The Heinz College

Organizational Design and Implementation

94-700

Mini 1, Fall, 2017

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We have two TA’s for the course this mini: Neetha Nair and Shruti Sridhar. If you have questions for them at any time, they are most easily reached by email and will work to respond to you within 24 hours. However, they cannot guarantee that they will respond to emails sent at the last minute before an exam or assignment, and so the best strategy is to email them any questions you might have ahead of time.

There is one book we will read during the semester: *The Five Dysfunctions of a Team* (by Patrick Lencioni). This book is available from our bookstore; it is also available at reasonably cheap prices from Amazon.com.

All other reading material will either handed out in class or distributed through Blackboard. Many of these additional readings are from Harvard Business School. Unfortunately, these additional readings and cases do not come free. Your accounts will be charged for these materials before the end of the mini.

Course Learning Objectives:
This course is designed to improve your effectiveness as a manager by introducing you to frameworks for understanding organizations and organizational processes. Organizations have been studied from the perspective of several social science disciplines, including psychology, sociology, economics, anthropology and political science. The field on which this course is based, organizational behavior, draws from all of these disciplines and applies the insights derived from the pertinent research. This course will introduce you to this research and ways to apply the knowledge to particular situations through class discussion of cases.
Specifically, by the end of this course, students will be able to:

- Define how power is used in organizations, the differences between power and authority and the role of networks in building organizational power.
- Recognize the decision-making processes used in organizations and the ethical dilemmas decision-makers face.
- Appreciate cultural differences in management styles and expectations and be able to adapt to those differences.
- Understand the role of leaders in managing change.
- Form a personal perspective framed by the debates on corporate governance on who corporations should serve.

**Policy on Academic Integrity:**
Plagiarism and other forms of academic misrepresentation are taken extremely seriously. Misrepresentation of another’s work as one’s own is widely recognized as among the most serious violations. The violation is clearly flagrant when it occurs as plagiarism on a required paper or assignment or as cheating on an examination, regardless of whether it is a take-home or in-class examination. The punishment for such offenses can involve expulsion from the program. There are many other ways in which a violation can occur.

**Computer usage during class:**
The classroom is an opportunity to interact and learn from others. Consistent with this objective, all laptops should be closed during class. Also, no texting, emailing, web searching, phoning, or other electronic communication is permitted during class.

**Requirements:**
Students are expected to come to class prepared to discuss the readings and the case for that day, if there is one. Grades will be based on your participation in class discussions and exercises, a quiz and final exam:

- **Class participation:** 20%
- **Quiz:** 25%
- **Cumulative Final:** 55%

**Class Participation**

I encourage and expect everyone to participate in class discussions and activities. We will analyze and discuss several cases to illustrate certain principles covered in class. Sharing your own knowledge and experience will benefit the whole class. Constructive contribution to the class discussion and genuine listening to others is an important element of class participation. Keep in mind that high quality participation is the goal, not high quantity of airtime. In other words, it’s not how much you talk, it’s what you say that’s important.

There will be several components in your class participation grade, aside from your daily participation in class discussions:
Group Case Presentations. Part of your class participation grade will stem from assignments you will conduct as part of the group that you will be assigned to. Your first assignment in this group is to meet and decide on a group name. Please upload your group name to Canvas by the evening before the third class (which is September 11).

Moreover, several of the classes will entail the discussion of assigned cases. For these classes, I will call on one group randomly at the beginning of class to make a 5-minute (maximum) opening presentation of the case (taking more than the allotted time will adversely affect your grade for this presentation). The whole group does not have to participate in this presentation, but at least one individual will have to present the case. My experience has been that groups that get together to discuss the case ahead of time do much better in their presentations than groups who simply assign this case presentation role to one member of the group to prepare.

In preparing the cases for class, you should be ready to address the following big picture themes:

1. Key Issues: What are the major problems or issues raised in the case? You should not restate the facts of the case, but it should identify the major issues.

2. Analysis: What are the causes of the situation or problems described? What theories or concepts in class apply to this situation? You should attempt to establish cause–and–effect relationships that apply to the situation described in the case.

3. Management Action: What course of action do you suggest to be taken (and by whom)? Are there issues in implementing your solution? This solution should be a natural result of the key issues you present and the analysis you provide.

Beware: Having presented an opening analysis in a prior class does not preclude the group from being selected to present an opening analysis in subsequent classes (since the selection process is random, it can easily happen that a group will be chosen more than once even if other groups are not chosen at all).

Feedback to Group Presenters. Providing feedback to employees is a critical managerial skill. You will have the opportunity to practice giving such feedback to each group that presents a case analysis in class.

