

## LEONARD N. STERN SCHOOL OF BUSINESS

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Thursday 6-9, 3-65 KMC  
Office hours: R 4-5

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### MANAGING ORGANIZATIONS

#### Introduction

Organizations of all types face chronic management problems that pose significant challenges to them. These problems include the difficulty of designing organizations capable of coping with highly dynamic business environments, the challenge of developing strategies and structures for hypercompetitive conditions, the greater complexity of managing global enterprises, the difficult task of shaping a corporate culture, managing politics and conflict between individuals and organizational units, motivating employees who are more mobile than ever, designing attractive incentive systems, dealing with an increasingly diverse and global workforce, and so on. Such challenges, and how management can deal with them, are the subject of this course.

The course has three major components. The first is macro in nature. It focuses on organizational level issues and problems such as how an organization should be designed (e.g., centralized or decentralized) and what strategy it should follow (e.g., integrated or diversified). The second component focuses on organizational systems, including control systems, culture, and how politics endemic to organizational life can be managed. The third part is more micro in nature. It focuses on employee-related challenges such as how to evaluate and reward people, make effective decisions, and manage teams. The course content thus ranges from a focus on overall organizational performance to managing individual and group effectiveness in order to promote organizational effectiveness.

This course will introduce you to the central theories and frameworks in management and will help you to understand how to apply those theories and frameworks to analyze and address real managerial problems. It will also provide you with a better basis for understanding and evaluating organizations and their management. Such knowledge is relevant regardless of whether you aspire to a management position. Managers in different organizations require sophisticated knowledge of organizations and their management in order to make wise decisions within their respective responsibilities. It is generally acknowledged that most mergers fail due to the inability of management to create an adaptive common culture, despite financial and marketing synergies. An understanding of organizations and their management is also important for anyone who plans to work within an organization, as career success generally hinges on one's ability to accurately read and respond to the organizational context within which one operates. It is my hope that by the end of the semester, you will be able to see organizational and managerial problems in ways you could not see them before. More importantly, you will leave the course more conscious of the consequences related to the choices you make on the job.

In addition to providing you with theories and frameworks, a second objective of this course is to teach you skills in applying those theories and frameworks to analyze management problems and develop appropriate solutions. You will not find "cookbook" formulas for doing things in this course. You can only develop these skills through practice. Therefore, it is essential that you have considerable opportunity to work on actual management problems. In order to do this we will rely heavily on case analyses. Cases will provide the material to practice analyzing and addressing management challenges. After the first session, most classes will have a case assignment. There will also be class exercises that require preparation.

You are expected to carefully analyze all of the cases, prepare all of the exercises, and participate in class case discussions throughout the semester because practice is the only way you can develop skills. The more practice you have, and the more feedback you receive, the more accomplished you will become. The need to become proficient at case analysis extends beyond this class. Cases are one of the main teaching tools in management programs and an increasing number of recruiters use oral case interviews as a selection technique, as well.

## **Course Material:**

1. The reading materials for the course are listed at the end of the syllabus and will be either (i) posted on Blackboard (*BB*), (ii) marked with a link to Bobst where it can be downloaded from or (iii) put on reserve at Bobst library.
2. Some cases and exercises will be available on the course web page (marked *BB*).
3. Additional materials to be distributed in class, indicated as such in course schedule.
4. PowerPoint slides. Available through the course web page and organized by topic

<b><u>Grading:</u></b>	Midterm	25%
	One Team Case Analysis	20%
	Team project	40%
	Class Participation	15%

This course gives no quizzes to determine whether you are keeping up with the readings, as such preparation is a prerequisite to successful case analysis and class participation. All case analyses are cumulative. That is, it is assumed that you know all of the material that came before the case you are analyzing for a particular class session.

