

UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL

MGMT 782
STRATEGIC IMPLEMENTATION

Fall 2002
Version 8/23/02

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This course is intended to help you see ways to advance strategy in an organization. Our starting points will be two: you as an actor in the organization and the strategy you and other members of your organization wish to pursue. We will assume that the organization has already determined what strategy to pursue. Developing a strategy is an extremely important issue, but we will consider strategy design only as it is related to the problems of implementation. Instead, we will direct our attention to the problems of pushing the strategy forward in the organization.

The course is structured around three major themes. One theme addresses you as an actor in the network of relationships both inside and outside of the organization. We will address problems such as the informal structure both inside and outside the organization, the political dynamics of the organization, building a structural position inside and outside of the organization, and advancing action from that structural position. A second theme addresses you as a representative of the organization and considers the overall design of the organization. We will return to the concerns about the structure of relationships, but consider how you might use the formal structure of the organization in order to advance strategy in the organization. A third theme addresses political action in the organization. Returning to both the informal and formal structural structure of relationships, we will consider various methods of influence that you might use to advance a strategy.

The structure of a class section

Each class session will consist of a combination of lecture and discussion of the topic for the day. Some days we will use case discussions to highlight key issues; other days we will use lectures, videotapes, and discussion to address issues. You are expected to read the material for each session before the class meets and to be prepared to analyze the concepts from the case and the readings. For most cases, I will provide questions for you to consider as you prepare the case. You should also prepare by summarizing the main points in each article and the case (where applicable). When there is a case, you should think particularly about how the concepts and theories from the readings that week (and previous weeks) might apply to the case. You can anticipate that I may use cold calling to ensure preparation and to establish an even level of participation throughout the semester.

Readings

I have chosen the readings to ensure that they are academically sound, current, and well-written. I have consistently selected material that represents the latest thinking on the various subjects. In some cases, I have selected older articles or cases, either because the article or case addresses an issue particularly well or because the article or case is particularly relevant. Although some articles rely on academic theory more than others, all articles do a good job outlining issues important to a managerial audience. In some cases, I have attached references to related articles, should you wish to pursue a topic further. These are not required reading and so are not included in your course packet. If you ever wish to pursue a topic in greater depth, feel free to ask me for supplemental readings and I will be happy to suggest some possibilities.

Cases

Cases give life to management theory. They help us to see how theory and concepts play out in real organizational settings. The world is always more complex and interesting than the textbook. Do not fall into the trap of expecting a single "right" answer. There are, of course, weaker and stronger ways of analyzing a case, but there may be more than one appropriate answer. You should use the cases to develop your own analytical framework. You should also use cases as a basis for learning from and challenging the analytical framework of others. In preparing a case, you should, at minimum, be prepared to answer the questions I will provide you for each case. If you cannot answer these questions, you are not prepared for class.

Course Material

You should buy the bulk pack from Reprographics.

Requirements and Grading

Midterm case write-ups: During the semester, you will receive two cases to take home and write up for the following week. One will be distributed Monday, September 30, to be turned in at the start of class on Monday, October 7. A second will be distributed Monday, October 28, to be returned at the start of class on Monday, November 4. No late cases will be accepted. The case write-up will be a group project. Your groups should consist of four people. The write-up will evaluate your ability to address the implementation problems in the case and consider the benefits and problems of possible response(s), based on your knowledge of the course material. You may use no more than 900 words. You should indicate the word count at the top of the first page. Each case write-up will count 20% towards your final grade.

Final Exam: In addition, there will be one case write-up, distributed December 9. The exam must be turned in to my mailbox in 2000 Steinberg Hall-Dietrich Hall by 5:00 p.m. December 16. The final case write-up will also be a group project. If you wish to change groups for the final case write-up, you are responsible for finding a new group. You may use no more than 1500 words. You should indicate the word count at the top of the first page. The final will count 40% towards your final grade.

Class participation: Much of the learning in the class will come as you consider and discuss with others the ideas, concepts, and theories presented in the class. Your preparation of the readings and cases for each class will contribute substantially to what you and your classmates learn.

In order to encourage you to make good contributions to the discussion, your participation will contribute 20% to your grade. Three factors determine good class participation. First, given thorough and careful preparation, you should be able to identify the important managerial issues as related to either the case or readings. Second, you should be able to use that analysis to define a concise and coherent position on and approach to the managerial issue under discussion. Third, you should be able to constructively analyze the positions your classmates take. Of course, you should also incorporate your own experience and lessons from your work experience as they relate to the concepts in the class.

