



**CHRISTOPHER WILSON
& ASSOCIATES**

**CORPORATE GOVERNANCE
WORKSHOP SERIES**

Workshop Outline

Background

With the growing complexity of decision-making and the interdependence of economic, political and social issues, the practice of good governance is becoming both increasingly complex and a crucial aspect of organizational decision-making. The OECD has defined governance as *the full set of relationships between a company's management, its board, its shareholders and its other stakeholders such as its employees and the community in which it is located*. Elsewhere governance may be defined as “*effective coordination in a world where power and knowledge are distributed.*”¹ Most essentially governance is about *guiding and steering* an organization. While most organizations use some form of a military metaphor to describe their top-down system of governance, most governance experts use the metaphor of a sailing ship to describe the process of guiding human responses to the constantly changing patterns of organizational life.

The distribution of power, knowledge and resources that lies at the basis of the challenges of modern corporate governance sets the stage for a ‘game without a master’. How one ‘governs’ and achieves the coordination necessary to achieve organizational objectives increasingly requires a governing body to attend not only to multiple areas of internal concern but also to areas that are often beyond the borders of the traditional organization. Corporate governance, as we have been reminded in recent years when it has dramatically failed, has important strategic and social consequences. As such both managers and directors leaders require an understanding not only of business operations but also of how the elements of the business ecology interact, while they demonstrate a capacity for social learning and stewardship that will help the organization navigate the challenges of its changing environment.

While the focus of this course will be on Canadian corporate governance, it will of necessity also explore the roots of cooperative behaviour as the cornerstone of effective coordination. A particular emphasis will be placed on the managerial challenges associated with both understanding corporate governance and

¹ Centre on Governance, University of Ottawa, 2000

responding effectively to the conflicting pressures and multiple constituencies that surround business activities.

The course is presented in three parts. The first part introduces and explores the domestic and international environments of corporate governance as well as the schools of thought on how organizations should successfully and responsibly govern themselves in light of the need to coordinate people and resources to remain competitive while responding to stakeholders and social obligations. The second part explores trends and practices in corporate governance in Canada and internationally. Part three examines the pathologies of governance failure and tries to identify mechanisms, tools and techniques that may be applied to improve the effectiveness of modern corporate governance. The workshop ends with a discussion of the nature and implications of distributed governance on participant organizations and the possible mechanisms that might be applied in each case.

Workshop Objectives

- To develop an appreciation of corporate governance in Canadian and international environments;
- To understand how modern corporate governance is becoming a vehicle for achieving coordination in a world of distributed power, knowledge and resources;
- To explore the impact of shareholders, stakeholders, ethics & corporate social responsibility on the design and effectiveness of corporate governance;
- To develop a working understanding of the trends in corporate governance;
- To gain an overview of corporate governance practice and appreciate the pathology of governance failure; and
- To discover mechanisms for enhancing corporate governance effectiveness.

Approach

This workshop is instructor led and is presented through a series of six workshop presentations, lectures, and discussions over three days. The primary reading materials will be provided at the beginning of the workshop and will be organized according to each session.

Schedule

Part I – Introduction to Corporate Governance

Session 1 Achieving Coordination in a World of Distributed Power, Knowledge and Resources

Session 2 The Impact of Shareholders, Stakeholders, Ethics & Corporate Social Responsibility

Part II – Trends and Practice in Corporate Governance

Session 3 Trends in Corporate Governance

Session 4 An Overview of Corporate Governance Practice

Part III – From Pathologies to Reform

- Session 5 A Pathology of Governance Failure
- Session 6 Looking Forward – Developing Mechanisms for Effective Governance Discussion

Assignment

Each participant will prepare a stakeholder map for their organization or unit. The map will include both internal and external clients and superiors, as well as key influencers and stakeholders. The participant will identify for each stakeholder:

- the tangible (money, people) and intangible (reputation, legitimacy) exchanges with them;
- whether their contribution is in some way required for success, or required to proceed;
- the informational links with them;
- the relational (social, informal) links with them; and
- the degree of their participation in common governance.

With this mapping, the participant should be prepared to discuss their governance regime and the mechanisms used to facilitate continued stakeholder participation and contribution to the participant's organization.

Bibliography

- Verna Allee, *The Future of Knowledge: Increasing Prosperity through Value Networks*, Elsevier Science, Burlington, MA, 2003
- Peter Block, *Stewardship: Choosing Service Over Self Interest*, Berrett-Koehler Publishers, 1996
- John Carver & Caroline Oliver, *Corporate Boards That Create Value*, Jossey-Bass, 2002
- Bob Garratt, *Thin on Top*, Nicholas Brealey Publishing, 2003
- Sue Goss, *Making Local Governance Work: Networks, Relationships and the Management of Change*, Palgrave, 2001
- Dee Hock, *Birth of a Chaordic Age*, Berrett-Koehler Publishers, San Francisco, 1999
- Gilles Paquet, *Governance Through Social Learning*, University of Ottawa Press 1999
- Walter Salmon, *Corporate Governance*, Harvard Business School Press, 2000
- S. Sarason & E. Lorentz, *Crossing Boundaries: Collaboration, Coordination, and the Redefinition of Resources*, Jossey-Bass, San Francisco, 1998
- Don Tapscott, *The Naked Corporation*, Viking Canada, 2003.
- Frances Westley, Brenda Zimmerman and Michael Quinn Patton, *Getting to Maybe: How the World Has Changed*, Random House Canada, Toronto, 2006
- Christopher Wilson, *Facilitating Contingent Cooperation: I will if you will*, Optimum Online, <http://www.optimumonline.ca/article.phtml?id=271>

Important Administrative Information

Website: <http://www.christopherwilson.ca>

Readings: A package of suggested readings will be provided online at the beginning of the workshop

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