LEADERSHIP IN ORGANIZATIONS
LEONARD N. STERN SCHOOL OF BUSINESS

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COURSE OVERVIEW:

Business 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, managing teams effectively, 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?), what strategy it should follow (e.g., where and how will we compete?), and how culture and control affect organizational dynamics. The second part is more “micro” in nature. It focuses on employee-related challenges, such as how to a) get things done in politically sensitive environments, b) evaluate and reward people, c) make effective decisions and d) how do groups and teams work together. The macro component is concerned with overall organizational performance, while the micro component is concerned with managing individual and group effectiveness. The third part of the course brings these two perspectives together through the lens of leadership and organizational change.

This course will introduce you to some of the central theories and frameworks in management and will help you 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 practices. Finally, it will hopefully help you develop—or at least reflect on—the skills that are required for being a better manager and leader within an organizational setting. 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.

In addition to providing you with a framework for thinking about organizational effectiveness, a second objective of this course is to teach you skills in applying that framework to analyze management problems and develop appropriate solutions. Management and leadership skills are most effectively developed 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 and various exercises will provide the material to practice analyzing and addressing management challenges. After the first session, most classes will have one or more cases and/or exercises. You are expected to carefully analyze all of the cases, prepare all of the
exercises and participate in the analyses in class. 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 as a manager.

**COURSE MATERIALS:**

1. General Course Packet for all sections of Managing Organizations. Referred to in course schedule as GCP.
2. Individualized Cases Packet for Leading in Organizations. Referred to in course schedule as HBS.
3. Occasionally extra materials will be available on the course web page (via Blackboard). Referred to in course schedule as BB.

Note: Any time you need to check where we are in the course progression, Blackboard will be the most up-to-date source for information.

**GRADING:**

- Team LIO Challenge – 3 case write-ups (See Appendix 1 for case assignment guidelines) -- 15% and "A - Immunity" for the winner only
- Final Team Exam -- 35%
- Individual exam -- 35%
- In-Class Participation -- 15%

This course gives no quizzes to determine whether you are keeping up with the readings. However, preparation is a necessary part of successful case analysis and class participation, and it is assumed that you know all of the material that came before the case you are analyzing for a particular class session.

**Grading in detail:**

**Team Assignments (in general):**

One of the most important managerial skills is team management. To advance your skills in this area, you will work in teams and will have the opportunity to learn from your colleagues as you work on the two team assignments.

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. Groups often ignore problems wishing that they just disappeared. They typically don’t – they just get worse. Try to 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. If you really can’t, bring it to me. However, I am extremely reluctant to intervene except in extreme circumstances, as I truly believe that making your teams work is part of the learning experience for this class.

I. Team LIO Challenge:
You and your team will compete over “A-immunity” by case-analyze per the following instructions:
Seven of the class sessions have a case scheduled for analysis and discussion. Each team will receive a number and will then be scheduled to compete over the quality of their case analyses as follows:

- Session 2  E-bay case  Team 1 & 2 = winner – team X (1 or 2)
- Session 3  South-West  Team 3 & 4 = winner – team Y (3 or 4)
- Session 4  General Motors  Team 5 & 6 = winner – team A (5 or 6)
- Session 5  Duane Morris  Team 7 & 8 = winner – team B (7 or 8)
- Session 7  Level 5 leadership  Team 9 & 10 = winner – team Z (9 or 10)
- Session 8  Henry Tam  Team 11 & 12 = winner – team T (11 or 12)
- Session 9  NYPD  Team X, Y & A = winner – team L
- Session 10  Home Depot  Team B, Z & T = winner – team M
- Session 11  Harrah’s entertainment  Team L & M = Winning team determined

Your team should be prepared to present your analysis + recommendations in class (in accordance with the above schedule). Team presentations should be brief and concise concentrating on analysis and recommendations rather than repeating case facts/information. You can use video clips, printed materials etc as you see fit. Class members will rank all presentations on the following points:

Quality of analysis
1. Address of key case issues
2. Use of literature to support claims
3. Effective recommendations
4. Originality and insightfulness of ideas presented

Quality of presentation
1. Clarity
2. Visual appeal
3. Time consciousness

I reserve for myself veto power for a case of tie between teams.

