Rutgers University

School of Management and Labor Relations

Fall 2026. **Corporate Governance. Undergraduate Course,** Human Resource Management Department, 37:624:376:02 Index 25893 Also offered as: Corporate Governance, Power, and Control, Undergraduate Course, Department of Labor and Employment Relations

Time: Tuesdays, 10:20 a.m.-1:20 pm **Classroom:** JLB Levin 107C (Janet Levin Building, Livingston Campus)

Professor Joseph R. Blasi, J. Robert Beyster Distinguished Professor, Human Resource Management and Labor Studies and Employment Relations; Joint Appointment: Rutgers Business School. Email: blasi@smlr.rutgers.edu; Phone: 848-445-5444 Phone of HRM Department . Please use my Rutgers email not my Canvas email.

Office Hours: At 10 am just before class, immediately after class, and by appointment.

Textbook: *Only One Required:* Monks, Robert A.G. and Nell Minow. Corporate Governance. **Fifth Edition only**. New York: John Wiley & Sons, 2011. **Paperback only.** ISBN 978-0-470-97259-5. Available from online bookstores. Note: This book is available from the Bookstore or the publisher or at online booksellers. Note: The 5th edition is a complete revision of this text. Use only the 2011 new fifth PAPERBACK edition. Earlier used copies of the textbook will not be suitable for this course. Note: Two copies of the textbook are on reserve at the Livingston Library. Any brief supplemental readings mentioned in the syllabus are available on Canvas.

Important research articles and working papers by experts in corporate governance will be made available to students. Each student will present a brief written and verbal presentation on one of these articles during the course to their class team.

Recommended (but not required):

The Wall Street Journal Online (for current corporate governance articles)

The New York Times Online (for current corporate governance articles)

Note: You will be also referred to pertinent articles on the web sites of these publications.

Course Materials:

Copies of powerpoints for each class and additional materials will be available on Canvas the week before the class.

AI Guideline: the use of AI and the Internet during the exams is not allowed although the exams will be open book and students may use class notes, the textbook, and powerpoints.

Course Description:

This is an introductory survey course that explores the relationship between corporate governance and the economic, social, and political impact of corporations with a special new emphasis year on **Artificial Intelligence Corporations** & the **Magnificent Seven Corporations that dominate the U.S. stock market.** ***The Artificial Intelligence Corporations we will discuss are Anthropic, Open AI, SpaceX, Cerebras, Databricks, IBM, Oracle, Palantir, and Adobe. The Magnificent Seven Corporations we will discuss are Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla.*** Topics include: history of the corporation and citizen and employee share ownership in companies, shareholders and stock markets, boards of directors, people of color and women on corporate boards, principal-agent/stakeholder theories, role of management and executive compensation, broad-based profit sharing, employee ownership, stock options, shareholder rights and activism, takeovers and mergers, labor issues and the role of pension funds, international corporate governance, the relationship between governance, corporate performance and financial collapses, the role of public stock markets, government oversight and the U.S. Securities and Exchange Commission (SEC), social and environmental sustainability and corporate social responsibility, and debates about public policy and government regulation of the corporation. Discusses implications for human resource management and labor and employment relations.

School of Management and Labor Relations (SMLR) Learning Objectives:

This course is designed to help students attain the following SMLR learning objectives:

1. I) Written & Oral Communication – Communicate effectively at a level and in modes appropriate to an entry level professional

- Communicate complex ideas effectively, in standard written English
- Analyze and synthesize information and ideas from multiple sources to generate new insights
- Produce high quality executive summaries
- Make an argument using contemporary and/or historical evidence
- Present ideas and arguments in a logical and effective way

1. V) Understanding Context - Evaluate the context of workplace issues, public policies, and management decisions

- Analyze a contemporary global issue in their field from a multi-disciplinary perspective
- Analyze issues related to business strategies, organizational structures, and work systems
- Analyze issues of social justice related to work across local and global contexts (LSER)
- Analyze issues related to the selection, motivation, and development of talent in a global context (HRM)

Skills:

Students will become conversant with the major issues of the modern corporation and the major social science questions raised about the corporation in terms of governance and its role in society and the important research questions and sources of evidence on corporate behavior. Students will learn how to use the U.S. Securities and Exchange Commission web site in order to understand the principal information in Annual Reports and Corporate Proxy Statements filed before the SEC. Students will become familiar with several corporations, their stories and issues, along with the principal institutions in corporate governance in the United States: regulatory bodies, stock exchanges, associations of corporations, shareholder rights groups, corporate governance standards groups, corporate social responsibility institutions, and the principal research centers on corporate governance in the U.S. Students will develop a general understanding of the differences between the corporate governance systems of several nations and geographic areas worldwide (for example, Asia, Europe, and Africa). Students will hear brief reports from fellow students on many of the leading research articles on corporate governance. Students will be presented with a number of possible careers in management, labor relations, law, academia, public service, media, and non-profit research related to the field of corporate governance. Students do not require an understanding of economics or finance in order to take this course and any concepts from these disciplines necessary to understanding the material of the class will be explained clearly during the lectures.