After each class session, I will evaluate your class participation. I will grade your participation on the following 4-point scale:

- 1) in class, but participation is minimal;
- 2) in class and participates in the case discussion;
- 3) demonstrates good understanding of case issues;
- 4) significant contribution to class.

Grading Summary:

Class participation	20%
Case write-up 1:	20%
Case write-up 2	20%
Final case write up	40%

How to reach the professor:

During Fall semester, I can be reached in my office (2015 Steinberg Hall -Dietrich Hall) Mondays from 4:30 until 6:00 and Tuesdays from 2:00 until 3:30. I will also be available other times by appointment. In addition, email is always a good way to reach me.

Week 1: Course overview and the implementation challenge

Monday, September 9, 2002: Introduction and course description

Wednesday, September 11, 2002: The implementation challenge

- Reading:

Kotter, John P. (1999). "What effective general managers really do."
Harvard Business Review, March-February, HBS #99208.

- Case: Lisa Benton (HBS # 9-494-114)

STUDY QUESTIONS:

1. How did Benton get into this situation?
2. Could she have done anything differently?
3. What specific steps should she take now?

Week 2: The Entrepreneurial Manager

Monday, September 16, 2002: Implementation and the entrepreneurial manager

- Reading:

Burt, R. (1992) "The social structure of competition." Condensation from *Structural Holes*.

Krackhardt, D. and J. R. Hanson (1993). "Informal Networks: The Company Behind the Chart." *Harvard Business Review*, July-August, 104-111 (HBR #93406).

- For further reading:

For those of you interested in the concept of social capital, the following are some references worth pursuing:

Bourdieu, Pierre (1986), "The Forms of Capital," in *Handbook of Theory and Research for the Sociology of Education*, John G. Richardson, ed. New York: Greenwood Press, pp. 241-258.

Burt, R.S. (2000), "The Network Structure of Social Capital," *Research in Organizational Behavior*, Robert Sutton and Barry Staw, eds., Greenwich, CT: JAI Press, 22:345-423.

Putnam, Robert D (1993), *Making Democracy Work*, Princeton, NJ: Princeton University Press.

Simmel, Georg (1950) "The Triad," Part II Chapter 4 in *The Sociology of Georg Simmel*, Kur H. Wolff, ed., New York: Basic Books, pp. 145-169.

Wednesday, September 18, 2002: The entrepreneurial manager: Illustrative case

- Reading:

Pfeffer, J. (1992) "Resources, Allies, and the New Golden Rule," *Managing with Power*. Boston: Harvard Business School Press: 83-110.

- Case: Managing Xerox's Multinational Development Center (HBS #9-490-029)
- Video: John Clendenin

STUDY QUESTIONS :

Suppose you were a manager at Xerox.

- 1) Given the objectives that we discussed last week (building agendas and using networks to advance those agendas), what issues would you consider in evaluating John Clendenin if he was your manager?
- 2) Would you want to work for John Clendenin? Why or why not?

Week 3: Implementation in financial markets: Sources of organizational politics and Status, norms, and implementation

Monday, September 23, 2002: The sources of organizational politics

- Case: The Fall of the House of Lehman

Auletta, K. (1985). "Power, Greed, and Glory on Wall Street: The Fall of the Lehman Brothers." *New York Times Magazine*. February 17, 1985.

Auletta, K. (1985). "The Men, the Money, the Merger." *New York Times Magazine*. February 24, 1985.

STUDY QUESTIONS:

- 1) What are the factors that contributed to organizational conflict at Lehman Brothers?
- 2) Why did Glucksman succeed in his power play? What sources of power did he rely on?
- 3) What could Peterson have done to prevent his own ouster or minimize the damage to the firm?

Wednesday, September 25, 2002: Status, norms, and breaking boundaries

- Reading:

Podolny, J. M., and D. J. Phillips (1996), "The Dynamics of Organizational Status" *Industrial and Corporate Change*, pp. 453-458 (pp. 459-471 not included).

