



**Description of new course or program (catalog copy):**

**Fully Online Courses/Programs\*\***

All online programs, courses, and /or distance learning offerings must meet State Compliance regulations as defined by specific state legislation. TCU Distance Learning is any for-credit instruction provided to a TCU student outside the State of Texas. This includes internships, clinical, video conferencing, online, or any other delivery format that crosses state lines. Contact the Koehler Center for Teaching Excellence for guidelines. Include a letter of support from the Koehler Center with this proposal.

**Supporting evidence or justification:** (For a new course, attach proposed syllabus, including course objectives, course outline, and representative bibliography. For a new program attach a statement of the mission and objectives of the new program):

**Describe the intended outcomes of the course or program and how they will be assessed.**

**Additional resources required:**

**Faculty:**

**Space:**

**Equipment:**

**Library:**

**Financial Aid:**

**Other:**

**Change in teaching load:**

**Does this change affect any other units of the University?**      Yes      No

*If yes, submit supporting statement signed by chair of affected unit.*

**If cross-listed, provide evidence of approval by all curriculum committees appropriate to both the originating and the cross-listed units.**

**Chair of Originating Unit:**

**Name:**

**Unit:**

**Signature:**

**MANA 70730 CORPORATE GOVERNANCE  
TEXAS CHRISTIAN UNIVERSITY– FALL 2<sup>nd</sup> Half, 2021**

Instructor:	Ryan A. Krause, Ph.D.
Class Times/Room:	Section 083: Tuesday 6:30pm – 9:10pm online
Office:	NEEL 3310
Office Hours:	By appointment
E-mail:	<a href="mailto:r.krause@tcu.edu">r.krause@tcu.edu</a>
Twitter:	@Prof_Krause

*"A board of directors is one or two ambitious men—and a lot of ballast."  
-from *The Fountainhead* by Ayn Rand, 1943*

**COURSE DESCRIPTION:**

**1.5 Credit Hours.** This class will introduce the basic functions of boards of directors, with a particular focus on how boards manage the needs of shareholders. We will grapple with the complexities of responding to shareholders while also overseeing the performance of managers. Topics covered will include: governance of firm strategy, executive compensation, the structure and composition of boards, and shareholder activism.

**COURSE MATERIALS:**

*Required Texts:*

1. *A Real Look at Real World Corporate Governance* by David Larcker & Brian Tayan
2. Online case packet available for purchase at Harvard Business School Publishing.
3. Additional readings available through TCU Online

**LEARNING OBJECTIVES:**

The main objective of this course is for you to better understand how corporate governance works, and how it doesn't. More specifically, the course objectives include:

- Learn the basic elements of corporate governance. Understand the role of the board of directors, what it does, and what it means for a board to be effective.
- Grapple with the complexities of corporate governance. Become familiar with the general understanding of best practice and learn the limitations of said best practice.
- Engage in simulated boardroom discussions to appreciate the challenges of reaching governance consensus in the face of power differences, biases, and inertia.

**ASSIGNMENTS AND GRADING:**

Your grade in this class will be based on the following assignments and weights. All assignments are graded on a traditional 4 point scale (e.g., A = 4; A- = 3.67). Your final grade is the weighted average of your assignment grades.

ASSIGNMENT	WEIGHT
Case Discussion and Class Participation	35%
Letter to the Editor	10%
Evaluation of Corporate Governance for 1 Firm	25%
“Dear Chairperson” Letter	30%

### **CASE DISCUSSION AND CLASS PARTICIPATION:**

This class relies heavily on case discussion and participation. Our cases will outline important governance problems, and we will discuss them in a simulated boardroom discussion. To facilitate this, for most case discussions, you will be assigned a role to play at the beginning of class. This role will usually be a member of the board of directors, but may also be an executive from outside the board. It is imperative that you read the case and supporting readings carefully prior to class, as you will be expected to engage in boardroom discussions in your assigned role. Passive observation of this class is not an option. You will need to participate in order to facilitate the group discussion.

I will grade participation on the traditional 4-point grade scale (i.e. A = 4). **If you are not prepared, you will receive an F for the day.** Please let me know if you will not be in class, as this will affect how roles are allocated for case discussions. Students must, of course, miss class for one reason or another, and I understand this. If you participate regularly and demonstrate strong critical thinking skills, missing one or two days should not adversely impact your grade, provided that you let me know ahead of time that you will be absent.

