

Communicate! If you have questions, please ask. If you are uncomfortable speaking up in class, meet with me so we can discuss how you can identify opportunities to enter class discussions. I can help! I am available always via e-mail and during my scheduled office hours. I can be available at other times upon request, please just let me know what works with your schedule.

Take risks! Success in business relies on risk-taking, on finding new market opportunities. Learning involves risk-taking as well. Do not be afraid of disagreeing and/or trying out new ideas in class. My goal is to encourage us to think more critically in general. I appreciate your willingness to challenge assumptions. If we cannot defend our perspectives, class is the best place to find that out! Think of class as a lab, or a “safe place,” where we can practice making and selling ideas (within the context of respectful disagreement).

How will you and I evaluate your progress?

Participation (50%): The discussion-based focus of the course relies on your thoughtful and alert presence and engagement. My expectation is that you will treat this class with respect, because our collective success depends on your commitment. Although good participation involves active listening, listening alone does not constitute satisfactory participation. We depend on one another. If you are not engaged, you deprive us of the opportunity to learn from you.

Both quality and quantity are taken into account. Participation involves making meaningful contributions to class discussions through thoughtful comments or questions. Although voluntary class participation is preferred, I will “cold call” individuals when necessary or appropriate to engage the class. Participation is not about impressing me or agreeing with me; when you disagree with me or a peer, please just make sure to frame your arguments respectfully and persuasively. Consider “participation” an evaluation of how much you contribute to moving class discussions forward.
Participation is not about being right or wrong, but about willingness to engage in conversation—i.e., to share insight, thoughts and opinions. The greatest value in this course lies in you—in what you share with and learn from and about your peers. We often implicitly assume that people like us naturally agree. What becomes apparent in case discussions is how seemingly like people see things differently. The goal in our cases discussions is therefore to draw out controversy, and to shine a light on differences in our thinking.

Think about participation as being based on the answer to a simple question: What if everyone were participating at that level—i.e., what sort of discussion would we have? Would there even be any discussion? It is not about counting how many comments you make in each class. It is a measure of both quantity and quality across classes generally. Additional guidance is available regarding factors that influence participation.

**Self-Assessment (10%)**: Connected to participation is, naturally, feedback about your participation. Instead of my simply giving you feedback, you must first evaluate yourself. How are you doing? How often are you participating? Are your contributions meaningful?

Midway through the semester, you will have the opportunity to evaluate yourself. This is a valuable learning opportunity because there are so many occasions in business when we are asked to give and receive feedback, and, yet, we are rarely offered the opportunity to receive feedback on the type of feedback we give.

In this exercise, you will fill out a simple on-line questionnaire through which you provide an objective evaluation of your performance in class to date. You will, in turn, be evaluated on your evaluation. Did you provide an objective evaluation (as opposed to a justification or explanation)? Were your answers responsive to the questions asked? Did you provide reasons for your assessment? Please feel free to refer to the factors that influence participation in your assessment.

**Case Analysis (40%)**: At the conclusion of the semester, you will have a written ethics assignment which involves analyzing a case on your own, similar to how we analyze cases as a class throughout the semester. This will be your opportunity to practice responsible decision-making. You are asked to provide a defensible rationale, backed up by references to readings and cases we have discussed in class. This written assignment will provide the opportunity to apply what you have learned in class and to begin to assert your decision-making style. Feel free to reference additional information about case analysis and about evaluating learning generally.

**What course materials will we use?**

The cases we discuss are available via Study.Net for a fee in a coursepack that also includes associated readings. This coursepack is required for class. Please refer to course material information for additional information regarding the coursepack, access to Study.Net and possible scholarship assistance.

**What guides our learning?**

It is important to be thoughtful about attendance since learning results from our contributions to the discussion. For more information, please refer to attendance guidelines.
Maintaining an effective learning environment for discussions is important. It is perhaps helpful to think about what would be appropriate if you were in the audience of a concert. For more information, please refer to information about learning environment.

Academic honesty is expected with regard to individual and group work. Incidents of academic dishonesty will not be tolerated. Such incidents will be handled in accordance with school policies. For information about academic integrity at George Washington, please see http://www.gwu.edu/~ntegrity/code.html.