Teams will be voted out/in by classmates using an online confidential survey that I will administer.

Regardless of progress made on this competition (whether or not your team is still in the game) your team will submit a 2pg (max) analysis + recommendations for a maximum of 5 points per analysis for 3 cases per your choice. For each case there are analysis questions outlined in the syllabus. These questions can guide your thinking and serve to frame your critical review of case issues.

Requirements:
Case Write-up - Double-spaced, with normal 1” margins. Appendices, tables and/or figures do not count toward the 2-page limit. Write-ups are due in class (start of class) on the day of presentation. No late assignments will be accepted.

Case Presentation - Presentations are limited to ~5 minutes per team (unless stated differently). Teams that are scheduled to present can submit their presentation materials together with the case write up if they choose to.

II. Team Final Exam:
This assignment aims at testing the knowledge you have developed in this course and the creative ways in which you can put this knowledge to use. The case for this assignment will be handed-out on Session 10 – Dec 9, 2010. The exam Qs will be handed out on the last day of class (Dec 16, 2010) and will be due December 17, 2010 at 10PM via e-mail to alechner@stern.nyu.edu (pls cc our TA Yolanda as well). See details to follow.

III. Individual Exam:
One exam will be held in class on November 11. It will be based on a case (Coca Cola case posted on BB) and a short video we’ll watch in class followed by a mix of short-answer/multiple choice/essay questions. Make-ups will not be arranged unless you have a doctor’s excuse /note. Your work will be due on or before Nov 12, 2010 at 10PM via e-mail to alechner@stern.nyu.edu (pls cc our TA Shruti as well).

IV. Individual Participation:
Students are expected to actively participate in class in the analysis of cases, and in exercises and 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.

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 assignments, can also have a detrimental impact on your participation grade. No one will receive an PH 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. In order to do so, it will be necessary to listen to, and build upon, the comments of your classmates. Please don’t feel deterred if I pass over your hand or if I cut your comment short on occasion - it probably means that I think you have already contributed a lot and that others need the “air time” more.

My goal is to foster a supportive classroom environment that emphasizes learning. We will all learn from each other. As such, I request that we treat everyone with respect. Because there is typically no single “right” answer for organizational and management problems, I encourage debate. I encourage you to experiment and take risks; there is certainly no harm in giving an answer that turns out to be ineffective or inappropriate for the issue under discussion (i.e., you won’t be penalized for “wrong” answers).
COURSE OUTLINE:

SESSION PLAN

SESSION 1 - INTRODUCTION – SEPT 23, 2010

This session establishes knowledge regarding current dynamics of the business world, and type of challenges managers are confronted with.

READ:
1. McKinsey 2006 trends (BB)
2. "Organization theory “(GCP, pp. 191-196)

PREPARE:
1. What key trends stand out for you – why
2. How well were predictions made in this article met so far?
3. What accounts for the difficulty of making such predictions and spotting trends in today’s work?

SESSION 2 - ORGANIZATIONAL ANALYSIS AND ALIGNMENT – SEPT 30, 2010

What makes some organizations successful while others fail – this of course is a 1B$ Qs that we’ll attempt to answer looking at some good mngt fundamentals and especially the management of fit.

READ:
1. "Evolution and Revolution” and “A Model for Diagnosing...” (BB)
2. "The global environment for organization" (GCP)
3. "A Model for Diagnosing Organizational Behavior” (BB)

PREPARE:
Meg Whitman at eBay Inc. (HBS)

Assignment Questions:

1. Discuss eBay as an organization (strategy, structure, culture, stage in its organizational life cycle).
   a. Discuss why growth is a potential threat to their "strategy-structure-culture fit."
   b. Discuss the acquisition of Krause using the stakeholder model as a lens.
2. Discuss Meg Whitman as a leader.
   a. In what specific ways do her actions reflect an understanding of eBay as an organizational system?
   b. How well is she managing power and politics?
   c. Is she a “level 5 leader”? Back up your opinion.
3. What recommendations can you make for Whitman and e-Bay given the issues you outlined above?

