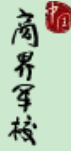




PHBS

北京大学汇丰商学院



Course Code MGT 519

THE BOARD OF DIRECTORS (公司董事会)

Module 3, 2023-2024

Course Information

Instructor: ZHU Hong, PhD

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TA Office: PHBS Building, Room 213/214

TA Office Hours: 15:00-17:00pm Tuesday

Classes:

Lectures: 8:30am-10:20am, Tuesday & Friday

Venue: Room TBD

Wechat Group: 2024M3-BOD

1. Course Description

1.1 Context

Course overview

Traditionally board is supposed to take a governance role in companies. Yet, change is coming. Boards are increasingly taking a more active role in strategic decisions that once belonged solely to the Chief Executive Officer (CEO) and his/her top executive team. So, it is essential to understand how boards could contribute effectively to strategic decision making. This course aims to provide a comprehensive understanding of board of directors and how they effectively make strategic decisions in addition to oversight.

This course will cover

1. Boards of established firms vs. startups
2. Boards of Chinese firms and firms headquartered outside of China
3. Chartered Financial Analyst (CFA) materials related to boards

Prerequisites

This course welcomes every student who has strong interests in learning boards of directors. At the same time, **before you register the course**, please pay close attention to the following prerequisites.

1. **The key for you to succeed in this course is to actively participate in group case analyses and discussions in the classroom.**
2. Students are generally required to have completed at least one management course at master/undergraduate level.

1.2 Textbooks and Reading Materials

Course materials will consist of four areas: (1) References; (2) Harvard, Columbia and Ivey cases; (3) CFA materials; (4) Powerpoint slides.

(1) References

One set of the following three references is available at Office 114. You can contact Holly Wan at office 114 to borrow these references.

Ram Charan, Dennis Carey, Michael Useem. 2013. ***Boards That Lead: When to Take Charge, When to Partner, and When to Stay Out of the Way***. Harvard Business Press.

Brad Feld, Mahendra Ramsinghani. 2013. ***Startup Boards: Getting the Most Out of Your Board of Directors***. Wiley Publisher.

Larcker, D. & Tayan, B. 2011. ***Corporate Governance Matters: A Closer Look at Organizational Choices and Their Consequences***. New Jersey: Pearson Education, Inc.

(2) CFA Materials

CFA Institute. 2021. Corporate Governance, the Level 1 CFA Program.

(3) Cases

Harvard cases, one Columbia case and two Ivey cases will be distributed one week before each case discussion.

(4) Powerpoint slides (PPTs)

- 1) We will not use CMS in order to make sure that only students who register for the course will receive the course materials.
- 2) PPT slides without answers will be emailed to you one week before the lectures.
- 3) PPT slides with answers will be emailed to you after each week's lectures.

Recommended Readings: I recommend that you read (or browse) a major business newspaper on a daily basis. You have heard the phrase "readers are leaders." This is true assuming the reading is relevant. There is a lot to choose from so choose wisely. Most people do not read; this will be a habit that will set you apart.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment (YES with details or NO)
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	No
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes
	2.2. Students will be able to apply leadership theories and related skills.	Yes
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	Yes

	3.2. Our students will practice ethics in the duration of the program.	Yes
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes
	5.3. Our students will demonstrate competency in critical thinking.	Yes

2.2 Course specific objectives

This course contains the frontier academic research, a number of examples, and classic and latest Harvard and Ivey cases, regarding board of directors of both established firms and new ventures. The goals of this course are to (1) facilitate students to develop a solid and comprehensive understanding of board of directors including their composition, structure, and decision making in board rooms, etc, (2) offer students fine-grained analyses of how the board monitors, partners with, or leads the management to create value for firms, and (3) prepare students with the knowledge of roles of boards of directors in different stages of firms including startups and established firms. Armed with such in-depth understandings of board of directors, students are more capable of shouldering responsibilities in both startups and established organizations increasingly competing in the global market.