Approach:

There will be a lecture at each class and then a discussion of a series of cases with some small group discussions and breakouts. <u>There will be a live remote Zoom case study with a company in each class in the last hour of the class allowing an outside visitor.</u> Students will receive a copy of a powerpoint providing a general overview of the lecture on Canvas before the class so that you can use it as a basis for taking notes. Please print it out and have it available during the virtual class. Each student should submit one question <u>by email</u> by midnight before the class. This is part of your participation grade. The entire class will be divided into affinity groups and teams made up of the at least 4 students sitting nearby. These groups will be used for smaller discussions, for team presentations, and to prepare questions for the instructor.

Required Work:

<u>Do the reading for each class and review the powerpoint bebore class.</u> Students are required to turn in one question on a sheet of paper to the professor on the day of class before every class. These questions should address issues that were unclear in the reading or any past questions from past classes that require clarification. These will be used as a basis for questions the instructor will address in the current and subsequent classes. Students will take three multiple choice exams with a few narrative questions. Each exam will also include an essay question on a corporate governance problem that requires creative thought. Students will prepare a brief one-page (front only) report on a research article to present to their affinity group/team. Students have the option (only if they wish it) to do an honors paper at the end of the class on a corporate governance question. If you select this option, you may select the grade for the honors paper or the grade for your final exam, whichever is the highest, as your third exam grade. Any supplemental readings are available on Canvas. Note that consistent with Rutgers University ethics rules the instructor will provide you at no cost copies of his own books and chapters and textbooks online, you will not be required to purchase them.

Attendance:

Attendance is the participation part of your grade. Participation in the lectures and class meetings is critical to the class both in terms of being present in class and fully participating. Attendance will be taken in class and those not participating will lose points on the participation score, unless alternative arrangements have been made for students in a time zone that is inconvenient. Materials will be presented in class that are not covered in the book and they will make up a significant part of the examinations. All materials will be available on Canvas. Each student will have one excused absence for any reason that will not count towards these three classes. This excused absence can be used for any reason and does not require a note so it can be used for an absence related to an illness, for example. There will be two extra points on top of the entire grade for perfect attendance, meaning the excused absence is also not used. **Students who miss more than three of the 12 academic lecture classes will not receive credit for this class. If you think you will be missing class and cannot participate this class is not a good choice for you.**

Examinations:

There will be three multiple choice examinations as noted on the course schedule. Each exam will cover approximately one-third of the course material. Make-up policy: An examination grade of “0” will be assigned to any student who is absent without a legitimate excuse on the day of the regularly scheduled exam. Legitimate excuses include illness (verified only by a note from a doctor or area Dean) or when the Rutgers Information Service (732-932-INFO) indicates that Rutgers is closed or when the instructor emails the class announcing class is suspended or other dire circumstances such as a family emergency. One make-up exam will be held when all students needing to take a make-up exam can be present. Students requiring special arrangements should present a statement to that effect with appropriate documentation as early in the semester as possible, but certainly prior to the first midterm examination.

Grading: Grades will consist of the following components of 100% of the grade: Examination 1 – 24%; Examination 2 – 20%; Examination 3 – 25%; Participation - 26%. Points can be deducted for not being present in order to participate in the class and for egregious classroom conduct (as described below). One class absence reduces your participation score by 2.5 points. Each exam will receive a score of 0 to 100 points.

A = 90% and above.; B+ = 85%-89%; B = 80%-84%; C+ = 75%-79%; C = 70%-74%; D= 60%-69%;F = less than 59%. Students will present one two-page written report dealing with a serious research article on corporate governance for 5% of their grade to their team. Honors students will have the option of doing a final paper in lieu of the final exam.

Academic Integrity:

The rights of students will be protected to insure that test scores are related to competence in the subject matter. Therefore, all examinations will be carefully proctored. If cheating is detected, it will be prosecuted to the limit allowed by University policies. An academic integrity contract is attached to this syllabus. Students must submit a signed copy of the contract before the second class they attend. ASSIGNMENTS AND EXAMS TURNED IN BEFORE THE ACADEMIC INTEGRITY CONTRACT IS HANDED IN WILL RECEIVE A GRADE OF "0."

Classroom Conduct:

It is important for a serious learning experience to have a quiet and respectful environment in the classroom. The following will not be permitted in an in-person OR virtual class class:

1. cell phones, pagers, and text messaging devices which should be turned off and put away and out of sight; b. during the virtual class computers should be focused on the class itself and not other material ; c. napping; d. chit-chatting; e. reading the newspaper; f. studying for or doing homework for other courses; g. arriving at class late on a consistent basis; h. leaving class early on a consistent basis.; i. other behavior that disrupts the learning environment.. When you do any of these things it is hard to argue you are participating in class and points will be deducted from your participation score. Participation points will automatically be deducted for these behaviors.