SESSION 3 - ALIGNING ENVIRONMENT AND STRATEGY – OCT 7, 2010

This session address the challenges associated with strategic alignment, especially in times of complex and dynamic changes in industry
READ:
1. “How Competitive Forces Shape Strategy” (GCP)
2. “Are You Sure You Have a Strategy?” (GCP)

PREPARE:
South-West Corporation (HBS)

Assignment Questions:
1. Analyze Southwest's strategy. What are the pros and cons of that strategy? How appropriate is that strategy given the organization's strengths and weaknesses and the opportunities and threats within the environment?
2. How has Southwest been able to deliver consistent high performance over such a long period of time? What is its competitive advantage?
3. What are the most serious issues facing Southwest? What recommendations would you offer for Southwest for addressing these issues?

SESSION 4 - ORGANIZATIONAL STRUCTURE – OCT 14, 2010

Structuring and restructuring has kept senior management of most of today's organizations busy in the past two decades. What accounts for the extensive restructuring activity and what principles guide effective organization design?

READ:
1. "Designing structure to fit global strategy" (GCP)
2. "Structure and Design" (GCP)
3. "Patterns of strategic organizational design" (GCP)

PREPARE:
GM (HBS)

Assignment Questions:
1. How have GM's strategy and structure, evolved over time?
2. What are the distinctive challenges of managing a matrix organization like GM's “basketweave”? How has GM chosen to address these challenges?
3. What is your evaluation of GM's decision to centralize responsibility for product development and engineering budgets?
4. What are the major challenges to effective implementation? Are there any safeguards or checks and balances you would suggest?

SESSION 5 - ALIGNING ORGANIZATIONAL STRUCTURE AND CULTURE – OCT 21, 2010

One critical area of consideration in organization management of alignment is the company’s culture. Typically organizational culture is established and difficult to change and adjust. This session examines considerations and practices for culture management.

READ:
1. “Corporations, Culture, and...” (GPC)
2. “Organizational Culture...” (GCP)
3. “Cultural constraints in mgt theories” (GCP)
4. “Organizational governance and control systems” (GCP)
PREPARE:
Duane Morris (HBS)

Assignment Questions:
1. What factors have led to Duane Morris’s success?
2. What aspects of Duane Morris’s culture are most easily scalable? Which are the least so?
3. How should Duane Morris plan to integrate their new acquisition?
4. What are biggest risks faced by Duane Morris in next five to ten years and should they be approached?

SESSION 6 - LEADERSHIP CAPACITY – OCT 28, 2010

What concepts of leadership do people hold and why, and how do they influence leadership styles, expectations and performance. Furthermore, how is leadership today different from models in the past? This session reviews leadership theory and especially recent developments in thinking of effective leadership in organizations

READ:
1. “The people who make the organizations go – or stop” (GCP)
2. A survival guide for leaders (HBS)

PREPARE:
Level 5 leadership (HBS)

Assignment Questions:
1. Select 3 leaders of your choice (these leaders can come from business, politics, history, etc)
2. Briefly describe why did you choose these individuals to represent leadership
3. How does the paradoxical blend of personal humility and professional capacity enabled these leaders to guide their organizations / people to sustained success?
4. What key lessons/practices are common to all three examples?
5. If you were to train people for Level 5 leadership, what would your training intervention include?

SESSION 7 - TEAMWORK – NOV 4, 2010

Teamwork is all about making decisions leveraging cross-functional, cross—discipline and cross-experience knowledge. How does collaboration work and what are the typical barriers and enablers for good decision-making?

READ:
1. “Team decision making” (GCP)
2. “Work Teams in Organizations...” (GCP)

PREPARE:
Henry Tam and the MGI team (HBS)

Assignment Questions:
1. What is your evaluation of the MGI team’s process? What were the root-causes of the team’s process problems?
2. What were the strengths of the MGI team? How would you have evaluated the MGI team “on paper,” that is, before their first meeting?
3. What could Henry have done earlier to avoid the team’s problems?
4. At the end of the case, what actions could Henry have taken to increase the team’s effectiveness?