## **Team Case Write-up:**

To develop your case analysis skills, you will work in teams and will have the opportunity to learn from your colleagues as you work on the team case analyses. Teams will be formed in the first class. Each team will consist of 5 students. Team cases will be assigned at the second class. There are six team cases to choose from for the case write-up: Southwest, Apple, Goldman Sachs, Kidder, and GM & EDS.

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## ***Case Write-ups***

Since we will be discussing cases in class, papers will be due at the beginning of the class period. The page limit for the team case write-up is **6** pages. The case must be typed (12 point font), double-spaced, with normal 1” margins. Appendices, tables and/or figures do not count toward the 6-page limit. **LATE ASSIGNMENTS WILL NOT BE ACCEPTED.**

## ***Working in Teams***

One concern that some students have about working in teams, and consequently about team grades is the issue of equity. If you work harder and do better work than your peers why should your grade be dependent on them? This view is generally a function of coming from educational environments that only ask for and measure individual performance. Your output for many of the assignments in this school will be a team product, such as a group case analysis. The reader of a case analysis cannot determine individual contribution any more than a manager reading a group report. Some processes require groups and therefore should be evaluated on a group basis. Group tasks should be given group rewards. This means that you not only must make a direct contribution to the development of the written assignment, but that you also have an obligation to make your team work effectively.

An infrequent problem associated with group projects is a team member who does not do his/her share of the job. You are urged not to let problems develop to the point where they become serious. Everyone in this class is expected to carry an equal share of the team workload. I will not supervise the process any more closely than would most managers in similar circumstances. Rather, you are expected to get the work done and to manage each other. You are on your honor that you will do your fair share. Groups often ignore problems wishing that they just disappeared. They typically don't – they just get worse. Set up clear procedures regarding how the team cases will get done at the beginning of the semester (i.e., how the group should work together in very concrete and explicit terms). You are expected to solve any problems among yourselves. The course Teaching Assistant is available for

consultation. If you can't solve your problem, bring it to me. If I am convinced that someone has not carried his/her fair share - for any reason - I will reduce that person's grade as low as to 0 if I believe it is warranted. One major input of that decision will be the evaluation of each member's overall contribution from other team members. You will be asked to anonymously evaluate the overall contribution of other team members to the team cases at the end of the semester. Anyone who receives significantly lower evaluations than their team members (with consensus among the team) runs the risk of getting a 0 grade for the course.

### **Case Preparation Guide (Web):**

This guide provides some guidance for the preparation of all cases. The guidance generally comes in the form of questions that you should think about while you are analyzing the case. Writing answers to these questions does not constitute an appropriate approach to the written analysis of cases. Dealing with the issues raised in the guide is necessary but not sufficient for an adequate analysis. Always check the **Case Preparation Guide (Web)** before attempting to prepare an analysis.

Many students initially find case analysis to be very difficult and uncomfortable. This is due to your likely inexperience dealing with the relative lack of structure that is characteristic of complex management issues. No correctly answered list of questions or mechanical process will automatically lead to the "right" answer. In fact, there is no "right" solution to most managerial problems, rather there are apt to be many "right" answers, and unfortunately, even more "wrong" answers. In fact, cases are not necessarily examples of bad management. They may be about any quality of management. Often it is more difficult to explain why a situation is working than it is to analyze the causes of obvious problems. Often a situation may be going well but contain the seeds of future problems. Part of analysis is to define the issue(s). Another part is to explain the mechanisms that are causing the problem(s) or to explain why things are working well. Finally, recommendations must be developed that are appropriate for the situation. Read "**Case Analyses Suggestions**" (Web) for a more detailed guide to analyzing a case.

### **Team Project**

#### **Goals:**

- To help students apply MO course content to a real-world problem, and in the process, better understand the value of frameworks for a) making sense of complex situations and b) assessing the robustness of a company looking forward (not based on past performance).
- To enable students to apply the MO course material in an integrated manner.
- To practice presentation skills.

#### **Assignment:**

Your final project will focus on a company or division that you select.