2.3 Assessment/Grading Details

	Assessment Task	Weighting	Submission
I	Individual Participation*	10%	Each Lecture
II	Group Participation in Cases*	30%	Each Case
III	Final Group Presentations	25%	April 19
IV	Final Individual Report	30%	5:30pm April 26
V	Effective Group Leaders	5%	
	Total	100%	
VI	Bonus (Active Participation)	5%	

* Individual Participation excludes Group Participation in Cases.

Cases refer to the big cases (e.g., Case 1, Case 2) in the temporary schedules (page 7-8) of the syllabus. Cases do not refer to examples or mini-cases in the course.

Assignments submitted after the due time will be penalized 10% of the base grade for each 24-hour late.

Submission time is temporary and may change slightly according to the course progress.

1. Individual Participation (10%)

Please plan to treat this course as an opportunity to practice the professionalism that will serve you well during your career. You owe yourself and your fellow students your presence in the classroom. Meanwhile, please note that nonprofessional behavior (i.e. sleeping in class, chatting with your neighbors during the class time, showing up late to class, reading materials other than those assigned for this class, leaving class early, failing to turn cell phones off, passing notes, eating, rudeness, sarcasm, discrimination, etc.) that creates a distraction is likely to inhibit both your own and your peers classroom learning. As such you can expect that the demonstration of unprofessional behavior will negatively impact your grade in class

participation.

Attendance. Please also note that attendance is a necessary but insufficient condition for participation in a timely manner; this means that simply attending the class is not the same as participating. Participation will be graded on the basis of the quantity and quality of an individual's contribution to classroom discussion. In fact, we learn best when we are actively involved in the activity we are attempting to master (consider riding a bicycle, studying dentistry). According to PHBS regulations, you can have one opportunity to ask for a leave due to business reasons; you can have unlimited times to ask for a leave due to emergencies; and six absences are equal to failure in the course. Please arrive at the classroom and scan your face on time. Your attendance and lateness are recorded accordingly.

Individual Participation. Being well prepared for class is a prerequisite for high quality involvement, which in turn better enables you to maximize your learning. Hence, it is virtually important and it is your responsibility that you always have read in advance the materials that will be covered during the class. Your level of preparation for this class will determine your success. Please come to class prepared. I expect each of you will provide your quality opinion at least once during a week. As such, you will receive the full grade for participation.

Please fill in an online participation form uploaded to our wechat group right after each lecture. Individual participation refers to the number of times you provide quality opinions except simple answers such as yes/no during each lecture excluding group case analyses. There are attendance and lateness columns for you to fill in. Please fill in these columns as well.

II. Group Participation in Case Analyses (30%)

Group members: Five students will form a group. To ensure students to experience sufficient interactions with each other and to experience group dynamics, students will be assigned to two different groups this module.

Two groups: Group 1 will be formed to be responsible for *cases in Week 1-5* and Group 2 will be formed to be responsible for cases in *Week 6-9*.

Group 1 and Group 2 information including group members along with the seating chart will be sent to you after add-drop and roughly in Week 5 respectively. Group leaders will be assigned to each case right before each case discussion.

Group leaders: Every student will have an opportunity to serve as a group leader. Each group leader is responsible for one case. If you have preferences such as the time to serve as a group leader, please inform TA asap.

Group leaders will be responsible for (a) taking a laptop to the classroom; (b) coordinating group discussion; (c) leading the group to discuss the case with other groups; and (d) filling in group case participation uploaded after each case discussion.

Pre-class preparations: Each group member has to read the case and think about case discussion questions INDEPENDENTLY before class.

In-class group case discussion: In class each group member will discuss your thoughts with your group members; and then groups will exchange and/or debate on ideas.

Group case participation fill-in: Each case's group leaders are responsible for filling in the online group case participation form uploaded by TA after each case analysis. Group case participation refers to the total number of times that all of your group members provide quality opinions to all discussion questions of a case.

Grading criteria: It is expected that on average each group contributes at least 1.5 quality opinions to each discussion question. So, this group can get a full grade. Every group member receives the same grade.

