MANAGING ORGANIZATIONS
B01.1302.00. Saturday 1-4. Room 2-65.
9/20/08-12/13/08
Department of Management
NYU-Stern School of Business

Professor: Mitchell Langbert
Office: 7-151 KMC
Office Hours: Immediately after class

Introduction

This course is about managing organizations. Its purpose is to discuss classic ideas about organization theory, design and change and to apply them to case studies and real-world situations. At the end of the course, students should have a deeper and more complex understanding of organizational dynamics, the essential elements of managing organizations and the people within them.

Course Materials (Available at NYU Professional Bookstore)

2. Harvard cases available online:
   - Wal-Mart, 2005 (9-705-460)
   - Wal-Mart Stores, Inc. (9-704-024)
   - Newell Company (9-799-139);
   - Philips versus Matsushita: A New Century, A New Round (9-302-049)
   - Novartis Pharma: The Business Unit Model (9-101-030)
   - JetBlue Airways: Starting from Scratch (9-501-354)
   - Jack Welch: General Electric’s Revolutionary (9-394-065)

3. Three Stern Cases (Coke, Southwest and Kidder) will be provided via blackboard and e-mail.


6. Optional. Sam Walton and John Huey, Sam Walton: Made in America

Grading

Team Case Analysis on Wal-Mart due 4/19: 20%
Individual Case Analysis due 5/3: 35%
Exam: 35%
Attendance: 10%

Administrative

No e-mailed papers are accepted. All papers MUST be presented to the instructor in real time on the due date to get credit. Please double space all papers with 11 or 12 point font with standard one inch margins.

Attendance is computed on a pro rata basis. I divide the number of times that you were marked present by the number of times I took attendance. The ratio is the equivalent of your letter grade.

Team Analysis

One of the most important skills for a manager to develop is the ability to work as part of a team. To sharpen your skill in this area you will prepare a team project. It concerns Wal-Mart. As an alternative project you can do Enron if it interests you more. The case analysis must be handed in (not e-mailed) on the due date, and no late papers are accepted. I understand that it is difficult for evening students to do group work. I suggest use of virtual meetings as much as possible.

In doing the group analysis for Wal-Mart, it is important to integrate the ideas from the two required books, the two cases and the two movies as well as course materials. The Wal-Mart analysis is limited to five pages. Limit of five pages.

For the alternative Enron analysis, it is important to read Bethany McLean and Peter Elkind, Smartest Guys in the Room. (New York: Penguin Books, 2004, 440 pages). Analyze Enron in 2001 using some of the concepts discussed in the course. Some possibilities include (but are not limited to) a discussion of the applicability of the concept of culture; the applicability of Ouchi’s Theory Z; the degree to which Skilling’s indifference to execution caused problems; the relevance of competence and due diligence to ethics; the role of human resource management; the connection between street smarts and ethics; and lessons of Enron for management control. Why were the analysts, business press, Enron employees, the management consultants, Harvard Business School and possibly even Ken Lay duped? The field of topics is very broad, and you need to focus on only one or two points of the preceding or other points of your choosing. Limit of five pages.
**Individual analysis**

In doing your individual case analysis you may analyze any of the cases discussed in class. You may also do either the Wal-Mart or Enron assignment if your group did not do the one you choose to do as an individual. You also can do *Twelve Angry Men* or *Twelve O’Clock High* if you like. The page limit for the individual case analysis is four pages (11 or 12 point font, double-spaced, one inch margins). Again, both analysis and solution count toward the grade. An analysis of a film or historical event should be treated just like a case study analysis.

In preparing your team and individual case analyses, you should read *Guide to Case Analysis* below. Your analysis will be evaluated based on how well you have used course materials to support your arguments, the cogency of your argument and your writing. If you have questions about how to approach the cases analysis, feel free to contact me.

**GUIDE TO CASE ANALYSIS**

Some students find case analysis to be difficult due to the relative lack of structure of most management problems. No correctly answered list of questions or mechanical process will lead to the "right" answer. In fact, there is no "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. Actually, it is as important to ask the right questions as to come up with the right answers. 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.

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.

Read the case. Take notes about the important issues that the case raises and the material from the reading that seems to apply.

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. There may be numerous problems and issues. 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 casual mechanisms.

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. Be explicit in your use of course concepts and theories, but avoid the tendency to throw in course terminology merely as "buzzwords." Avoid theory dumps.
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.

There is no need to describe history, events or case background in your written analyses. This is merely a waste of space, as the professor has read the case. 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, recommendations for how the situation could have been better handled, or an explanation as to why you think the firm’s performance is optimal. 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. If you recommend that no change is needed, the reasons should be clear.

Finally, with respect to written assignments, make sure that your case analyses are well-written, clearly organized, and have a logical flow. Poor writing will affect your grade. The following is a safe harbor format. (In other words, you can do it other ways, but this one is guaranteed to work.) First, start out by stating your executive summary, main conclusion, thesis or hypothesis. For Wal-Mart this might be the conclusion that you have drawn about Sam Walton’s influence on the firm, the quality of ethics and the influence of cost strategy on its ability to manage public relations. Then, provide evidence, analysis and insight that supports your thesis. Last, summarize, draw conclusions and make recommendations that echo your thesis, hypothesis or executive summary.

Course Outline

1. 9/20. For second class, Organization Theory, Strategy and Design, OTD, chapters 1 and 2. For second class, read Newell and Coke Loses Some Fizz (Stern Case, S). Start reading Vedder and Fishman books.


4. 10/11. Designing Organizations for the International Environment, OTD, chapter 6. Case due: Novartis Pharma: The Business Unit Model. Read Kidder (S) and Southwest (S) for next time

5. 10/18. Manufacturing and Service Technologies and Control, OTD, chapters 7 and 8. Case: Kidder Peabody (S) and Southwest. Read JetBlue and Wal-Mart 2005 for next time.

7. **11/1.** Films and Discussion: *Sam Walton Biography* and *Wal-Mart: The High Cost of Low Price.* Frontline Video *Is Wal-Mart Good for America?* (Time permitting.)


11/29: **Thanksgiving Recess**


12. **12/13.** **Midterm Exam.**