

**STUDENT SYLLABUS**

**WILLAMETTE UNIVERSITY**

Atkinson Graduate School of Management

**TERM/YEAR: Fall, 2011**

**AGSM 698**

**Governance and Leadership: Creating  
Value through Governance**

**INSTRUCTORS AND THEIR OFFICE HOURS:**

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**TIME/PLACE FOR CLASS:** Mondays and Wednesdays, 8:00-9:30 AM and  
10:00 AM to 11:30 AM

**PREREQUISITES:**

**REQUIRED TEXTS AND CASES:**

*Business and Its Environment* (2010), David Baron, ISBN: 0130470643, 6th edition, Prentice Hall College Div.; hard copy available for purchase from the bookstore or, you purchase an e-version for approximately one-third the cost of the printed version. The ebook version will be cumbersome to print, so you must be willing to work with it online.

Purchase a packet of readings and cases. We will solicit your signature allowing us to charge your account directly.

**COURSE DESCRIPTION:** AGSM 698 is a course about governance. Governance concerns the exercise of authority through formal and informal arrangements for making and carrying out collective decisions. Public, private, and not-for-profit organizations all involve governance, as do the relationships among them and their relationships with the community at-large. By the conclusion of the course, you should be able to:

1. understand the impact of environmental, economic, political, regulatory, cultural, technological and international trends upon governance (e.g., expectations, policies, processes, decision rights, and performance) in business, government, and not-for-profit organizations
2. recognize, assess, and respond to the rules that govern collective decision-making so as to influence outcomes.
3. evaluate and select among alternative institutional and operational arrangements for resolving conflicts within and between business, government, and not-for-profit organizations (e.g., state-owned enterprises, strategic alliances)
4. manage and lead organizations from a values perspective (e.g., efficiency and objectivity, fairness and respect for the individual, accountability and transparency, and public trust)
5. apply critical and creative thinking skills to practical and theoretical problems of strategy, structure, diversity, and performance in a national and global environment.

**COURSE FORMAT:** Most classes will consist of 1) summarizing the assigned topic with an opportunity to exchange questions, opinions and ideas; 2) problem solving and critical thinking directly related to the assigned reading using an exercise or a case study (see Appendix 1 at the end of this syllabus for tips on preparing for case discussions); and 3) discussing and summarizing what you did and learned in the problem solving/critical thinking portion of the class. Your thoughtful interaction, contributions and discussion, and active listening are important.

The explanation in the textbooks is comprehensive, relevant, up-to-date and accessible. There is no need to take class time from discussion and problem solving to review most of the topics from the assigned readings unless you have questions. Of course, we may disagree with something in a text and this disagreement can be the basis for good class discussions.

### **TEAM PROJECT:**

**Internationalizing Your OEIB Project** This project asks you both to identify a strategy that would enable your OEIB nominee to perform its current objectives in countries outside the U.S. or to develop an understanding of how international forces influence your nominee's activities. See Appendix 3, at the end of the syllabus, for more details on this project.

**NAMES & ATTENDANCE:** The class will be taught with heavy use of exercises and cases to demonstrate in real terms the complexities of the material covered. Prepare your analysis outside of class and be prepared to discuss it during class. The instructors may identify, in advance, a set of students to initiate or lead discussion of a case. All students, however, should be prepared to

discuss the case. You are the best judge of how to best use your scarce and valuable time. We strongly encourage you to attend and participate in class. When you come to class, please be **punctual** and come **prepared** to contribute to learning in the classroom. By coming to class, you satisfy our expectations, those of your fellow students, and especially those of the other members of the teams you are on for class projects, which may influence their evaluations of your performance, submitted at the end of the projects. Please **display your name tents in class**. We would like to get to know your names as soon as possible. You can help.

## **ASSESSMENT OF STUDENT PERFORMANCE**

We provide several opportunities for you to demonstrate that you have achieved the learning objectives (in parentheses below) for the course.