III. Final Individual Report (30%)

Final individual report: Please review the contents from Lecture 1 to Lecture 18 before commencing the individual report. In your individual report, you do not need to cover all materials in these 18 lectures. I encourage you to provide a comprehensive review of those key topics that have left a significant impact on your understanding of boards of directors.

Grading criteria: The relevance of your contents, the accuracy of the concepts and theories, the logics, breadth and depth of your analyses, the format, and the diligence shown in the reports.

Submissions: Each individual report is no more than *single-spaced, 12 point Times New Roman, three-page* long excluding the cover page with your name, student ID number and individual report title, appendices with figures and tables and reference page, if any. Please provide your references to the facts/data in your reports. *Please email each report (Word and PDF format) to TA before or on **5:30pm April 26.***

IV. Final Group Presentations (25%)

To facilitate students' awareness about, and sensitivity to boards and directors in the business world dynamics, as well as application of what is learned throughout the course, students are required to form groups and prepare a group case presentation roughly in the last two lectures.

Group information: Please email TA your group information including group members (e.g., **five** students) and the group leader before or on **5:30pm March 17**. If TA does not receive your preference, TA will assign students into different groups.

Group leaders: *Group leaders take the responsibilities for calling for group meetings, assigning tasks to each group member, coordinating the progress of each group member, and leading the group to complete the project successfully etc. Assigned tasks to each team member could include identifying the case, collecting the materials, presenting the project, compiling and submitting the PPTs of presentations, etc. These assigned tasks also need collective efforts to some extent.*

Group members: *Group members are responsible for contributing to the quality of the project, and completing the assigned tasks timely and effectively, etc. to ensure the success of the whole team.*

Topics: The principle is "first come, first served." Please email TA the name of the board or director of your final presentation as soon as you could, and copy the email to the Professor.

Contents: Your group presentation should include the following parts:

- (1) A brief introduction of a board chair/lead director/corporate board/independent director, etc; and the affiliated company.
 - a) The board chair/lead director/corporate board, etc in your final group project should not be thoroughly discussed in lectures and case analyses.
- (2) Analyses of several key aspects of the board chair/lead director/corporate board, etc. For example,
 - a. Do you think this is an effective board in monitoring the behaviours of the CEO? Why?
 - b. Do you think the board chair/lead director is qualified? Why?
 - c. What are the criteria to be a board member?
 - d. How does the board partner with the CEO to make wise strategic decisions?
 - e. What are the problems associated with the composition of the board?

The above topics are examples. Your final presentations are not limited to these topics. You can cover any topics we discuss in the class.

(3) Conclusion

Submissions: Please email TA the draft of PowerPoint slides before or on **5:30pm April 14** and copy the email to the Professor. Please email the finalized version of your PPT slides to the TA before or on **5:30pm April 21**.

Presentation: *The sequence of the presentation will be based on the alphabetic order of the surname of each group leader. At least half of your group members must do the presentation. The presentation will last 15-20 minutes excluding 3-5 minutes Q&A session.*

Grading criteria include the number of concepts and theories included in the analyses, accurate understandings of concepts and theories, the application of concepts and theories to analyze the case, the depth and quality of your analyses, critical thinking, quality of PPTs, presentation quality, professional dress, efforts in the final project, the quality of your answers to the questions, and completion of the presentation within time limit. Marks will be deducted if the time limit is exceeded. Each group member receives the same grade.

V. Effective Group leaders (5%)

If you are a group leader of in-class case analyses, you will automatically receive 5% given your good efforts and contributions as a group leader.

VI. Bonus (5%)

In the past years I observed outstanding individual participation and group case participation. To reward these outstanding students and groups, I set up this bonus. If your individual

participation is far more than once a week, you will receive a bonus with the maximum 2.5%. If your group case participation is far beyond 1.5 quality opinions per question, your group members will receive a bonus with the maximum 2.5%.

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

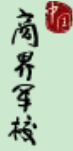
For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule

Note: This is a temporary schedule and may be adjusted based on the class progress.