### **LETTER TO THE EDITOR**

The first written assignment, due February 2 before class, is the Letter to the Editor. You are to write a hypothetical letter to the editor of the *Wall Street Journal* in response to the recent article, [“More U.S. Companies Separating Chief Executive and Chairman Roles,”](#) by Mengqi Sun, published January 23, 2019. Letters to the editor are short opinion pieces that seek to comment on a recent published article (e.g., correcting misconceptions from the article, adding a different perspective, etc.). I recommend you look at recently published letters in the *Wall Street Journal* to see how they are written. This assignment is to be **no more than 300 words**. I am looking for you to demonstrate your understanding of the nuances around the phenomena discussed in the article, and to use that understanding to enlighten the hypothetical *Wall Street Journal* readership.

Please submit this assignment electronically via the appropriate folder in TCU Online.

### **EVALUATION OF CORPORATE GOVERNANCE**

The second written assignment, due February 16 before class, is the Evaluation of Corporate

Governance at a single firm. This paper is to be **no more than 1 page**, single spaced with 12 point font. You are to choose a company with sufficient governance information available, and use this information to evaluate the quality of the company's corporate governance. Ideally, you will be able to perform this evaluation on a company with which you are very familiar, either due to past or current employment at the company or just general interest. You will get more value out of the assignment the more familiar you are with the company you evaluate. However, in some cases it may not be possible to evaluate a current or former employer due to lack of available information. So, if you cannot evaluate your own organization, I recommend identifying a publicly traded corporation with which you are familiar. In this assignment, I am looking for you to demonstrate your understanding of the corporate governance concepts discussed in class and to provide an objective assessment of these concepts as implemented at a particular organization.

Please submit this assignment electronically via the appropriate folder in TCU Online.

### **“DEAR CHAIRPERSON” LETTER**

Your final assignment, due by March 2 at 11:59 pm, is to write a fictional “Dear Chairperson” letter in the voice of a shareholder. You must pick a *publicly traded corporation* (it may be the same organization you evaluated in the second assignment if it meets the criteria for this assignment). You are to write a letter as a shareholder to the chairperson of the board of directors of **no more than 1 page**, single spaced with 12 point font. In this letter, you should advocate for one specific change to the company's corporate governance. It is your choice what change you advocate, but whatever you advocate, you must provide a sound argument with supporting evidence. You must explain why the change would improve the company's governance, and why the board chairperson should care. Your goal is to make such a convincing argument that the chair agrees to put your proposed change before the board for a vote.

Please submit this assignment electronically via the appropriate folder in TCU Online.

### **Late Policy:**

Any work turned in after the designated due date and time will be penalized 1 partial grade (e.g., drop from an A to an A-, an A- to a B+, etc.), and will continue to be penalized an additional partial grade for every 24 hour period the assignment is late.

### **Academic Misconduct Policy:**

All work must be your own. If you use any language in your written assignments from a different source, just attribute it to the source and there won't be any problem. I use plagiarism detection software on all assignments, and if your assignment overlaps significantly with other work, I will impose a severe grade penalty on the assignment, up to and including failing the assignment.

### **GRADE APPEALS:**

I do not negotiate grades. Students wishing to appeal their grade in the course should follow the procedures outlined in the TCU Official Student Handbook.

## Academic Misconduct

Academic Misconduct (Sec. 3.4 from the [TCU Code of Student Conduct](#)): Any act that violates the academic integrity of the institution is considered academic misconduct. The procedures used to resolve suspected acts of academic misconduct are available in the offices of Academic Deans and the Office of Campus Life and are listed in detail in the Graduate Catalog. Specific examples include, but are not limited to:

