

PRE-REQUISITE(S)

No pre-requisite is required

CREDIT HOURS

3

SYNOPSIS

Enables students to appreciate the concept of traditional corporate structure and the concept of separate legal entity. To identify the need for good corporate governance practices in light of recent corporate collapses. In addition, to discuss the role and function of the senior management, shareholders and government.

LEARNING OUTCOMES

- Develop effective corporate governance strategies which can be implemented in dynamic business environment to strengthen value creation.
- Evaluate the significance of corporate governance to organizational effectiveness and performance through network collaboration and effective communication to various stakeholders.
- Analyse and apply the ethical and social approaches of sound corporate governance for the betterment of the business community and society with sound leadership.

TOPICS

Topic 1 Review on corporate governance and accountability – the framework

Section A

- Types and nature of companies
- Understanding of corporate governance
- Why there is increasing global focus on corporate governance?

Section B

- The role of regulators in corporate governance
- The role of government in corporate governance

Topic 2 The role and value of effective corporate governance

Section A

- The role of major participants in ensuring good corporate governance

Section B

- What is 'effective' corporate governance?

- The meaning of Accountability
- Role of the Board of Directors

Section C

- Revisit Agency Theory and other related theories of corporate governance
- Situations leading to conflict of interest
- The impact of corporate governance on agency costs
- Corporate governance in not-for-profit organisations, the public sector and SMEs

Topic 3 Directors and officers

Section A

- The role of directors: A Review
- Who is a director?

Section B

- Duties and responsibilities of directors
- Accountability
- Enforcement

Topic 4 Managing the company

Section A

- Whose responsibilities in managing the company?
- Board's involvement

Section B

- Aligning director and shareholder interests
- Reporting issues-types of reporting (including social reporting)
- Corporate social responsibility
- Measuring and evaluating performance of the Board

Topic 5 Ethics in and out of the Boardroom

Section A

- Issues relating to corporate ethics –an introduction
- Ethical conduct and company directors
- Ethical guidelines and code of conduct

Section B

- How to resolve unethical behaviour and practices
- Codes of conduct applicable to directors
- Punishment for unethical behaviour

Topic 6 Competition and compliance in trade practices

Section A

- Legal compliance
- Competition in the marketplace

Section B

- Controls over collusion in the marketplace

- Controls over pricing in the marketplace
- Controls over competitive activities in the marketplace
- Practices that might be considered false, misleading and deceptive
- Promoting good corporate value and strategies to benefit society at large

Topic 7 International corporate governance: North America, Europe and Asia-Pacific

Section A

- Internationalisation of corporate governance – an introduction
- Different models of corporate governance
- Market-based systems of corporate governance
- Relationship-based systems of corporate governance

Section B

- European approaches
- Relationship-based systems of corporate governance
- Asia-Pacific approaches
- Convergence and diversity

Section C

- Structures of corporate governance in common law, civil law, and socialist countries
- Code of conduct and their impact on corporate governance
- Economic consequences of corporate governance

Topic 8 The role of institutional investors in Corporate Governance

- A complex web of ownership
- Stewardship principle – an overview
- The growth of institutional investor activism – emerging issues

Topic 9 The role of transparency, internal control and risk management in corporate governance

- The essential role played by corporate disclosure and financial accounting information in corporate governance
- Internal Control, risk and risk management – their role in effective corporate governance
- The importance of audit committees in contributing effective corporate governance
- The evolving areas of governance and forward-looking narrative reporting

Topic 10 Responsible Investment

- Discuss the potential implications of the responsible investment movement for companies, their stakeholders and ultimately for society
- The role of institutional investors in progressing corporate social responsibility and encouraging greater accountability to a broad range of stakeholders
- Social responsible investment in an international context

Consultation

Self-study / library research

ASSESSMENT DETAILS

Continuous Assessment	%
Presentation of Short Synthesis Assignment	30
Metacognitive Discussion on Written Assessment work	20
Final Assessment	%
Open Book Exam	20
Written Assessment Report	20
Closed Book Exam	10

PRESCRIBED TEXT

Main:

Solomon, J., Corporate Governance and Accountability, (2013), Wiley

Monks, R.A.G. and Minow. N., Corporate Governance, (2011), 5th Edition, Wiley

Mallin, C., Corporate Governance, (2018), 6th Edition, Oxford University Press

Corporate Governance Blueprint 2011: Towards Excellence in Corporate Governance, Securities Commission Malaysia

Malaysian Companies Act 2017

Additional References:

Sven-Erik Sjostrand; Rethink Corporate Governance, (2016), Edward Elgar/Elgaronline

Hanne S. Birkmose; Enforcing Shareholders' Duties, (2019), Edward Elgar/Elgaronline

Alexander Styhre; Corporate Governance, The Firm and Investor Capitalism – Legal-Political and Economic Views, (2016), Edward Elgar/Elgaronline

Alexander Styhre; The Unfinished Business Governance – Monitoring and Regulating Industries and Organizations, 2018, Edward Elgar/Elgaronline

Harvard Business Review on Corporate Governance. Harvard Business School Press (2000)

Bosch, H. The Director at Risk: Accountability in the Boardroom. Pitman, South Melbourne (1995)

Harvard Business Review on Corporate Governance. Harvard Business School Press (2000)