Class Schedule:

Note: All powerpoints of all classes are available on Canvas and should be printed out by the student before the class and taken to the virtual class so you can take notes on those sheets.

Date	*Topic*
	Reading Assignment
Sept. 1	**Introduction**
	History of The Corporation
	READING: Monks & Minow, 1-47
	The Corporation: A Film

(For homework viewing after the first class.)

Case Study: Procter & Gamble

Sept. 8 **Theories of the Corporation and Corporate Power**

READING: Monks & Minow, 47-100

Case Study: General Motors

See GM Powerpoint on Canvass

Workshop: How To Read A Corporate Proxy?: On Google at www.sec.gov

Sept. 15 **Shareholders**

READING: Monks & Minow, 101-250

Shareholder Activism:

Institutional Investors, Union

Pension Funds, Hedge Funds,

Activist Investors

Case Study: Microsoft

What Is a Proxy Contest?

Case Study: The Enron Movie: The Smartest Guys in the Room

(Full length motion picture to be

watched at home before class.)

Sept. 22 **Boards of Directors**

READING: Monks & Minow, 251-303; 304-346

Case: Lehman Brothers

Sept. 29 **Executive Compensation**

Monks & Minow, 347-391

Selected cases

Oct. 6 **Midterm Examination I**

Note: The instructor will hand out a study guide for Exam One before the exam and hold a Canvas Help Session Chatroom about three days before the exam in order to answer your questions about subjects that will appear on the exam. See Study Guide on Canvas.

Oct. 13 **Employee Ownership, Profit Sharing,**

and Broad-Based Stock Options

READINGS:

Shared Capitalism At Work, Introduction (Canvas)

Chs. 1, *4 In The Company of Owners (Canvas)*

What Is An Employee Stock

Ownership Plan (ESOP)? www.nceo.org

Case Study: Gilead Sciences

Closely-Held Corporations

Film: We The Owners

(An Independent Film to be

watched at home before class.)

Also discuss, The Role of Entrepreneurial

Start-ups in the Economy

Oct. 20 **Takeovers, Mergers,**

Acquisitions, Privatizations,

& Nationalizations

READINGS: Monks & Minow, 283-290

Case: Citicorp

Oct 27 **Corporate Governance**

Standards & Report Cards

READINGS: Available online & on Canvas

Sample Corporate Report Cards

Web sites:

http://www.issgovernance.com/

Case Study: Actual corporate

report card to be announced

from the most recent proxy season

Nov 3 **Midterm Examination II** See Study Guide on Canvas

Note: The instructor will hand out a study guide for Exam Two before the exam and hold a Canvas Help Session Chatroom about 3 days before the exam in order to answer your questions about subjects that will appear on the exam.

Note: Students will select a major research article in a scholarly

journal and prepare a 2 page summary and presentation to their

group. See Journal Article and Model Format on Canvas.

Nov. 10 **The Securities & Exchange**

Commission/Regulation

Workshop on Understanding

Corporate Information on the

SEC Web Site

Selected readings at: www.sec.gov

See Proposed Rule on

Corporate Political Spending (Canvas)

Workshop: How To Read A

Corporation's Annual Report?

Example of Google

Nov. 17 **International Corporate Governance**

Case Studies: China, Germany,

Japan, and India

READINGS:

Monks & Minow, 415-463

Also read: Investor Protections:

Origins, Consequences,

And Reform. LaPorta, DeSilanes, Shleifer,

Vishny (Canvas)

Nov. 24 **Corporate Ethics/Private Equity**

READING: Monks & Minow, 464-488

Case Study: Hewlett Packard

YOUR THANKSFIVING BREAK IS WEDNESDAY NOVEMBER 26TH TO SUNDAY NOVEMBER 29TH.

Dec. 1 **Corporate Social Responsibility, Socially Responsible Investing, & ESG**

READINGS: to be announced

Dec. 1 **AI and The Future of Corporate Governance**

READINGS: to be announced

The date of the final exam will be announced. See the Study Guide on Canvas.

THE FINAL EXAM. **The date is chosen by the University** for the final exam and it will be announced early in the class. Note: The instructor will hand out a study guide for the Final Exam before the exam and hold special extended office hours in a conference room to help students study for it. The teaching assistants will also hold several special office hours to help students study for this exam. The professor will also hold a Canvas Chatroom 1-3 days before the exam in order to answer your online questions about subjects that will appear on the exam.

Please see the Academic Integrity Contract which must be signed and turned in after the first class by email to the Teaching Assistant. Bring a signed copy with you to the first class. It is required that you sign it in order to take this class and receive grades.

THE END