SESSION 8 – INDIVIDUAL EXAM – NOV 11, 2010

“Coca Cola” – due via e-mail to alechner@stern.nyu.edu (make sure to CC our TA Shruti as well) on or before Nov 12, 2010 at 10PM

SESSION 9 - EFFECTIVE CHANGE MANAGEMENT – NOV 18, 2010

A growing field of interest within management theory is change management. What do we know about change and specifically about managing change effectively? This session focuses on theories and practices of effective change management

READ:
1. “Organizational Change...” (GCP)

PREPARE:
NYPD New (HBS)

Assignment Questions:
1. What were the most critical challenges that Bratton faced when he took the job at NYPD
2. What were the most important decisions that Bratton made to address those challenges?
3. What were the management processes that Bratton established at NYPD? What were they designed to do?
4. What should Bratton do next to sustain the NYPD’s efforts and results?
5. What obstacles would you expect that he might face going forward? Why?

SESSION 10 - LEADING SUSTAINABLE TRANSFORMATION – DEC 2, 2010

This session examines challenges and practices of effecting sustainable change in organizations and looks closely on the central role of leadership in making change happen/stick.

READ:
1. Leading change: why transformation efforts fail (HBS)

PREPARE:
HD blueprint for cultural change (HBS)

Assignment Questions:
1. Home Depot needed a major overhaul and Nardelli was selected to lead the change. What challenges awaited Nardelli and what steps did he take to analyze and address HD’s change needs?
2. Assess how successful and sustainable Nardelli’s change effort is?
3. Moving forward what change recommendations do you have for HD?

SESSION 11 - PEOPLE PERFORMANCE DEC 9, 2010

Managing individual performance has always been one of the fundamental challenges of management. This aspect of management is further complicated by the necessity to monitor
overall organizational performance of multiple business lines, temporary relationships etc beyond individual performers. In this session we’ll review theories of motivation and approaches to measuring and rewarding performance and debate approaches to org effectiveness mngt in general.

**READ:**
1. Motivation: A Diagnostic Approach (GCP)
2. Using the Balanced Scorecard as a Strategic Management System (BB)

**PREPARE:**
Harrah’s entertainment (HBS)

Assignment Questions:
1. How has Harrah’s aligned its HR practices with its strategy
2. What are the strengths and weaknesses of Harrah’s gagnsharing program?
3. Should Harrah’s revise or eliminate its gagnsharing plan? If revised propose specific changes and explain your choices, if eliminated explain why and suggest how you intend to handle the consequences of eliminating the plan.

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**SESSION 12 – FINAL EXAM - DEC 16, 2010**

Course wrap up + final group exam " – due via e-mail to alechner@stern.nyu.edu (again, make sure to CC our TA Shruti as well) on or before Dec 17, 2010 at 10PM
Appendix 1: GUIDE TO CASE ANALYSIS

Many students find case analysis to be difficult due to the relative lack of structure of management problems. No correctly answered list of questions or mechanical process will lead to the "right" answer. In fact, there is no single "right" solution to most managerial problems. When analyzing a case, remember that there are many possible approaches and solutions. The goal is not to figure out "the answer" but to sharpen your analytic, problem-solving, and decision-making skills. The following steps outline the basic approach that you should follow when analyzing a case, whether for class discussion or in preparation for a written analysis.

First, read the assigned reading. The reading material should play an important role in your analysis of the case. Remember that case analysis in this course is cumulative. Thus material from earlier chapters or readings may be relevant and should be applied where relevant.

Second, read the case and the questions in the Case Preparation Questions. Take notes about the important issues that the case raises and the material from the reading that seems to apply. The guide questions indicate issues that you will want to consider, but you may need to go beyond merely answering the questions to effectively analyze the case. A written case analysis should be an integrated product, not a sequential set of answers to the questions.