By the end of the day (that is, by midnight) of each class wherein a group presents an opening analysis, everyone — except those people in the groups making the presentation — will be required to submit an evaluation form and a short paragraph with comments on each of the two group presentations. Such comments, done well, will tell the group your perspective on how well they did in their presentation, what they did particularly well, and what could have been improved. These evaluations will be submitted to directly to Canvas. We will consolidate the reviews, removing your names as authors from the evaluations, and then give them back to the group being evaluated.

While your evaluation of the groups will not be graded per se, the completion of each review will count towards your class participation grade. There are six cases throughout the mini, and everyone is expected to submit an evaluation for each group (both presenting and responding groups), unless he or she happens to be in a group that presented that day. On occasion, I will identify a particularly high quality evaluation and distribute it to the whole class as an example of what I am looking for in these feedback evaluations.

Internal Group Evaluation. There is another component of this class participation grade. No one will
know better the level of contribution made by each member of your group than your fellow group members. As such, I will ask each of you to evaluate your group members’ “performance” in this role. This will be formally done as follows: At the end of the course, you will receive a questionnaire from CATME that will ask you to rate on a scale each of your group members as to how much you feel they contributed to the group process. You will also have the opportunity to supplement these scores with qualitative comments, but such comments are not required. These peer-group evaluations should be taken seriously, since the results will constitute part of each group member’s participation grade.

I will not share your input with anyone else in your group. Occasionally, groups share with each other these evaluations, either one-on-one or in an open group setting. This is perfectly fine to do, as long as it is done constructively. Indeed, this is an opportunity to both give constructive feedback and to learn from others about how they viewed your contribution to the group process. However, no one should feel compelled to participate in such a feedback process if they prefer not to.

Altogether, your class participation grade will contribute 20% toward your final grade in the course.

Quiz:
I will distribute a set of possible essay questions the week before the quiz; the quiz itself, administered in class on September 25, will be comprised of two of these questions. While you are free to discuss the questions among yourselves ahead of time as part of your preparation, the test itself will be taken individually, without access to books or notes during the exam. This quiz will count 25% toward your overall course grade.

Final:
The final exam will be given in class on October 16. It is also a closed-book, closed notes exam. No questions will be distributed ahead of time for this exam. The final is cumulative; it will cover material for the entire semester up to and including the class prior to the exam. Your grade for the final will count 55% toward your overall course grade.

For both the quiz and the final, I provide an appeal process for the grade that you received. If you feel a particular question was unfairly graded, you can request a regrade by resubmitting your exam, along with a typewritten statement explaining why the question deserves more credit. Please send these to Alessandro Iorio (aiorio@andrew.cmu.edu), our TA in charge of grading. Successful regrades are ones that convince me that the answer you provided on the exam is based on material we have covered in the course, and not simply a reasonable answer that makes perfectly good sense. I have found that convincing me is easiest when you include specific references (quotes, page numbers) to the source material you think helps to justify your answer. I will accept regrade requests for up to one week after the exams are returned to you.
## Course Summary for 94-700

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
<th>Case</th>
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<tr>
<td>August 28</td>
<td>Complexities in Decision</td>
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<td>August 30</td>
<td>Power: The Ability to Get</td>
<td>Krackhardt &amp; Hanson: “Informal</td>
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<td>Things Done</td>
<td>Networks;” Cross and Prusak: “People Who Make Organizations Stop and Go”</td>
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<td>September 6</td>
<td>*** No ODI class today ***</td>
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<td>September 11</td>
<td>Power II</td>
<td>Nye: “Smart Power”</td>
<td>Elizabeth Parker Case (A and B)</td>
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<td>September 13</td>
<td>Authority &amp; Power</td>
<td>Hill: “Exercising Authority”</td>
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<td>September 18</td>
<td>Power Up</td>
<td>Gabarro &amp; Kotter: “Managing Your</td>
<td>Erik Peterson case (A and B)</td>
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<td>Boss”;</td>
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<td>September 20</td>
<td>Teams and Task Forces</td>
<td>The Five Dysfunctions of a Team</td>
<td>Aston-Blaire Case</td>
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<td>September 25</td>
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<td>September 27</td>
<td>Managing across cultures</td>
<td>Meyer: “Navigating the Cultural</td>
<td>Myths and Insights presentations</td>
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<td>September 30</td>
<td>Implementing Change</td>
<td>Jick: “The Challenge of Change”</td>
<td>ChangePro exercise materials</td>
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<td>(session will be on Saturday</td>
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<td>from 8:30am-12:30pm)</td>
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<td>October 2</td>
<td>*** No ODI class today (ChangePro reflections are due tomorrow) ***</td>
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<td>October 4</td>
<td>Decision Making and</td>
<td>Badaracco: “The Discipline of Building</td>
<td>Arthur Johnson Case (A, B and C)</td>
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<td>Ethics</td>
<td>Character”</td>
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<td>October 9</td>
<td>Leadership at the Top</td>
<td>Kotter: “What Leaders Really Do”; “Four Star Management”</td>
<td>Jan Carlzon case (A)</td>
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<td>October 11</td>
<td>Corporate Governance</td>
<td>Friedman: “The Social Responsibility of Business is to Increase Its</td>
<td>Merck case</td>
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<td>Interests Should the Corporation Serve?”</td>
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<tr>
<td>October 16</td>
<td>*** Final Exam ***</td>
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Organizational Design and Implementation