- Case: Brooks, J. (1973). "Confrontation" *The Go-Go Years: The Drama and Crashing Finale of Wall Street's Bullish 60s*. New York: John Wiley and Sons, pp. 227-259

STUDY QUESTIONS:

1. Evaluate Saul Steinberg's strategy. Is he over-reaching? Why or why not?
2. Why was Saul Steinberg successful in his first takeover bid? Do those lessons transfer to his bid for Chemical Bank? Why or why not?

Week 4: Implementation in diverse environments

Monday, September 30, 2002: Building a structural position

(Warning! The material for this session is very interesting but it will require heavy reading! Be sure to allocate adequate time.)

- Reading:

Pfeffer, J. (1992) "Location in the Communication Network" *Managing with Power*. Boston: Harvard Business School Press: 111-125.

Pfeffer, J. (1992) "Changing the structure to consolidate power" *Managing with Power*. Boston: Harvard Business School Press: 267-278.

- Case: Henry Kissinger

Kissinger, H. (1979) "Period of Innocence: The Transition" *The White House Years*. Boston: Little, Brown & Company: 17-53.

Hersh, S. (1983) "The Job Seeker," *The Price of Power: Kissinger in the Nixon White House*. New York: Summit Books: 11-24.

Hersh, S. (1983) "A New NSC System," (Chapter 2). *The Price of Power: Kissinger in the Nixon White House*. New York: Summit Books: 25-36.

Hersh, S. (1983) "Consolidating Authority," (Chapter 3), *The Price of Power: Kissinger in the Nixon White House*. New York: Summit Books: 37-45.

STUDY QUESTIONS:

- 1) What were Kissinger's initial sources of power?
- 1) Why would formal authority be important to someone who already has informal authority?

Wednesday, October 2, 2002: Strategy implementation in entrepreneurial markets

- Reading:

Saxenian, A. (1996) "Silicon Valley: Competition and Community." *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*. Cambridge, MA: Harvard University Press: 29-58.

Nohria, N. (1992). "Information and Search in the Creation of New Business Ventures: The Case of the 128 Venture Group." In N. Nohria and R. G. Eccles (Eds.) *Networks and Organizations: Structure, Form, and Action*. pp. 240-261.

- Case: Warner, M. (1998). Inside the Silicon Valley Money Machine. *Fortune*, 128-140.

STUDY QUESTIONS:

- 1) Does the venture capital firm contribute anything compared to the 128 Venture Group?
- 2) Compare Kleiner-Perkins to the 128 Venture Group. Which situation would you prefer? Why?

Week 5: Structuring for implementation

Monday, October 7, 2002: First case write-up due

Wednesday, October 9, 2002: Network closure

- Reading:

Coleman, James S., (1988), "Social Capital in the Creation of Human Capital," *American Journal of Sociology*, 94 Supplement: S95-S120.

Krackhardt, David, "The Strength of Strong Ties: The Importance of Philos in Organizations," in Nitin Nohria and Robert Eccles (eds.), *Networks and Organizations*, Chapter 8, pp. 216-240.

Nadler, David, & Michael L. Tushman (1997). "The Principles of Design", *Competing by Design*. New York: Oxford University Press, pp. 43-57.

Week 6: Structural elements

Monday, October 14, 2002: The basic elements of structure

- Reading:

Nadler, David, & Michael L. Tushman (1997). "Choosing a Basic Structure—Strategic Groups," *Competing by Design*. New York: Oxford University Press, pp. 71-88.

- Case: Appex Corporation (HBS # 9-491-082)

STUDY QUESTIONS:

- 1) What challenges did Shikhar Ghosh face when he joined Appex?
- 2) Were all the changes in structure necessary? What would you have done in Shikhar's place?

Wednesday, October 16, 2002: Changing structure to match the environment

- Reading:

Nadler, David, & Michael L. Tushman (1997). "Coordinating Work—Strategic Linking", *Competing by Design*, New York: Oxford University Press, pp. 89-115.

- Case: Jacobs Suchard: Reorganizing for 1992 (HBS # 9-489-106)

STUDY QUESTIONS:

1. Will the present organization provide sufficient incentives and priorities to successfully launch the global brand?
2. What is the future of the general manager?

- For further reading:

Granovetter, Mark S. (1973), "The Strength of Weak Ties," *American Journal of Sociology*, 78:6, pp. 1360-1380.

Eccles, Robert G., and Harrison C. White (1988), "Price and Authority in Inter-Profit Center Transactions," *American Journal of Sociology*, 94: S17-S51.