1. Oral Case Presentation(s) in which all members of each team participate (see assessment rubric posted on WISE) (25 points) 1,5; at least two weeks prior to the presentation date, we will identify on WISE: Resources: Case presentations whether the presenters are staff, managers, or consultants to the organization in the case and tell the audience the role they are playing, such as executives responsible for the decision in the case, a board of directors, etc.; 15 minute presentation; max 5 slides (charts, figures, diagrams strongly preferred), 10 minute Q&A following 5 minutes when students in the audience consult in small groups to prepare questions. Submit your Powerpoints to the WISE: Drop Box
2. Exam 1 based on case from the text announced in the syllabus (25 points)
3. OEIB International Project (25 points)
4. Exam 2 based on case from the text announced in the syllabus (25 points)
5. Extra Credit: Podcasts describing key concepts in the course (10 – 20 points)  
We have identified key concepts in most weeks and provided url's to videos explaining them. You may earn extra credit by finding or preparing a video (six minutes maximum) explaining a concept for which we have not provided a url. You should post your video on WISE within one week of the class in which the concept first appears as noted in the syllabus. We will poll the class. If we have not provided a url, we will ask class members whether they found the video to be 1) wrong; 2) unhelpful; 3) helpful; 4) very helpful. If we have provided a url, we will ask the class whether they found the new video to be 1) wrong; 2) less helpful; 3) more helpful; 4) much more helpful than the video we posted. If at least half of the class participates in the poll and the median outcome is 3, 3.5 or 4, we will award extra credit. We reserve the right to adjust the award.

**Policy on Acceptable Written Work:** Please see Appendix 3 for details.

### **Adjustments to individual grades for performance on team projects**

Individual grades on the OEIB Internationalization Project will be team grades, adjusted for peer assessments of the contributions of each team member to the team's product. Each team member will evaluate all team members, distributing 100 points across them. When making this evaluation, consider the group member's:

- effort on behalf of the group;

- contribution of ideas toward the final group product;
- preparation for group meetings and dependability in performing agreed assignments; and
- constructive contributions to group effectiveness by listening actively, being open to discussing different ideas, and helping to arrive at a consensus.

This evaluation is confidential but your team may do the peer evaluation in the open and make results known to each other. Most teams will use this peer evaluation to report that all members contributed more or less equally. If your team selection process is done well, you should be with a group of like-minded colleagues – similar in goals, work ethics, work habits, etc.—but with complementary skills. However, peer evaluations can reveal grossly uneven and unfair efforts by team members. A member shirks and others perform heroically to compensate. The instructors reserve the right to adjust and explain an individual team member’s grade based on this information. Submitting peer assessments as noted in the course schedule is required. A form is available on WISE and should be submitted to your WISE Drop Box.

### **Class Discussion**

At any time, during any class, or by email, you may ask the WGD question: Who Gives a Damn? If you do not understand why we are studying a particular theory or concept in the course, stop us and ask why. We will answer.

Although not evaluated formally, extensive class discussion is a valuable means to facilitate learning in this field and to prepare you for the typical workplace where you will be expected to contribute in meetings. For discussion to be useful, however, each student must enter into it in a prepared, informed, and questioning manner. We recommend that you form study groups to discuss the reading assignments, prepare cases, and complete other analyses.

### **Administrative notes**

We will use WISE for handouts, class polling, in class assignments, etc. Unless identified as “Hallway” cases, all cases are in Baron. Hallway cases will be posted on WISE: Resources: Class# in a file by that name. Also, we will ask you to use and refine your library web searching skills both during and outside of class. If you seek guidance on performing information searches, Gary Klein from Hatfield Library can offer helpful advice.

Any student eligible for and desiring **academic accommodations** arising from a disability is requested to provide documentation to Disability Services located in the Bishop Wellness Center within the first two weeks of the semester.

Laptop computers provide a useful note-taking vehicle. Wireless connection to the Internet also affords us a useful way to check on the current status of various organizations that we consider in readings, discussions, or in case analyses. We encourage both uses. **We may ask you to close your computers from time to time during the class.**

Written work will be reviewed by **Turnitin**. Do not plagiarize. Cite. Do not cut and paste. Do not copy another student’s work. The software will detect it.

