**SUMMARY**

This unit of study focuses on organization governance including the respective theories, principles and practices. The importance of corporate governance has become clearer than ever before with huge corporate collapses, like Enron, Lehman Brothers and WorldCom. Frauds and abuse of practices and laws that were intended to serve good purposes have led to wealth destruction of billions of dollars, loss of hundreds of thousands of jobs, criminal investigation of executive managers and directors with ripple effects around the world. Regulatory moves are in hand internationally to improve corporate governance. Poor governance constitutes a significant risk to all organizations. The ultimate aim is to create long-term and sustainable value to the stakeholders, including shareholders, employees and the society at large.

This unit is designed to teach corporate governance from a board perspective including management of stakeholders’ expectations. The competencies targeted in this unit include the following:

- Understanding of the corporation as an entity: a social, complex and adaptive structure with a purpose
- Legal obligations and duties, integrity and ethical behaviour in corporations and governments
- Measuring performance and balancing interests in a corporation
- The rights and responsibilities of corporate owners: shareholders, investors (funds, foundations, individuals, etc.)
- Corporate stakeholders: employees, society and environmental sustainability.
- Board formation, directors and their duties, obligations and relations with management: CEO as director, external independent members of the board, executive and non-executive directors, internal and external governance controls
- Monitoring management performance and evaluating corporate direction; changes with reflections around the world
- Governing international corporate and not-not-for-profit organisation

**OBJECTIVES**

Students should gain expertise in the following areas:

- Corporation as an entity: evolution of corporations
- Purpose of a corporation
- Corporate ownership: individual shareholders, families, funds (public, private and hedge)
- Separation of ownership and control
- Constitution of board: internal, external, independent, executive and non-executive directors
- Board duties and accountabilities
- Board meetings: frequency, agenda, decision making, implementation
### Relationship between board and management
- Monitoring and managing performance of executives
- Agency and stewardship theory
- Auditing compliance with rules, regulations and policies
- Compensation of the board and executives
- Corporate governance around the world

### TARGET COMPETENCIES
(Enterprise Systems and Business Process Integration)
- Upon completion of the course, the student should demonstrate:
  - Understanding of corporate as entity: social, complex and adaptive structure with a purpose
  - Determining criteria for measuring performance
  - Monitoring performance, evaluating corporate direction and controlling management
  - Ability to use audits an organisation for compliance and risk management
  - Ability consider influences and to balance interests in a corporation
  - Ethical and legal decision making, and integrity of actions
  - Ability to look from perspectives of different stakeholders in a corporate: employees, owners, managers, sustainability and society.
  - Developing criteria for director and executive compensations
  - Developing criteria to assign directors in a board
  - Ability to interpret and comply with regulating laws of corporate governance

### TARGET COMPETENCIES
(Personal and Socio-cultural)
- Generic: All competencies that are common to all professionals (including cognitive and communication abilities, problem solving and analytical mindset)
- Leadership: Ability to direct, motivate & manage individuals & teams.
- Commitment: Ability to dedicate to tasks & to project outcomes.
- Attitude: Ability to create the right frame of mind that promotes integrity & support for achievement of project goals within a social context.
- Self Direction: Ability to manage within and without guidelines & processes, and to work without supervision.
- Learning: Ability to commit to continuous improvement in knowledge, skills & attitude, & to creating new knowledge developing skills & approaches.
- Cultural Empathy: Ability to respect for & accommodation of individual lifestyle, beliefs & norms.
- Creativity & Innovation: Capacity to generate new ideas/approaches & make them happen.

### MODES OF DELIVERY
- Upfront intensive workshop (4 days)
- Project and team based flexible work facilitated via the Internet (over 10 weeks)
- Face-to-face formal assessment (one week)

### ASSESSMENT
1. Formal knowledge test
2. Team project submissions (formatted as per specification for the same)
3. Formal assessment against competencies applicable to organisation unit strategy and design
4. Formal personal & socio-cultural competency assessment

### PRESCRIBED FOR THE COURSE

<table>
<thead>
<tr>
<th>PRINTED MATERIALS</th>
<th>SELECTED REFERENCES</th>
</tr>
</thead>
</table>
| Learning material (lecture notes, slides, case study and other material provided online). Case project (students' own case project subject to endorsement) | Monks R. A. G and Minow N (2008) *Corporate Governance* 4th edition, Wiley-Blackwell  

