LA9FP-20 Advanced Issues in Corporate Governance

26/27

Department
: School of Law

Level
: Taught Postgraduate Level

Module leader
: Andrew Johnston

Credit value
: 20

Module duration
: 9 weeks

Assessment
: 100% coursework

Study location
: University of Warwick main campus, Coventry

Description

Introductory description

This module focuses on the way public companies are directed and controlled using a combination of law, soft law, market forces and investor pressure. This mix of constraints and incentives is called the ‘corporate governance system’.
The module explores: how the corporate governance system impacts on the discretion given to corporate managers by company law; how it developed and whose interests it serves; how it is justified; the role of the UK Corporate Governance Code and the ‘comply or explain’ principle; the growth and types of institutional investors; the role institutional investors are expected to play by the Stewardship Code and in relation to executive pay; the changing role and scope of information disclosure; and the relationship between corporate social responsibility, corporate governance and sustainability.
Throughout the module, students will critically evaluate policies and instruments with reference to theories of shareholder primacy, stakeholding, team production, and social and environmental sustainability. We will discuss both the historical development of the corporate governance system and its future trajectory, and we will finish the module by evaluating its possible contribution to mitigating the climate crisis.

Module aims

Understand how the corporate governance system influences the way companies are run, how and why it developed, and whose interests it serves
Understand the main structure of the UK Corporate Governance Code, UK Stewardship Code and the rules relating to executive pay
Understand the changing nature of institutional investors and the role they play, and the way in which law and the corporate governance system have sought to empower investors
Understand the changing scope and role of information disclosure
Understand the function of corporate social responsibility and the current move to embed sustainability in corporate governance in various ways
Evaluate and develop proposals for corporate governance reform

Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

1. Introduction: from Company Law to Corporate Governance
2. Orientation of Corporate Governance: Shareholder Value, Stakeholding, Managerialism and Team Production, Sustainability
3. The UK Corporate Governance Code
4. Information Disclosure
5. Institutional Investment
6. Shareholder Stewardship and Engagement
7. Executive Pay
8. Corporate Social Responsibility
9. Embedding Sustainability in Corporate Governance

Learning outcomes

By the end of the module, students should be able to:

- Understand how corporate governance has developed in the UK over the past 70 years
- Critically evaluate the different interests at stake in companies and how they are or might be protected through corporate governance
- Explain and critically evaluate the principal instruments that make up the UK corporate governance system, including the UK Corporate Governance Code, the Stewardship Code and shareholder ‘say on pay’
- Explain the different types of institutional investors and evaluate their possible contribution to corporate governance

- Explain the changing role and scope of information disclosure and how it reflects wider understandings of the scope of corporate governance
- Explain and critically evaluate corporate social responsibility and current policy developments which aim to make corporate activities more socially and environmentally sustainable
- Engage in critical analysis and application of the legal, economic and management literature relating to corporate governance
- Evaluate and develop reform proposals relating to various aspects of corporate governance and the system as a whole

Indicative reading list

Reading lists can be found in Talis

Research element

Students will research topics and give presentations during the seminars, and will write a research essay as an assessment

Interdisciplinary

Draws on economic and management literature to complement the law and legal literature

International

Some comparative elements will be included, but they are not the main focus of the module

Subject specific skills

Understanding the corporate governance system as a complement to company law
Understanding the interaction between law, soft law and market forces
Understanding different regulatory techniques used in corporate governance

Transferable skills

Understanding how different aspects of the corporate governance system shape corporate activity
Wider commercial awareness of public companies and institutional investment
Wider awareness of current developments in relation to corporate sustainability

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Study

Study time

Type	Required
Seminars	9 sessions of 2 hours (9%)
Online learning (independent)	9 sessions of 1 hour (4%)
Private study	173 hours (86%)
Total	200 hours

Private study description

Guided reading and research

Other activity description

Consultation hours

Costs

No further costs have been identified for this module.

Assessment

You must pass all assessment components to pass the module.

Assessment group A1

	Weighting	Study time	Eligible for self-certification
Assessment component			
Choice of essays	100%		No
Reassessment component is the same			

Feedback on assessment

Generic feedback will be provided via Moodle, with individual feedback via Tabula.

Availability

Courses

This module is Core option list B for:

- Year 1 of TLAA-M3PJ Postgraduate Taught Advanced Legal Studies
- Year 1 of TLAS-M3P7 Postgraduate Taught International Economic Law
- Year 1 of TLAS-M221 Postgraduate Taught LLM in International Corporate Governance and Financial Regulation