***In-class use of laptops in activities unrelated to the course violates the Atkinson School’s Expectations of Conduct.***

## **Expectations of Conduct for Students, Faculty and Staff, Atkinson Graduate School of Management**

We are a community of learners. Our professional commitment is to create an environment that advances the science and practice of managing organizations. As individuals, we conduct ourselves with honor and integrity, treat everyone with respect, take responsibility for our actions, and fulfill our promises.

Examples of conduct consistent with this expectation include

- Taking initiative
- Crafting solutions
- Completing assignments according to an agreed schedule
- Offering constructive criticism and accepting it appreciatively
- Taking responsibility for our own learning and that of others

We expect someone who observes or learns about behavior inconsistent with our expectations of conduct to initiate corrective action by clarifying the situation and encouraging the responsible party to act appropriately. In the case of a violation of School or University policies or the laws of relevant jurisdictions, notify the appropriate enforcement authorities.

*Affirmed by the students, staff, and faculty, Fall, 2002.*

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**CAVEAT:** This syllabus provides a general plan for the course. Deviations may be necessary, but whatever changes are necessary will be communicated to you in class and at the website for the course.

**GSM 698 Fall 2011 Schedule & Assignment**  
**Topic, Readings and Case**

W	Date	S/ T	Topic, Readings and Case	Podcasts Key Concepts
1	8/22	S	<p><b>The productive role of government</b>  <b>Baron, Ch. 1.</b>                      Exercise: FishBanks                      Explain and conduct opt-in/opt out exercise                      Overview of syllabus</p>	<p>PD:  <a href="http://www.youtube.com/watch?v=IotsMu1J8fA&amp;NR=1">http://www.youtube.com/watch?v=IotsMu1J8fA&amp;NR=1</a>                      4 I's                      Issue life-cycle</p>
	8/24	S	<p>Designing and implementing governance mechanisms                      Exercise: Replay FishBanks                      Study questions: How do governance mechanisms resolve collective action problems? What roles do activist groups and trade associations play?                      Email changes in case assignments to smaser</p>	
2	8/29	S T	<p><b>Strategy: Market vs. Nonmarket</b>  <b>Baron, Ch. 2, Case (ST): Molecular Insight</b>  <b>Pharmaceuticals</b>                      Steve and Tim present the case as a model for the students, demonstrating chapter key concepts                      Template for all case presentations: 15 min presentation, 5 min class prepares questions, 10 min Q&amp;A, 5 minutes lessons learned                      Exercise: Identifying Chapter Concepts in the News</p>	<p>1) Integrating market and non-market strategy                      2) Sources of nonmarket issues</p>
	8/31	T	<p><b>Private Politics</b>  <b>Baron, Ch. 4.</b>                      Exercise: Activist Strategies and Corporate Responses  <b>Case1: Nike in Southeast Asia</b>                      Assignment for next class: After reading Chapter 6, select a nonmarket proposal whose politics you would like to study. (One way to find such a proposal is to visit various legislative websites and choose a law that interests you; here are several such websites:                      1. <a href="http://eur-lex.europa.eu/en/index.htm">http://eur-lex.europa.eu/en/index.htm</a> (EU Law Site)                      2. <a href="http://www.leg.state.or.us/bills_laws/">http://www.leg.state.or.us/bills_laws/</a> (OR Leg. Site)                      3. <a href="http://www.gpoaccess.gov/bills/index.html">http://www.gpoaccess.gov/bills/index.html</a> (U.S. Congress).)                      Identify (i) who is affected (bears the costs or reaps the benefits) of the proposal, (ii) what nonmarket resources could they bring to bear, and (iii) which type of politics would we expect to result (Wilson-Lowi matrix). At the start of the next class, you will be grouped with 4 individuals and you will have 20 minutes to choose one proposal and analysis to present to the class.</p>	<p>1) Private vs. public politics                      2) Activists' generic strategy                      3) Susceptability to private politics                      4) Addressing the activist environment</p>