94-700- Assignments for Class

1. August 28 — The Complexities in Decision Making

   In this introduction, we will discuss how decisions are made in organizations. There will be supplemental readings distributed after class (available on Canvas) but no readings are required before class.

2. August 30 — Power: The Ability to Get Things Done

   We will introduce research on the idea of power in organizations and how power is facilitated through networks. Read for today two articles that introduce these topics: “Informal Networks” by Krackhardt & Hanson, and by Cross & Prusak.

   September 6 — No class today

3. September 11 — Power II

   Just because one is in a position of authority does not guarantee power, or at least does not guarantee its successful use. (We will discuss authority in more detail later in the course.)

   Read the Elizabeth Parker cases (A and B). Case A describes Parker’s experience as she begins a career in this public sector organization. Case B describes a new job assignment she has taken on and some stiff challenges she faces. The reading for today, an interview with Joseph Nye (“Smart Power”), speaks to issues of power available to the manager and how these tools should be used to accomplish ends in the organization.

   • What accounts for her success in Case A?

   • How does the situation in Case B differ from the situation she faced in Case A?

   • What strategy should she use to meet her deadline in Case B?

4. September 13 — Authority and Power

   • Hill’s article for today (“Exercising Authority”) is based on her study of new managers who are provided authority in the sense that they occupy a position in the organizational chart whereby they are in charge of and responsible for the actions of their subordinates. As she notes, people in positions of authority often have other bases of power, also. How powerful is authority, per se? That is, if authority holders had no other base of power to back them up, how much influence would they have?
5. September 18 — Power Up

Consider the advice given in “Managing your Boss” by Gabarro and Kotter as you analyze the Erik Peterson Cases (A and B) for today.

- Prepare a detailed analysis of the problems facing Peterson in cases A and B and design an action plan (in order of priority) of the steps you would take if you were Peterson.

- Assuming you were Peterson, prepare an agenda for your meeting with Knight. Prepare a plan outlining how you would handle the visit by Jenkins and Harper. Include agendas for any meetings you would hold.

6. September 20 — Teams and Task Forces

Organizations, it is sometimes said, are groups of groups, or teams of teams. Cardonna and Miller (“The Art of Creating and Sustaining Winning Teams”) make a strong argument that teams are critical to any effective organization. Today, we will discuss some of the common features in teams that permit them to enhance the organization’s efficiency and capacity.

The particular type of team we will focus on today is the task force. Prepare the Aston-Blaire case (A). Use the Ware reading (“Managing a Task Force”) to analyze how Bacon is doing in running the task force he heads. What did he do well? What could he have done better?

7. September 25 *** Quiz Today ***

8. September 27 — Managing across Cultures

Read Erin Meyer’s account of “Navigating the Cultural Minefield.”

**Special Group Assignment for this class:** While the majority of the class is American, a large number of the students are from other countries. Your group assignment for this class is an opportunity to take advantage of this diversity.

Meet in your group and share with each other the following:

1) One or two myths about your home country. That is, relate something that is widely believed about the country or its people but that is outdated, extremely rare, a distortion of the truth, or simply a falsehood.

2) One or two key insights into managing people or organizations in your country — something anyone who comes to work in your country must know.

Americans should participate in this exercise as well, sharing their perceptions of myths and insights about the US. They may offer different perspectives on regions of the country, different ethnic groups, or simply different viewpoints even though they share an American upbringing.
Once you have shared your perspectives with each other, your next task is to develop a PowerPoint slide deck of the myths and insights for those group members who are not American to be presented to the rest of the class today. Each group will have a couple non-Americans, and it is from this broad international perspective we would like to hear. The group should compile these individual country slides into one PowerPoint presentation deck. The first slide of this deck should list all the group members' names and what countries they represent. Please submit a copy of your group's deck of PowerPoint presentations to Canvas by 7pm the evening before this class.

