Corporate governance and social responsibility

Academic Year: (2018 / 2019) **Review date: 23-04-2018**

Department assigned to the subject: Business Administration Department

Coordinating teacher: TOLDRA SIMATS, ANNA

Type: Compulsory ECTS Credits : 6.0

Year : 4 Semester : 1

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

The course does not assume the student has any prior knowledge in corporate governance or corporate social responsibility.

OBJECTIVES

At the end of the course, students should be able to:

¿ Describe, classify, structure, and combine the concepts, theories and methods involved with Corporate Governance and Social Responsibility.

¿ Identify relevant Corporate Governance issues within the firm and what - YOU as a future manager may face in business-. Be able to apply the concepts, theories, methods of the course to concrete cases and examples.

¿ Analyze and synthesize concrete problems within current management theories and be able to make a constructive critic of them.

Generally speaking, this course works to develop the reflexive capabilities of students, working to help develop the students¿ 1) systems thinking 2) critical thinking and 3) ethical thinking.

DESCRIPTION OF CONTENTS: PROGRAMME

Course Introduction

Governance is an issue that has come to the fore recently as a direct cause of problems associated with the financial and economic crisis. Financial arbitrage, short selling¿s, toxic assets, management excessive bonus, golden parachutes and corruption populate our discussions as signs of malfunctions of the market and lack of corporate social responsibility. Some economists tend to justify these as moral hazard, but others argue that the overall significance of it is largely understated by the mere observation of managerial misbehavior, which forms the tip of the iceberg. The submerged part of the iceberg is the institutional response in terms of corporate governance and the consequences of economic liberalization and deregulation of industry and business in an increasing globalized world.

At the same time, management and corporations are increasing facing public demand for new corporate ethos, a stricter compliance with both public and private/civil regulation and the assumption of responsibilities related to emerging social and environmental issues such climate change, labor exploitation, health security, etc.

Managers face questions such as: how do I deal with conflicts of interests? What mechanism of corporate control can I use to ensure ethical behavior in shareholders and management? Is my business model ready to deal with social issues (such obesity, diabetes 2, HIV-AIDS) that will affect many of my employees and customers? What is my responsibility in the problem? We will explore how corporate governance based on social responsibilities is becoming both a condition for business survival and a potential competitive advantage.
Our course will include the explanation and de-construction of some of the current strategic management theories (such as principal-agent theory and concepts such moral hazard) together with some theories central to the new political view of business in society that we are proposing such business ethics, stakeholder view of the firm, theory of social contract, etc.

This is primarily a discussion based course, where ¿real life¿ case studies are posed to students on complex topics in which students engage first hand in the discussion and debate that they will undoubtedly face as future managers in business.

In this course we are exploring questions mainly through cases and discussion. Therefore your active participation and engagement throughout this course is necessary. We do expect a lively debate in the

classroom and learning by confrontation.

Course Content

1. Introduction to Corporate Governance and Social Responsibility

The course will introduce the field of Corporate Governance and Corporate Responsibility (CR) and the globalized and networked conditions in which business operate today. We will reflect about how global business face responsibility for more than just the policies and practices that occur within its own walls. We will talk about the ethical challenges related to varying norms and conditions throughout the world and challenges related to managing value chains that stretch across the world. In this chapter, we will discuss how globalization is changing the way we do business and we will set the basic questions of the course.

2. The corporation and its conflicts of interest: the shareholder vs stakeholder models of the corporation

We will analyze some of the basic concepts and theories of corporate governance such the definition of a corporation, value creation and the paradigm of shareholder maximization versus stakeholder theory. We will analyze critically the principal-agency theory, moral hazard and introduce the need for corporate governance mechanisms of control but also for a new philosophy of business producing shared value.

3. Stakeholders in a corporation: the management of ethical issues

We will study how a responsible corporation manages its different stakeholders. We will then analyze concretely some cases of stakeholder engagement such shareholders and the responsible investment; managers; employees and responsible restructuration processes and the media and social media.

4. Global governance and its challenges

We will learn how new responsibilities are assigned to firms in relation to their supply chains. We will analyze emerging sustainability issues in the supply chains and how companies and civil society, in the absence of national regulations, are creating a new form of governance based on international certification schemes and multistakeholder engagements. We will introduce the concept of self regulation and some of the most prevalent codes of good governance. We will debate about the tradeoffs between the processes of government regulation and self regulation in businesses.

5. Measuring and managing a responsible business

We will study how companies are confronting transparency challenges. We will talk about the transition from measuring the Financial Line to measuring the Triple Bottom Line. We will review the standards of measuring and of stakeholder assurance and learn how to report on sustainability issues.

LEARNING ACTIVITIES AND METHODOLOGY

This is primarily a discussion based course. Real life case studies are posed to students on complex topics in which students engage first hand in the discussion and debate that they will undoubtedly face as future managers in business. Class time will include lectures and discussions. We expect students to show up for class prepared to discuss and analyze the assigned materials.

The course contains 14 modules. Each session is divided in one plenary session and one practice sessions in which debates and case studies will be convened. Students will be requested to work individually and in teams in the practice sessions.

Most of the material will be uploaded in Aula Global (AG).

The syllabus can be subjected to changes until 1 week before starting of the course.

ASSESSMENT SYSTEM

Students will be assessed on the basis of a continuous evaluation (40% of total grade) and a final written exam (60% of total grade). Continuous evaluation will be based on: a partial exam, students¿ presentations, case analysis and a final project (in groups). The final exam will be written and closed book. Passing the course will be conditioned to grade at least 4/10 in the final exam.

% end-of-term-examination:	60
% of continuous assessment (assigments, laboratory, practicals…):	40

BASIC BIBLIOGRAPHY

- Freeman, R. E., Harrison, J. S., C., Wicks A., Parmar, B. L., & de Colle, S. eds. Stakeholder Theory: The State of the Art., Cambridge University Press. , 2010
- Perez-Carrillo, E.F. Gobierno corporativo y responsabilidad social de las empresas. , Marcial Pons Eds., 2009