3	9/7	T	<b>Tools for Analyzing Governance Arrangements Baron, Ch. 6, Appendices A and B</b> Exercises: Teams have 20 minutes to discuss the assignment; then, each team will give a 5 minute presentation. The class will then judge whether you and your group have used the Wilson-Lowi matrix to accurately categorize the proposal. If you have correctly classified the proposal, you and your fellow group members will each earn 20 exercise points that increase your chances of winning the cash drawing held at the end of the semester.	
4	9/12	T	<b>The Role of Rents</b> & Exercise: Rent-seeking	1) Rent seeking 2) DPS
		S	Case: Scrubbers and Environmental Politics case	3) Opportunity cost
	9/14	S	<b>Baron, Ch 7</b> Exercise: Defining the Rent Chains	Rent chain
5	9/19	T	<b>Nonmarket Strategies</b>	1) Median voter:
		&	<b>Baron, Appendix to Chapter 7</b>	<a href="http://www.youtube.com/watch?v=cFt0k6n_HKc">http://www.youtube.com/watch?v=cFt0k6n_HKc</a>
		S	Exercises: Coalition building	2) Pivotal voter 3) Minimal winning coalition 4) Gatekeeper model
	9/21	T	Exercise: Agenda-setting <b>Case2: The Politics of Establishing Urban Growth Areas (WISE: Resources)</b> Fastfeedback survey	1)Representation 2) Informational strategies 3) Arrow paradox 4) Agenda-setting
6	9/26	S	<b>Case3: Federal Express and Labor Organization</b> <b>Case4: Wal-Mart and Its Urban Expansion Strategy</b>	
	9/28	S	<b>Implementing Nonmarket Strategies</b> <b>Baron, Ch. 8.</b> <b>Case5: Responsible Lobbying</b> <b>Case6: Internet Taxation</b>	
	10/1		<b>DUE:</b> Internationalizing OEIB country selection due to WISE Drop Box	
7	10/3	T	<b>Exam 1:</b> Pharmaceutical Switching Case Assignment for next class: Your OEIB team will be assigned to a firm. Think about the potential anti-trust issues that could confront you if you worked for a firm in that industry. If you held a position at the firm of the sort you expect to seek upon graduation, how might you expose your employer to anti-trust action? How might other firms	

engage in activities that would undermine your firm's ability to compete and expose your competitor to private or public anti-trust complaints?

10/5	T	<b>Rules of the game: Anti-trust</b> <b>Baron, Ch. 9</b> Team Exercise: Risks of Anti-trust Liability	1) Three major theories 2) Deadweight loss: <a href="http://www.youtube.com/watch?v=YNcPxPz9fng">http://www.youtube.com/watch?v=YNcPxPz9fng</a> 2) Arrangements subject to antitrust <a href="http://www.youtube.com/watch?v=hc5d1wPasXA&amp;NR=1">http://www.youtube.com/watch?v=hc5d1wPasXA&amp;NR=1</a>
8	10/10	S <b>Government Regulation of Business</b> <b>Baron, Ch. 10, A Note on Mapping (WISE)</b> <b>Case7: Growing Resentment (WISE)</b> Exercise: The Breadth and Depth of Regulation	1) Market imperfections 2) Influencing regulatory decisions
	10/12	S Case: Contracting for Housing and Community Development (WISE) Exercise: The Impact of Regulation	
9	10/17	S <b>Environmental Management and Sustainability</b> <b>Baron, Ch. 11</b> Woodstove Negotiation (WISE)	1) Coase Theorem: <a href="http://www.youtube.com/watch?v=1FQyKMxv4mA&amp;feature=related">http://www.youtube.com/watch?v=1FQyKMxv4mA&amp;feature=related</a> 2) Transaction costs: <a href="http://www.youtube.com/watch?v=AJpx6rMmpdQ">http://www.youtube.com/watch?v=AJpx6rMmpdQ</a>
	10/19	S <b>Debrief Woodstove Negotiation</b>	1) Admin Law: <a href="http://www.youtube.com/watch?v=Ehbn-5sXQ44&amp;NR=1">http://www.youtube.com/watch?v=Ehbn-5sXQ44&amp;NR=1</a> 2) RegNeg
10	10/24	S <b>The Common Law</b> <b>Baron, Ch. 12</b> <b>Case8: California Space Heaters</b> <b>Case9: Obesity and McLawsuits</b>	1) Calabresi and Melamed assignment of responsibility to mitigate risk 2) Managing product liability
	10/26	T Exercise: Credible commitment <b>Case10: Patent Games: Plavix</b> Assignment for next class: Think of one or more issues that might trigger media coverage of your OEIB nominee.	Appropriability
11	10/31	T <b>Media and Crises</b> <b>Baron, Ch. 3 and 5</b>	Theory of media coverage