It should include two parts:

##### 1. Analysis

- A summary of the surrounding industry environment, mission and strategy.
- An overview of the organization's formal structure and systems (e.g., design, controls, HR practices, etc.).
- An assessment of the informal systems and dynamics that affect behavior (e.g., culture, leadership, power, etc.).
- A "fit analysis" of how these elements work together

##### 2. Recommendations

- Imagine that you could change critical elements of the organization. Make recommendations that would have enabled the organization to be more effective.
- What specific steps should the organization take going forward?
- Provide an implementation plan concerning how the recommendations should be executed, what obstacles may be anticipated, and how they may be overcome.

### **Key Dates and Deliverables:**

- September 30:** The group should meet with Lisa (by Sept. 30<sup>th</sup>) to discuss the team project.
- October 10:** Submit target company, potential data sources, preliminary hypotheses that will guide your investigation.
- November 7:** Submit a 2 page progress report outlining the project.
- December 20:** Submit final project write-up.  
Ten page, double-spaced report. It should include a maximum of 2500 word. Please *include a word count at the bottom of the last page* (Appendices, Tables and Figures do not count toward the 10-page-2500 words maximum).
- December 22:** Deliver a 5-minute PowerPoint presentation.

### **In-Class Contributions:**

Students are expected to actively and constructively participate in class in the analysis of cases and in other discussions. Doing so will require that you read the assigned material and prepare the assigned case(s) or exercise before coming to class. You are also expected to be in class on time. Absence, lateness, and lack of preparation will have a negative impact on your grade for participation. If you have difficulty with spoken English, or some other issue that will interfere with your ability to participate, you must discuss it with me within the first two weeks of class so that we can arrive at common expectations for your performance. Since students may be called on at any time, in order to avoid embarrassing you inadvertently, please tell me before class if you are not prepared.

Attending class but not participating does not provide me with a sufficient basis for giving you a satisfactory grade for class participation. Not carrying your weight, especially on team written cases, can also have a detrimental impact on your grade that may go beyond the 15% participation grade. No one will receive an A or A- grade who is not an active and positively productive participant regardless of their overall case average. I emphasize *positively productive* because I am far more interested in the quality of what you have to say than in the amount of talking that you do. Your goal should be to contribute to the class discussions, not simply to talk for the sake of talking. In order to do so, it will be necessary to listen to, and build upon, the comments of your classmates. **Students who repeatedly re-state what others have said, or who repeatedly offer comments that detract from rather than add to the class discussion, will not receive satisfactory grades for class participation.**

Your participation will be graded throughout the semester. Feedback about your participation will be provided upon request. Finally, to facilitate helping me learn who you are, always have your nameplate in front of you.

### **Honor Code:**

For both individual preparation notes and team case assignments, it is an honor code violation to view anyone else's written preparation of the case. It is also an honor code violation to discuss a case a) with students in other classes who might have already analyzed the case in class; or b) with second year students.

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## COURSE OUTLINE

1.     **9/22**            **Introduction to the Course**  
Read: “A model for diagnosing organizational behavior” (Online)  
In class:        United 173  
                    Form teams for team project and case analysis
2.     **9/29**            **Organizational Basics and Dynamics (Evolution, Goals, Effectiveness)**  
Read: “Evolution and revolution as organizations grow.” (On reserve)  
Prepare:        Microsoft (*BB*)
3.     **10/6**            **Environment, goals, effectiveness and strategy**  
Read: “Are you sure you have a strategy?” (*BB*)  
                    “Looking inside for competitive advantage” (*BB*)  
Prepare:        Metropolitan Opera (Case plus article on *BB*)  
                    Southwest Airlines (*BB*)