- **Cheating:** Copying from another student's test paper, laboratory report, other report, or computer files and listings; using, during any academic exercise, material and/or devices not authorized by the person in charge of the test; collaborating with or seeking aid from another student during a test or laboratory without permission; knowingly using, buying, selling, stealing, transporting, or soliciting in its entirety or in part, the contents of a test or other assignment unauthorized for release; substituting for another student or permitting another student to substitute for oneself.
- **Plagiarism:** The appropriation, theft, purchase or obtaining by any means another's work, and the unacknowledged submission or incorporation of that work as one's own offered for credit. Appropriation includes the quoting or paraphrasing of another's work without giving credit therefore. This class uses Turnitin to detect plagiarism.
- **Collusion:** The unauthorized collaboration with another in preparing work offered for credit.
- **Abuse of resource materials:** Mutilating, destroying, concealing, or stealing such material.
- **Computer misuse:** Unauthorized or illegal use of computer software or hardware through the TCU Computer Center or through any programs, terminals, or freestanding computers owned, leased or operated by TCU or any of its academic units for the purpose of affecting the academic standing of a student.
- **Fabrication and falsification:** Unauthorized alteration or invention of any information or citation in an academic exercise. Falsification involves altering information for use in any academic exercise. Fabrication involves inventing or counterfeiting information for use in any academic exercise.
- **Multiple submission:** The submission by the same individual of substantial portions of the same academic work (including oral reports) for credit more than once in the same or another class without authorization.
- **Complicity in academic misconduct:** Helping another to commit an act of academic misconduct.
- **Bearing false witness:** Knowingly and falsely accusing another student of academic misconduct.

## Statement Regarding Recorded Class Material:

TCU students are prohibited from sharing any portion of course materials (including videos, PowerPoint slides, assignments, or notes) with others, including on social media, without written permission by the course instructor. Accessing, copying, transporting (to another person or location), modifying, or destroying programs, records, or data belonging to TCU or another user without authorization, whether such data is in transit or storage, is prohibited. The full policy can be found at: <https://security.tcu.edu/polproc/usage-policy/>.

**Violating this policy is considered a violation of Section 3.2.15 of the Student Code of Conduct** (this policy may be found in the Student Handbook at <https://tcu.codes/code/index/>), **and may also constitute Academic Misconduct or Disruptive Classroom Behavior** (these policies may be found in the undergraduate catalog at <https://tcu.smartcatalogiq.com/current/Undergraduate-Catalog/Student-Policies/Academic-Conduct-Policy-Details>). TCU encourages student debate and discourse; accordingly, TCU generally interprets and applies its policies, including the policies referenced above, consistent with the values of free expression and First Amendment principles.

### **Support for TCU Students**

#### Campus Offices

- Brown-Lupton Health Center (817-257-7863)
- Campus Life (817-257-7926, Sadler Hall 2006)
- Center for Academic Services (817-257-7486, Sadler Hall 1022)
- Center for Digital Expression (CDeX) (817-257-7350, Scharbauer 2003)
- Mary Coats Burnett Library (817-257-7117)
- Office of Religious & Spiritual Life (817-257-7830, Jarvis Hall 1<sup>st</sup> floor)
- Student Development Services (817-257-7855, BLUU 2003)
- TCU Center for Writing (817-257-7221, Reed Hall 419)
- Transfer Student Center (817-257-7855, BLUU 2003)
- Veterans Services (817-257-5557, Jarvis Hall 219)

### **Anti-Discrimination and Title IX Information**

#### **Statement on TCU's Discrimination Policy**

TCU prohibits discrimination and harassment based on age, race, color, religion, sex, sexual orientation, gender, gender identity, gender expression, national origin, ethnic origin, disability, predisposing genetic information, covered veteran status, and any other basis protected by law, except as permitted by law. TCU also prohibits unlawful sexual and gender-based harassment and violence, sexual assault, incest, statutory rape, sexual exploitation, intimate partner violence, bullying, stalking, and retaliation. We understand that discrimination, harassment, and sexual violence can undermine students' academic success and we encourage students who have experienced any of these issues to talk to someone about their experience, so they can get the support they need.