Exercise: Predicting Media Coverage and Treatment  
**Case11: Mattel**

	11/2	S	Guest: Steven Boedigheimer, Centers for Disease Control and Prevention Read: Flu Vaccine case (WISE) Prepare questions to ask Steve	
12	11/7	S	<b>Governance in International Trade</b> <b>Baron, Ch. 18</b> <b>Case12: Compulsory Licensing, Thailand, and Abbott Labs</b> <b>Case13: Sophis Networks</b> Assignment for next class: Select a product or service associated with your OEIB nominee. Think about the countries from which the product or service could be sourced; or where the product/service could be sold; or ways in which international trends could impact the supply or demand for your product. What international trade agreements could impact trade in this product or service?	1) Benefits of trade 2) Politics of international trade 3) Risks of globalization
	11/9	S	Exercise: The Breadth and Depth of International Trade	
13	11/14	T	<b>Governance in the EU</b> <b>Baron, Ch. 15</b> <b>Case14: The European Union Carbon Tax</b> <b>Case15: The European Union Data Protection Directive</b> <b>Debrief opt in/opt out</b>	Gatekeeping in the EU Opt-in/Opt-out
	11/16	S	Presentations by OEIB teams 20 minutes, including 5 Q&A, subject to number of teams  Thanksgiving week break	
14	11/28	T	<b>Governance in China</b> <b>Baron, Ch. 16</b> <b>Case16: Wugang and the Reform of SOE's</b> <b>Case17: Google in China</b>	Gatekeeping in China
	11/30		Presentations by OEIB teams	
15	12/5	T	<b>Governance in Emerging Markets</b> <b>Baron, Ch. 17</b> <b>Case18: Social Entrepreneurship: Bancos Compartamos</b> <b>Case19: Social Entrepreneurship: Kiva</b>	Gatekeeping in emerging markets
	12/7		Presentations by OEIB teams	
16	12/12		<b>Exam 2</b>	

## **Appendix 1**

### **Case Analysis Guidelines**

The following steps may help in preparing for cases for this course. You should find the approach that works best for you. We will be using cases for the purpose of demonstrating the concepts covered in the book, lectures and other supplemental materials in a focused manner. Cases allow us to see the confounding factors that influence decision-making.

1. Read the case over quickly – this gives you a general sense of what the case is all about. Some prefer to do this before reading the assigned book material.
2. Read the case a second time looking for key facts of the case. You should take good notes during this process to refer to when making connections to the material.
3. Answer any questions that are at the end of the case or that may have been given by your instructor. These are for your own reference, no need to type them, they will not be collected unless otherwise stated.
4. Go back over readings and assess where the theories, concepts, ideas presented in the chapter apply to this case.
5. Step back from the case and think about how you relate to what it presents. What was your initial reaction? How does it relate to your past experiences?
6. Come to class prepared to explore the case. Bring 1) a list of problems or questions to address; 2) an analysis or diagnosis of the causes of those problems; and 3) a carefully thought out action plan that addresses who, what, when where, why, and what the consequences will be. Recognize that other students and/or the instructor may have seen the case differently than you did. Be open minded to their ideas and be able to articulate and support your own.
7. Finally, have fun with the cases. They are a slice of business life that allow us to explore these issues without making “real” mistakes.

## Appendix 2 Internationalizing Your OEIB Nominee

Each OEIB team should select three countries, preferably from different regions of the world, to research. You will research whether one of these countries would serve as a good location for your OEIB nominee to sell, manufacture, deliver or source its product/service. If your nominee already operates internationally, explore how it would expand into new countries. If none of the options are viable, prepare to explain and defend why the nominee should not be involved with this country. Submit your list of countries to us, ranked, by October 1 and we will approve one so as to assure that across the class we have broad coverage.