**10/13**            **No Class**
4.     **10/20**           **Strategy and organizational design**  
Read: “Structure and design: Basic organizational building blocks,” (On reserve)  
Prepare:        Apple Computer (*BB*)  
In class:        Aldo Scrofani, COO, Columbia Artists Theatricals
5.     **10/27**           **Teamwork and organizational culture**  
Read: “Work teams in organizations: An orienting framework,” (On reserve)  
                    “Overture: The rules have changed (again)” (*BB*)  
                    “Passing the baton” (*BB*)  
                    “The future of leadership: Combining vertical and shared leadership” (*BB*)  
Prepare:        Goldman Sachs (*BB*)  
In class:        Orpheus video  
                    Ronnie Bausch, Managing Director, Orpheus Chamber Orchestra
6.     **11/3**            **Control Systems**  
Read: “Corporations, culture and commitment: Motivation and social control in organizations” (Online)  
Prepare:        The Smile factory (*BB*)  
                    Kidder Peabody (*BB*)
7.     **11/10**           **Conflict, Power and politics**  
Read:            “Who gets power and how they hold on to it.” (Online)  
Prepare:        GM and EDS (*BB*)  
In class:        Glen Roven, Musician and Producer
8.     **11/17**           **Midterm**  
                    **Negotiation**  
In class: Negotiation exercise

9. 12/1 **Decision Making**  
Read: "Decision failures" (*BB*)  
In class: Sandhogs (handout)
10. 12/8 **Motivation and Rewards**  
Read: "Motivation: A Diagnostic Approach" (On reserve)  
"Theories of Motivation" (*BB*)  
"On the Folly of Rewarding A While Hoping for B" (*BB*)  
Prepare: TBA (handout)
11. 12/15 **Leadership and Creativity**  
Read: "Inspiring others: The language of leadership" (*BB*)  
Prepare: Pixar (handout)  
In class: IDEO  
Susan Salgado, PhD.
12. 12/22 **Presentations, Managing people; and Course Wrap-Up**  
Read: "Putting people first for organizational success" (*BB*)  
Prepare: TBA (handout)  
In class: Project presentations

## Readings

1. [Nadler, D. & Tushman, M. and. "A model for diagnosing organizational behavior." \*Organizational Dynamics\*, 1980 \(Autumn\) 9 \(3\), 35-51.](#)
2. Greiner, "Evolution and revolution as organizations grow." *Harvard Business Review*, May-June 1998, (*on reserve*).
3. Hambrick, D. & Fredrickson, J "Are you sure you have a strategy?" (*BB*).
4. Barney, J. "Looking inside for competitive advantage." (*BB*).
5. Hodge et. al.(2003), "Structure and design-basic organizational building blocks." pp. 196-210.(*On reserve*).
6. Hackman, R. "Work teams in organizations: An orienting framework." In R. Hackman (Ed.) Groups that work and groups that don't. NY: Wiley, 1990. Ch.1, pp. 1-14. (*On reserve*).
7. Seifer, H. and Economy, P. "Overture: The rules have changed (again)." (*BB*).
8. Traub, J. "Passing the baton." (*BB*)
9. Pearce. "The Future of Leadership: Combing Vertical and Shared Leadership." (*BB*).
10. [O'Reilly, C. "Corporations, Culture and Commitment." \*California Management Review\*, 1989, 31\(4\).](#)
11. Van Maanen, J. "The Smile Factory: Work at Disneyland." (*BB*).
12. [Salancik and Pfeffer. "Who Gets Power -- And How They Hold On to It." \*Organizational Dynamics\*, 1977 \(winter\) 5 \(3\), 3-21.](#)
13. Whyte, G. "Decision Failures." (*BB*).
14. Nadler, D. & Lawler, E. "Motivation: A Diagnostic Approach." 1977. In J. Hackman, et. al. (1977(: Perspectives on behavior in organizations. San Francisco: Jossey Bass. (*On reserve*).
15. Morrison, E. "Theories of motivation" (*BB*).
16. Kerr, S. "On the folly of rewarding A, while hoping for B." (*BB*).
17. Cogner, J. "Inspiring others: The language of leadership." (*BB*).
18. Pfeffer, J. and Veiga, J. "Putting people first for organizational success." (*BB*).