- [Review TCU's Policy on Prohibited Discrimination, Harassment and Related Conduct or to file a complaint: https://titleix.tcu.edu/title-ix/.](https://titleix.tcu.edu/title-ix/)
- [Learn about the Campus Community Response Team and Report a Bias Incident: https://titleix.tcu.edu/campus-community-response-team/](https://titleix.tcu.edu/campus-community-response-team/)

#### **Statement on Title IX at TCU**

As an instructor, one of my responsibilities is to help create a safe learning environment on our campus. It is my goal that you feel able to share information related to your life experiences in classroom discussions, in your written work, and in our one-on-one meetings. I will seek to keep any information you share private to the greatest extent possible. However, I have a mandatory

reporting responsibility under TCU policy and federal law and I am required to share any information I receive regarding sexual harassment, discrimination, and related conduct with TCU's Title IX Coordinator. Students can receive confidential support and academic advocacy by contacting TCU's Confidential Advocate in the Campus Advocacy, Resources & Education office at (817) 257-5225 or the [Counseling & Mental Health Center](https://counseling.tcu.edu/) at <https://counseling.tcu.edu/> or by calling (817) 257-7863. [Alleged violations can be reported to the Title IX Office](https://titleix.tcu.edu/student-toolkit/) at <https://titleix.tcu.edu/student-toolkit/> or by calling (817) 257-8228. Should you wish to make a confidential report, the Title IX Office will seek to maintain your privacy to the greatest extent possible, but cannot guarantee confidentiality. Reports to law enforcement can be made to the Fort Worth Police Department at 911 for an emergency and (817) 335-4222 for non-emergency or TCU Police at (817) 257-7777.

### **Statement of Disability Services at TCU**

Disabilities Statement: Texas Christian University complies with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 regarding students with disabilities. Eligible students seeking accommodations should contact the [Coordinator of Student Disabilities Services in the Center for Academic Services](http://www.acs.tcu.edu/disability_services.asp) located in Sadler Hall, room 1010 or [http://www.acs.tcu.edu/disability\\_services.asp](http://www.acs.tcu.edu/disability_services.asp). Accommodations are not retroactive, therefore, students should contact the Coordinator as soon as possible in the term for which they are seeking accommodations.

Further information can be obtained from the Center for Academic Services, TCU Box 297710, Fort Worth, TX 76129, or at (817) 257-6567.

Adequate time must be allowed to arrange accommodations and accommodations are not retroactive; therefore, students should contact the Coordinator as soon as possible in the academic term for which they are seeking accommodations. *Each eligible student is responsible for presenting relevant, verifiable, professional documentation and/or assessment reports to the Coordinator.* [Guidelines for documentation](http://www.acs.tcu.edu/disability_documentation.asp) may be found at [http://www.acs.tcu.edu/disability\\_documentation.asp](http://www.acs.tcu.edu/disability_documentation.asp).

Students with emergency medical information or needing special arrangements in case a building must be evacuated should discuss this information with their instructor/professor as soon as possible.

**COURSE SCHEDULE – FALL 2021**  
**MANA 70730: CORPORATE GOVERNANCE**

<b>WEEK</b>	<b>DATE</b>	<b>TOPICS</b>	<b>ASSIGNMENT</b>
1	Oct 26	What is Corporate Governance?	<p style="text-align: center;"><b>READ LARCKER &amp; TAYAN:</b>  <b>Introduction, pp. 6-13</b></p> <p style="text-align: center;"><b>READ ARTICLES:</b></p> <p><b>From TCU Online:</b>  Board of Directors: Duties and Liabilities  <i>Stanford CGRI</i></p> <p>Gryta, T. and Mann, T. (2018, December 14). "GE Powered the American Century—Then it Burned Out". <i>Wall Street Journal</i>.</p> <p>Duhigg, C. (2020, November 30). "The Enablers". <i>The New Yorker</i>.</p>
2	Nov 2	The Board of Directors: Structure and Composition	<p style="text-align: center;"><b>READ LARCKER &amp; TAYAN:</b>  <b>Part I, pp. 14-42</b></p> <p style="text-align: center;"><b>READ ARTICLES:</b></p> <p><b>From TCU Online:</b>  Board of Directors: Structure and Consequences. <i>Stanford CGRI</i>.</p> <p>Independent Chairman Research Spotlight.  <i>Stanford CGRI</i>.</p> <p>Chairman and CEO: The Controversy Over Board Leadership Structure. <i>Stanford CGRI</i>.</p> <p>Higgins, T. and Steward, R. M. (2018, November 8). "Meet Tesla's New Chairman, Who Has to Oversee Elon Musk".</p> <p>Entergy Case Study Task Document Attachment</p> <p style="text-align: center;"><b>READ CASE</b></p> <p><b>From Harvard Publishing:</b>  Board Leadership at Entergy Corporation</p>
3	Nov 9	CEO Succession	<p style="text-align: center;"><b>ASSIGNMENT DUE BEFORE CLASS:</b>  Letter to the Editor (Max 300 words)</p> <p style="text-align: center;"><b>READ LARCKER &amp; TAYAN:</b>  <b>Part III, pp. 80-112</b></p>