Week 7: Dynamic structures

Monday, October 21, 2002: "Fluid" Organizational structures

- Reading:

Nohria, N. (1995) "Note on Organization Structure" (HBS # 9-491-083)

Gladwell, Malcom (2000) "Designs for Working," *The New Yorker*.

- Case: Oticon A/S: Project 330 (HBS # 9-195-141)

STUDY QUESTIONS:

- 1) Evaluate the new, fluid organizational structure in the company. Is it working?
- 2) Why doesn't every company implement such a "loose" structure?
- 3) What does the case suggest about organizational structure?

Wednesday, October 23, 2002: Changing structure as the organization grows

- Reading:

Greiner, Larry E., (1998) "Evolution and Revolution as Organizations Grow," *Harvard Business Review*. (HBS #98308)

Barry, David, and Michael Elmes (1997), "Strategy Retold: Toward a Narrative View of Strategic Discourse," *Academy of Management Review*, 22:2

- Case: Acer, Inc: Taiwan's Rampaging Dragon (HBS # 9-399-010)

STUDY QUESTIONS:

- 1) How effective has Shih been in rebuilding Acer?
- 2) What do you think of his new business concepts?
- 3) If you were Stan, what action would you take on the Aspire?

Week 8: Culture as a basis for structure

Monday, October 28, 2002 : Culture, closure, and change

- Reading:

Lewis, M. (1989). "Learning to Love your Corporate Culture" *Liar's Poker*. New York: W. W. Norton, pp. 32-53.

O'Reilly (1989) "Corporations, Culture, and Commitment: Motivation and Social Control in Organizations," *California Management Review*, 31: 4, pp. 9-25.

- Case: Johnson and Johnson: Hospital Services (HBS 9-392-050)

STUDY QUESTIONS:

- 1) James Burke has been quoted as saying "Our culture is really it." What is the J&J culture and what difference does it really make for the company?
- 2) What do you think of the way in which Burke and Clare have created the Hospital Services Company?
- 3) What obstacles does Pete Ventrella face as president of the new Hospital Services company?

- For further reading:

Myerson, Debra, and Joanne Martin, 1987, "Cultural Change: An Integration of Three Different Views," *Journal of Management Studies*, 24:6, pp. 623-647.

Wednesday, October 30, 2002: Pulling it together

- Reading:

Granovetter, Mark S., (1985), "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology*, 91: 481-510.

- Case: Colliers International (HBS # 9-490-049)

Week 9: Powers of persuasion

Monday, November 4, 2002: Second case write-up due

Wednesday, November 6, 2002: Implementation and decision making

- Reading:

Fast, J. (1991) "The Eyes, the Head, and the Hands," *Body Language in the Workplace*, pp. 58-78.

Gladwell, Malcolm, (2002) "The Naked Face," *The New Yorker*, August 5, pp. 38-49.

Pfeffer, J. (1992). "Timing is (almost) everything" (Chapter 12) *Managing with Power*. Boston: Harvard Business School Press: 227-246.

Cialdini, Robert B. (1993). "Weapons of influence" *Influence: The Psychology of Persuasion*. New York: William Morrow, pp. 1-16.

- Case: British Steel and the Korf Contract (Video case to be shown in class.)

- For further reading:

The decision process we observe in the case for today raises interesting questions about how organizations make decisions. One of the best sources on organizational decision process is James G. March (with Chip Heath), *A Primer on Decision Making: How Decisions Happen*, New York: The Free Press, 1994.

Week 10: Implementation effects: On shaping and being shaped by those around you

Monday, November 11, 2002: Implementing under scrutiny

- Reading:

Robert I. Sutton and D. Charles Galunic, "Consequences of Public Scrutiny for Leaders and Their Organizations," In Barry M. Staw and Larry L. Cummings (Eds.), *Research in Organizational Behavior*, 18 (1996), pp. 201-250.

- Case: "Hoover's Triangle and King's Machine," Chapter 15 in Taylor Branch, *Parting the Waters: America in the King Years 1954-1963* (1988), pp. 562-600.

STUDY QUESTIONS:

- 1) If you were an advisor to Martin Luther King, what dimensions of the change environment would you suggest he consider?
- 2) What social ties do you think are important for Martin Luther King? Why?
- 3) In the chapter, Taylor Branch compares Martin Luther King's efforts to those of Billy Graham. What does the comparison suggest about their respective implementation tasks?

