DSEG03 – Board Dynamics and Governance

Master of Commerce
Semester III
DSE – Elective Paper
Board Dynamics & Governance

Course Type/ Course Code	Course Title	Lectures	Tutorials	Practical	Credit	Pre-requisites
DSEG03	Board Dynamics and Governance	3	1	0	4	NIL

Objective: The course examines the interplay between governance frameworks, boardroom behaviour, and strategic leadership, integrating academic theory with real-world practice. Students explore how boards shape corporate accountability, manage strategic oversight, and respond to contemporary governance challenges.

Learning Outcomes: After completing this course, the students should be able to:

- Comprehend the complex dynamics among boards, executives, and shareholders;
- Analyze how boards shape strategy, and oversee performance
- Examine and critique board composition, decision-making, and power dynamics.
- Evaluate the challenges and dilemmas that boards confront

Contents:

Unit I **(12 Hours)**
Power, Control, and Agency: Managerial Hegemony and Board Control Theory, Entrenchment, Agency Conflicts and Information Asymmetry, Mechanisms of board control and oversight; Executive Compensation and Stock option alignment with Performance

Unit II **(12 Hours)**
Building Effective Boards : Board Capital, Interlocks and Diversity, Female Leadership and Glass Cliff ; Board and Outcomes: Short term Vs Long term Value Creation, Strategic involvement and oversight , Board and Innovation; Board evaluation mechanisms

Unit III **(6 Hours)**
Ownership Structure and Power Dynamics: Ownership and control in family firms, Socioemotional wealth and leadership transition, Boardroom culture and decision making

Unit IV **(15 Hours)**
Board and future readiness: Boards and ESG-from compliance to value creation; Board Role in Artificial Intelligence; Cross-border Governance

Tutorial Exercise:
Students shall be asked to analyze the composition, diversity, and expertise of company boards to evaluate their decision-making effectiveness based on financial and sustainability outcomes.

Suggested Readings:

- Bebchuk, L. A., & Fried, J. M. (2004). *Pay without performance: The unfulfilled promise of executive compensation*. Harvard University Press.
- Eccles, R. G., & Klimenko, S. (2019). The investor revolution: Shareholders leading on sustainability. *Harvard Business Review*, 97(3), 106–116.
- Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *Journal of Law and Economics*, 26(2), 301–325.
- Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, 28(3), 383–396.
- Leblanc, R., & Gillies, J. (2005). *Inside the boardroom: How boards really work*. John Wiley & Sons.
- National Association of Corporate Directors (NACD). (latest). *Board governance outlook*. NACD.
- Sonnenfeld, J. A. (2002). What makes great boards great. *Harvard Business Review*, 80(9), 106–113.
- Spencer Stuart. (latest). *Spencer Stuart U.S. board index*. Spencer Stuart.
- Useem, M. (2003). *The leadership moment: Nine true stories of triumph and disaster and their lessons for us all*. Three Rivers Press.
- Zald, M. N. (1969). The power and functions of boards of directors: A theoretical synthesis. *American Journal of Sociology*, 75(1), 97–111.