			<p style="text-align: center;"><b>READ ARTICLES:</b></p> <p><b>From TCU Online:</b> Seven Myths of CEO Succession. <i>Stanford CGRI</i>.</p> <p>CEO Succession Planning. <i>Stanford CGRI</i>.</p> <p>CEO Attributes and Firm Performance. <i>Stanford CGRI</i>.</p> <p>Internal vs. External CEOs Research Spotlight. <i>Stanford CGRI</i>.</p> <p style="text-align: center;"><b>READ CASE</b></p> <p><b>From Harvard Publishing:</b> King Lear Revisited: The Succession Conundrum at Cordia Enterprises.</p>
4	Nov 16	Executive Compensation	<p style="text-align: center;"><b>READ LARCKER &amp; TAYAN: Part IV, pp. 113-144</b></p> <p style="text-align: center;"><b>READ ARTICLES:</b></p> <p><b>From TCU Online:</b> CEO Pay Levels: Research Spotlight. <i>Stanford CGRI</i>.</p> <p>Donatiello, M.E., Larcker, D. &amp; Tayan, B. (2017). CEO Talent: A Dime a Dozen, or Worth its Weight in Gold.</p> <p>Dezember, R. (2019, March 7). “Activist takes aim at shale-company CEO’s pay.” <i>Wall Street Journal</i>.</p> <p style="text-align: center;"><b>READ CASE</b></p> <p><b>From Harvard Publishing:</b> Attention Shoppers: Executive Compensation at Kroger, Safeway, Costco, and Whole Foods.</p>
5	Nov 23	Shareholder Activism	<p style="text-align: center;"><b>ASSIGNMENT DUE BEFORE CLASS: 1-Page Evaluation of Corporate Governance</b></p> <p style="text-align: center;"><b>READ ARTICLES:</b></p> <p><b>From Harvard Publishing:</b> George, B. &amp; Lorsch, J. (2014). How to Outsmart Activist Investors. <i>Harvard Business Review</i>.</p> <p><b>From TCU Online:</b></p>

			<p>Loop, P., Bromilow, C., &amp; Malone, L. (2018). The Changing Face of Shareholder Activism. <i>Harvard Law School Forum</i>.</p> <p>CEO Turnover Research Spotlight. <i>Stanford CGRI</i>.</p> <p>Weber, L. &amp; Wiersema, M. (2017). Dismissing a Tarnished CEO. <i>California Management Review</i>.</p> <p style="text-align: center;"><b>READ CASE</b></p> <p><b>From Harvard Publishing:</b> Shareholder Activism at Canadian Pacific Railroad.</p>
6	Nov 30	Implementing Corporate Governance	<p style="text-align: center;"><b>READ ARTICLES:</b></p> <p><b>From TCU Online:</b> Griffin, T., Larcker, D., Miles, S.A., &amp; Tayan, B. (2017). Board Evaluations and Boardroom Dynamics. <i>Stanford CGRI</i>.</p> <p>Board of Directors: Selection, Compensation, and Removal. <i>Stanford CGRI</i>.</p> <p>Larcker, D. &amp; Tayan, B. (2012). Scaling Up: The Implementation of Corporate Governance in Pre-IPO Companies.</p> <p>Finkelstein, S. &amp; Mooney, A. (2003). Not the Usual Suspects: How to Use Board Process to Make Boards Better. <i>Academy of Management Executive</i> 17(2), 101-113.</p> <p style="text-align: center;"><b>READ CASE</b></p> <p><b>From Harvard Publishing:</b> Greenbrier Growth Partners and Microsurgery Devices.</p>
7	Dec 7	Guest Speaker	<p style="text-align: center;"><b>GUEST SPEAKER:</b> Maribess Miller Director: <i>DR Horton, Triumph Bancorp, Midmark, Zix Corp.</i></p> <p style="text-align: center;"><b>FINAL ASSIGNMENT Due Dec 7 at 11:59pm</b> <b>Shareholder's "Dear Chairperson" Letter</b></p>