### WEB SITES
- No single web site presents all the necessary knowledge that students need to learn and apply. However, opposite are
- Online useful sources of references are: TBA

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<table>
<thead>
<tr>
<th><strong>Software</strong></th>
<th>Not applicable</th>
<th>Students may wish to use software for normal typesetting, graphic design and associated tasks</th>
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</thead>
</table>

### COURSE CONTENTS

#### Intensive Phase

**Day 1**
- Introduction to course aims, objectives, target competencies, learning strategies, resources available, timetable and deliverables, assessment methods and related briefings
- Briefing on how to conduct each phase and the entire unit of study
- Lecture: Capitalism, evolution of corporation as an independent entity
- Lecture: Defining corporation
- Lecture: Corporation ownership and management – separation of powers
- Tutorial: Examining some public and private organisations’ historical change to form larger corporations; how they evolved in governance

**Day 2**
- Lecture: Introduction to corporate governance
- Lecture: Board and management relations: how to provide direction to an organisation
- Lecture: Board duties, responsibilities and accountabilities
- Lecture: Monitoring and controlling executives
- Tutorial: Examining an article how boards may be ineffective, if they undermine their roles and influence in a corporate: Enron and WorldCom cases

**Day 3**
- Lecture: Formation of board: number and qualities of directors, and their types and influences
- Lecture: What goes behind closed doors?: Board meetings, their frequency, agenda, influence of CEO as a board member, agenda, and what a board can do strategically
- Lecture: Compensation of board members and executives; theories to explain how they may lead to fraud and bad business management practices
- Tutorial: Examining the relation between compensation and performance of a corporate: is there a link?

**Day 4**
- Lecture: Re-invented role of corporate governance: fraud protection and risk management; impacts of Sarbane-Oxley Act: transparent corporate governance
- Lecture: Assessing managerial and organisational risks: importance of auditing
- Lecture: Future of corporate governance: can a corporate be governed better for the good of owners, employees, environment and society?
- Reinforcing learning outcomes and application of the same to forthcoming team project
- Conduct of written test on organisation unit strategy and design
- Students’ feedback on the intensive phase

### Teamwork phase

For the purposes of developing expertise in organisation governance and design in an integrated and meaningful manner, students in teams of 4 to 6 will assume responsibility for examining and improving the governance in a case organisation unit. The case organisation is individual to each team and will be sourced normally from one of the students’ employer organisations.

In summary the project phase will comprise:
- An overall process for studying organisation enterprise systems and for applying the relevant knowledge to a real life case organisation as per the relevant Brief that is downloaded from the unit’s web site;
- A program of the learning activities which are part of student’s Team Workplan and individual competency acquisition needs which each student needs to plan to conduct flexibly within the unit of study timeline as advised in the unit’s web site (detailed schedules are to be developed and submitted as part of the Team Work/QA Plan)
The assignment Brief which is available as a downloadable file. Your team may develop your own Brief/project concept, and upon the Course Convenors’ endorsement use the same as the basis for learning and development. Your brief should be developed to be similar to that found on the unit’s web site.

The Learning activities are designed for each team to develop and evaluate a complete organisation unit strategy and design for their case organisation via the following activities:

<table>
<thead>
<tr>
<th>Team Formation, Case Project selection and team QA/Workplan</th>
<th>Activity 1 Literature Review Corporate Governance</th>
<th>Activity 2 Evaluation of Corporate Governance of a Case Company</th>
<th>Activity 3 Case Organisation Corporate Governance Improvements</th>
<th>Activity 4 Evaluation, Formatting and Presentation of Team Report</th>
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</thead>
<tbody>
<tr>
<td>Submit Case Study, QA/Workplan</td>
<td>Submit Assignment 1</td>
<td>Submit Assignment 2</td>
<td>Submit Assignment 3</td>
<td>Submit Assignment 4</td>
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<tr>
<td>Continuous reflection, self and peer assessment and competency acquisition. Final Individual Report and Viva to validate competencies acquired versus target competencies</td>
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**COMPETENCY VALIDATION (via evidence and professional interview)**

**Final Report & assessment**
Each student is advised to progressively acquire, develop and document the relevant target competencies. The protocols on the web site for this purpose need to be followed carefully to prepare the required evidence of competency acquisition. The evidence for this unit to comprise a Final Report in two parts to validate individually the following: specific target competencies regarding corporate governance as well as personal and socio-cultural competencies. These will be assessed separately and both need to show the student’s development history using the student’s L&D plan as the basis.