Wednesday, November 13, 2002: Issue selling and implementation

- Reading:

Ashford, Susan J., Nancy P. Rothbard, Sandy Kristin Piderit, and Jane E. Dutton, (1998) "Out on a Limb: The Role of Context and Impression Management in Selling Gender-equity Issues," *Administrative Science Quarterly* 43: 23-57.

Barry, David, Catherine Durnell Cramton, and Stephen J. Carroll (1997), "Navigating the garbage can: How agendas can help managers cope with job realities," *The Academy of Management Executive*, XI:2, pp. 26-42.

Week 11: Influence and persuasion:

Monday, November 18, 2002: The power of persuasion

- Reading:

Cialdini, R. (1993). "Reciprocation" *Influence: The Psychology of Persuasion*. New York: William Morrow, pp. 17-56.

- Case:

Caro, Robert (1982). "On his Way" (Chapter 13) *The Years of Lyndon Johnson: The Path to Power*. New York: Alfred A. Knopf, pp. 217-240.

Caro, Robert (1982). "In tune" (Chapter 16) *The Years of Lyndon Johnson: The Path to Power*. New York: Alfred A. Knopf, pp. 269-292.

These readings come from another award winning biography by Robert Caro. Read all of chapter 13. For chapter 16 you can concentrate on pages 277 through the end, though the entire chapter is worth reading if you have the time.

STUDY QUESTIONS:

- 1) What personal and structural resources does LBJ have when he starts his job?
- 2) What do we learn from LBJ about mastering a job?
- 3) What does LBJ do once he has mastered his job?

Wednesday, November 20, 2002: Building a coalition

- Case:

Caro, R. (1974). "The Best Bill Drafter in Albany (Chapter 10). *The Power Broker*. New York: Random House, pp. 172-177.

Caro, R. (1974). "The Majesty of the Law," (Chapter 11). *The Power Broker*. New York: Random House, pp. 182-206.

Caro, R. (1974). "Robert Moses and the Creature of the Machine (Chapter 12). *The Power Broker*. New York: Random House, pp. 207-225.

These three chapters (from *The Power Broker*, Robert Caro's Pulitzer-Prize-winning biography of Robert Moses) describe the early career of the man who envisioned and eventually led the construction of most of New York City's and Long Island's parks and highways. His early career is hardly a story of consistent success, however. As you will see by the end of Chapter 11, his plans have been thwarted. As a test for yourself, stop at the end of Chapter 11. Ask yourself: What would I do if I were in Moses's situation? How can Moses turn things around? (You will find the answer in Chapter 12, but don't move on until you have tested yourself.)

STUDY QUESTIONS:

- 1) What were Moses's sources of power?
- 2) Suppose you were an opponent of Moses (for instance, a wealthy Long Island landowner or an upstate Republican). What might you have done to oppose him more effectively?
- 3) Why weren't Moses's opponents more effective against him?

Week 12: Implementation applications: Some research directions

Monday, November 25, 2002: Pricing structure and structuring price

Wednesday, November 27, 2000: Brown bag session: Imagination and implementation

Week 13: Implementing change

Monday, December 2, 2002: Leading change

▪ Reading:

Weick, Karl, 1996, "Prepare Your Organization to Fight Fires," Harvard Business Review, May-June (HBS #96311).

▪ Case:

Orit Gadiesh (HBS # 9-494-031)

STUDY QUESTIONS:

- 1) What are Gadiesh's sources of power?
- 2) Think about Gadiesh's leadership challenges throughout her career, how has she built her track record? In particular, how did she handle the compensation committee situation?

Wednesday, December 4, 2000: Capstone Case

• Case:

"Walt Disney's Dennis Hightower: Taking Charge" (HBS # 9-395-055)
"Dennis Hightower: Walt Disney's Transnational Manager (HBS #9-395-056)

STUDY QUESTIONS:

- 1) Consider Dennis Hightower's situation in June of 1987. What are the challenges he will face in his new position?
- 2) What, in detail, would you have him do over the first three months at Disney?

Week 14: Where we have been and where we are going

Monday, December 9, 2002: Course review and beyond

Week 15: FINAL CASE WRITE-UP DUE

All write-ups must be submitted in my office or mailbox by Monday, December 16, 2002 at 5:00 p.m.