These group presentations will be very brief (one or two minutes per country; usually one slide per country containing myths and insights). We will probably not be able to get to all of the groups' presentations, but we will try to cover as many as we can. Even if we do not get to your presentation that day, I would like everyone to have the opportunity to see the PowerPoint presentations you have prepared. To facilitate this, we will make all PowerPoint presentations available for all to see by the following class.

9-10 September 30 — Implementing Change

Note: This class session will last a full 4 hours, from 8:30am to 12:30pm on Saturday, September 30.

Today we are going to give you a chance to practice many of the principles we have discussed thus far in the course. Your objective this week will be to get a set of 24 managers to adopt a new innovative quality program called Six Sigma. We will conduct an exercise during class that will give you a chance to accomplish this objective.

Your assignment for this class will be to submit to Canvas your strategy (2-3 sentences) and your evaluation of how each of the available tactics will be useful to you in implementing these tactics (these tactics are listed on the back page of the users manual for the exercise). This evaluation is on a three-point scale: 1=not very useful; 2=somewhat useful; 3=very useful. Simply list each tactic and put a number from 1 to 3 next to the tactic. These should be uploaded to Canvas by 7PM on the day before the class, which is September 30.

We will be using PC laptops to conduct this exercise. You will work in assigned groups of 3, and at least one PC will be necessary for each group. As the time approaches, we will need to know who can volunteer their laptop for this exercise.

Reflections memo: This ChangePro exercise is designed to give you an opportunity to experiment with different strategical and tactical options for changing an organization. As a follow-up to this exercise, write a one-to-two paragraph memo (no more than one page total) relating your thoughts on what you in particular learned from this exercise. What material or concepts, if any, from the course so far were illustrated in this experience? What personal insights, if any, did you gain from either the exercise itself or the discussion afterwards? This memo should be uploaded as an assignment to Canvas before the start of the next ODI class period. I will not grade the memos, per se, but they are required to complete as part of the course.

Note: While your performance in this exercise is not graded per se, attendance at this special class exercise is required for the course. If you cannot make it for some reason, please let one of the TA's know at least two weeks ahead of time. In such a case, an extra assignment will be provided to you that will address much of the material covered in the Saturday exercise.
11. October 4 — Decision Making and Ethics

Today’s readings cover various ethical dilemmas that decision makers frequently fall into. Badaracco ("The Discipline of Building Character") presents a cogent argument for ethics in decision making. The Arthur Johnson case provides an opportunity to discuss the extent to which ethics should enter our decision making processes. In preparing this case, consider the following:

- What would you do in this situation if you were Michael Anderson?
- What would you do if you were John Thayer?
- What responsibility does Arthur Johnson have in this situation? What responsibility does he appear to be willing to assume in the case?

12. October 9 — Leadership at the Top

Leaders are responsible for mobilizing resources, often people, to get things done in and for the organization. Read the Kotter piece ("What Leaders Really Do") and the INC magazine article ("Four Star Management") about General Bill Creech. Kotter makes an argument that leadership is about change. The INC article describes Creech’s efforts to change a large, bureaucratic, military organization. To what extent do you see overlap in these two approaches to leadership? Which is more likely to inform the modern corporate leader?

In considering the Jan Carlzon case, what were the key problems that SAS was facing? What did Carlzon do to turn the company around? How would you compare his leadership style and philosophy to that of General Creech’s?

13. October 11 — Corporate Governance

Read Nobel Laureate Milton Friedman’s classic article, “The Social Responsibility of Business is to Increase its Profits.” This article, as Friedman has embarrassingly admitted, is the most famous piece he has ever written, and it prompted a whole series of discussions, essays, retorts, and even a new academic subfield. Next read the 1996 speech “The Real Essence of Business” by Goizueta, then an inspirational CEO of Coca Cola, available at the website http://www.goizuetafoundation.org/essence.htm. Finally, read the Brookings Institute report entitled “Whose Interests Should the Corporation Serve?”. This is a lot of reading, but the issue is fundamental and deserves thorough thought and analysis.

It is tempting to discuss these issues of corporate governance vis a vis such high-profile cases as the accounting scandals at WorldCom and Enron. But those are clear cases of fraud and not worthy of much debate. Instead, we will discuss these issues in light of a much more complex case, Merck & Co., where more compelling logic can be mustered on both sides.
The central question to prepare for in this class session is: *Should* Merck invest in Campbell’s idea?

14. October 16 — Final Exam

The exam will be given during class. There will be four essay questions. The exam is closed notes, closed book.