Your end product will be an executive summary and a class presentation. The executive summary should be written as if it was the first section of a pitch to your nominee to internationalize or to cooperate with an organization in the foreign country that wants to do what your nominee is doing. It should be persuasive and convincing. The presentation to the class will present the same material. Divide the executive summary and presentation into three parts:

1. Research and analyze the following as they relate specifically to internationalizing **your** project in the country you are assigned:
  - The political environment – what regulations or laws will affect your product/service or sourcing it, how risky is the political environment as it relates to your supply chain or product/service?
  - The cultural environment – what preferences, values, norms etc. might impact receptivity of your product/service or sourcing your nominee?
  - The economic environment – what economic conditions exist that might impact various choices of entry into this country?
2. Discuss what you hope to get from entering this country (e.g. you will get lower cost labor for production of your product, a market to sell your product, a relationship with a technologically savvy organization). You may consider selling in, buying from, manufacturing in the country. Remember to consider the cost of each strategy, as well (e.g. sharing technical expertise, local control, capital).
3. Discuss ways you will respond to the issues you raised in your research for part 1. This section should include a time-line, including key things you must do to prepare for working with this country.

Submit in writing the executive summary of your results. This should not exceed 4 pages, double-spaced, and should make a persuasive and convincing case. Include elements of all three parts of this project. You be the judge as to the best way to present this information. You can include up to 3 appendices to support this summary. If you determine that there is no opportunity for your company to expand into this region of the world, be sure to make a convincing case to that effect as well.

The presentation will be in class on the days specified. Each group will have 15 minutes to present its recommendation to its “board”, including setup and questions, so get to the point quickly and persuasively. Presentations should be interesting and something that will get our

attention. Feel free to be creative while communicating the substance. You may choose to divide the presentation and writing among yourselves as you wish but every member of your team should be capable of answering a question from the instructor or a member of the class on every part of the report.

Building a convincing case requires credible evidence. Credible evidence consists of information that is either independently verifiable or derived from a source that takes *advance measures* to validate the information it reports (e.g., peer-review, fact checking, etc.). Wikipedia and many other websites only perform quality control measures *after* information has been published on their site. Thus, if you reference information from such websites it may be incorrect—that is, it may be the case that no one has yet taken measures to verify the information. Given that possibility, please take measures to validate any information you reference from websites that do not maintain *ex-ante* quality control measures.

Grading for this assignment will be based 50% on the executive summary and 50% on the presentation. You will be graded on the thoroughness of the material covered, the relevance of this material to your product/service and the effectiveness of your persuasive argument.

### Appendix 3 Policy for Acceptable Written Work

Papers having more than three grammatical, proofreading, or citation errors on any page, or more than 10 errors within the entire document, may be returned to the student for revision. It could earn one full letter grade lower than it would have earned originally. Some errors include:

- Misspelled or confused words (e.g., their, there, they're)
- Sentence fragments (not used style-wise)
- Comma splices (run-on sentences): "The man paid ten dollars for the book, it was quite expensive."
- Capitalization errors
- Subject verb agreement (e.g., each of the cats are.)
- Pronoun agreement (e.g., a person will succeed if they try.)
- Errors in abbreviations (**cf.** compare; **e.g.** for example; **et al.** and other people/things; **etc.** and so on, and other things; **ibid.** previous reference; **i.e.** that is to say; **N.B.** note well/carefully; **vs.** versus or against)
- Changes in verb tense, other tense errors
- Improper format and citation (as per instructor's wishes)
- Errors in use of quotation marks
- Apostrophe errors (e.g., possessive)
- Missing or double words
- Improper use of colons and semi-colons (they always follow complete sentences)
- Other comma errors (too many)

This list of mechanical errors is not exhaustive. Consult a style guide for additional information. The instructor encourages students to seek assistance from the university's writing resources in preparing assignments.

Rationale: Students enrolled in this course are in graduate school and will soon enter the work force. Their written communication skills must be impeccably polished; they will need to have a high proficiency in writing to be a successful employee or manager, especially as they represent the university in every venture they undertake. They must be aware that this graduate course adheres to the same communication standards as the professional world.