Third, analyze what is occurring in the case and why. You should be able to identify outcomes in the case and/or issues that the organization faces. These outcomes may be bad (e.g., shrinking market share, hostile employees, conflict among departments, inability to control operations), or they may be good. The goal of analysis is to explain the underlying mechanisms that are producing the outcomes or problems that you see in the situation. This process will require you to distinguish between symptoms and causal mechanisms. Consider the following example: You go to the doctor with the "problem" of a cough or a fever. It may be easy for the physician to treat the cough or fever with a number of medicines much like we could treat worker dissatisfaction by paying higher wages. However, it is important for the physician to determine the causes of the problem. If the cause of the cough is tuberculosis then only treating the cough is apt to lead to serious long-run consequences because the underlying disease process will still be at work. Clearly the cough is just a symptom of a deeper underlying problem. Good analysis cleverly weaves symptoms into a causal map that gets to the underlying root of the situation. What I will look for in your case analyses is the cogency of your explanation of the process leading to the symptoms. At the outset you are likely to struggle with this. It is a difficult and time-consuming process to develop clinical skills.

Remember that specific cases are assigned because they present good opportunities to practice using different theories and frameworks. Therefore, you know in every instance that some material from the assigned reading, and often other material from earlier readings, must be applicable to the case. You will find theories and course frameworks essential for supporting your analyses. You should view the theories as a way to explain the underlying causal mechanisms contributing to the outcomes in the case, and as a way to organize and justify your arguments. Be explicit in your use of course concepts and theories, but avoid the tendency to throw in course terminology merely as “buzzwords.”

Recognize that some cases do not have problems as such. The organization may be doing quite well. Cases are real-world situations, not necessarily examples of bad management. Don’t make up problems when none exist. Take the situation for what it is rather than approaching it with a point of view. Be alert for the danger that some information in some cases is coming from biased participants and therefore must be taken with a grain of salt.

A characteristic of cases is that you never have all the information that you want and there is often considerable information that is irrelevant, trivial or even obfuscating. The absence of
essential information may force you to make one or more assumptions. Assumptions should always be clearly labeled as such, they must be necessary and they must be realistic. In general, you should try to avoid assumptions.

There is no need to describe events in your written analyses. This is merely a waste of space, as I have read the case and am aware of all the facts. Rather, you should use material from the case to support your analysis or to provide examples to back up your arguments. Remember, your objective is to explain, not describe or report.

At the conclusion of each written case analysis, you will need to offer recommendations for change, or recommendations for how the situation could have been better handled. Keep in mind that recommendations typically have both positive and negative consequences. For example, a solution may eventually work but be very costly, difficult to implement and take a long time to have a significant impact. You should develop the recommendation that has maximum positive impact and minimum negative consequences.

Recommendations should logically follow from the analysis and they should be feasible. For example, firing the boss and replacing her/him with a better manager may be a good "theoretic" solution but it may not be feasible in a given set of circumstances. Recommendations must be effective and efficient. Killing a fly with a bomb is effective but not efficient. Keep in mind that only 30% of your grade will be based on your recommendations. The remaining 70% will be based on your analysis. Space allocation should reflect this distribution.

Finally, make sure that your case analyses are well-written, clearly organized, and have a logical flow. Poor writing will affect your grade. It usually helps to provide a brief summary statement and “roadmap” at the beginning of the analysis to orient and guide the reader. Also make sure that any recommendations you provide follow directly from your analysis of the problem, and that your overall conclusions are consistent with your analysis.

**PARTICIPATING IN CASE DISCUSSIONS**

1. Keep in mind that there is usually more than one right answer. A case is a problem-solving situation, and managerial effectiveness often depends upon seeing different solutions.
2. Offer your ideas, substantiating them with facts from the case and course material.
3. Adopt an open-minded stance, entertain new ideas from others and consider how your recommendations might change in light of these new insights.
4. Listen to your classmates and build on what they have to say. Resist the impulse to focus so strongly on what you want to say next that you lose track of where the discussion has moved.
5. Be fearless, but professional and most important, respectful in questioning or disagreeing with a colleague. Case discussions are also an opportunity to refine interpersonal skills. "I see some drawbacks to your proposal" or "I'm wondering if you considered the effects of x on y" creates a much different climate than "You're wrong" or "That's not a good idea."
6. Write down new ideas that occur to you and make note of any theories or course concepts brought to bear that you did not apply in your analysis.
7. Evaluate the discussion and your participation in it. What could you do to improve in the next case discussion?