Week		Date	Lecture	Contents
1	Tuesday	20-Feb	1	Introduction
	Friday	23-Feb	2	The Evolution of Apple Boards
				The Evolution of Boards: Agency Theory and Strategic Leadership Theory The Evolution of Boards: Agency theory and strategic leadership theory
2	Tuesday	27-Feb	3	Opening Case Opening Ivey case: What is an effective board? Board: Composition and Structure
				Concepts: Board composition and structure I
				Concepts: Board composition and structure II
	Friday	1-Mar	4	Case Scenario: Design a board before Jumei's IPO @ NYSE I
				Case Scenario: Design a board before Jumei's IPO @ NYSE II
3	Tuesday	5-Mar	5	International Corporate Governance- Europe, Japan and China
	Friday	8-Mar	6	Board: Legal Duties and Roles Concepts: Legal duties, board roles, levels of engagement Case 1: Columbia Business School Case - Corporate Governance at Hewlett-Packard 1999-2005 Part I
				Case 1: Columbia Business School Case - Corporate Governance at Hewlett-Packard 1999-2005 Part II
				Board: Selection, Diversity and Compensation
4	Tuesday	12-Mar	7	Concepts: Board selection, diversity and compensation
	Friday	15-Mar	8	Mini-case: 2021 Kangmmei Pharmaceutical Co. independent directors
				Case 2: Harvard Business Case - Executive compensation at GE (A)
				Board: Evaluation and Removal
				Concepts: Board Evaluation and Removal Part I
5	Tuesday	19-Mar	9	Concepts: Board Evaluation and Removal Part II

				Case 3: Ivey Case: Infosys - Peer review at board level
	Friday	22-Mar	10	A Startup Board: Growth
				Concepts: The growth of startups and board of startups Part I
6	Tuesday	26-Mar	11	Concepts: The growth of startups and board of startups Part II
				A Startup Board: Entrepreneur and Board
				Case 4: Harvard Business School Case: Pixability: Bettina's Board Walk
	Friday	29-Mar	12	A Startup Board: Key Three Key Directors
7				Concepts: Create a new venture board with three key directors Part I
	Tuesday	2-Apr	13	Concepts: Create a new venture board with three key directors Part II
				A Startup Board: Meetings
				Concepts: Recruit board members and board meetings
	Sunday	7-Apr	14	Board in China: Chinese SOE Boards
8				Case 5: Harvard Business School Case - Baosteel Group: Governance with Chinese Characteristics I
	Tuesday	9-Apr	15	Case 5: Harvard Business School Case: Baosteel Group: Governance with Chinese Characteristics II
				Board in China: Chinese Firms' Globalization and Board Changes
				Mini-case: Lenovo's board changes after globalization Part I
	Friday	12-Apr	16	Mini-case: Lenovo's board changes after globalization Part II
				Harvard Business Review: Culture clash in the boardroom
9				GUNG HO How to resolve culture distance
	Tuesday	16-Apr	17	Mini-case: 2020 Luckin Cofee and Board evolution in China
	Friday	19-Apr	18	Wrap up
				Final Group Presentations



4. Miscellaneous

Wechat group

Each student is required to join the wechat group. Each student should use his/her real name (Chinese/ English names in this wechat group). Announcements will be posted through the wechat.

A group photo

In Lecture 3, case 1 group leaders will be responsible for taking a group photo clearly showing each member's face and manner.

Case 1 group leaders will also be responsible for submitting the group photo indicating each member's Chinese name and English name to TA before/on 9:00pm on the day of Lecture 3.

Laptop

1. You can use the laptop **only during group case discussions**.
2. Please bring notepad or paper to take notes in lectures.

Homework Submission

1. Please submit them (Word and PDF format for reports; and PPT format for the final presentation) to TA on time.
2. After due time, TA will upload a note to indicate your submission status e.g., submission on time.

Notes

1. The number of groups and the number of students in each group including case discussions and final projects will be announced based on the number of registered students after the add-drop period.
2. The number of cases we will discuss will depend on our progress in the module.
3. If there is a **free rider** issue in your group, please contact the Professor asap. The free rider will be asked to fulfil the responsibilities asap, to reduce their scores or to drop from the course.