



**MANAGEMENT 611: MANAGING THE ESTABLISHED ENTERPRISE**  
(schedule for Monday-Wednesday sections 001, 002, 003)

Fall 2020  
*version Aug 10*

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**FACULTY WEBSITES**

Professor Vinokurova	<a href="https://mgmt.wharton.upenn.edu/profile/natalyav/">https://mgmt.wharton.upenn.edu/profile/natalyav/</a>
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The management of large, established enterprises creates a range of multi-faceted challenges for the general manager. A general manager needs to understand the internal workings of a firm, how to assess and create a strategy, and how to take into account global circumstances. These issues are distinct, but intertwined. This course will provide you with an integrated view of these challenges and show you that successful management in the 21<sup>st</sup> century requires a combination of insights drawn from economics, sociology, psychology and political economy. The course has three main parts, and two “bookend” events—the first class and the final team presentation. In the first, class you will meet your entire teaching team and get a road map for this semester-long journey.

The first part of the course will deal with fundamental questions of strategy, examining issues central to the long- and short-term competitive position of a firm. We will master a set of frameworks that help you analyze the performance differences among firms and provide a structure for strategic decisions that enhance firms’ future competitive positions. We will cover both strategy at the business unit level, introducing tools of industry analysis and competitive positioning, and at the corporate level, examining the economic logic for firms to diversify across businesses and stages of the industry value chain.

The second part of the course explores the successful management of individuals and teams. We stress the fact that organizational life is built around a complex interplay of social forces. Networks of cooperation, group conflicts, systems of power and influence, career paths, and reward systems shape how people and organizations manage and are managed. In this part of the course, we will develop a framework for analyzing the impact of these social forces on individuals, groups, and the organization. In particular, we study how to motivate and lead the people you manage. Moreover, we will explore how to develop and implement organizational processes and systems to achieve competitive advantage through managing people.

The third part of the course covers the unique opportunities and challenges that firms face when doing business across borders, and the strategies that they can deploy based on the country- and firm-specific characteristics. While reinforcing the learning points covered in the previous two parts of the course, the discussions in this part will emphasize the deep and persistent cross-country differences in economic, political and social institutions. We will also discuss how exchange rate volatilities, trade and investment treaties, new technologies, and new business models are shaping the business landscape for multinational enterprise.

The class concludes with your final papers and presentations, that will show how these different perspectives on organizations can be brought together to understand the successful management of established enterprises.

## **CLASSROOM EXPECTATIONS**

Per the University's guidelines during the COVID-19 pandemic, we will meet remotely via Zoom. Based on our collective experiences with this format, we will adopt the following expectations:

- Class starts and ends on time, with late entry or reentry only under exceptional circumstances
- Keep your video on for the duration of the class, unless technological or physical constraints make it impossible or distracting for you to do so (please inform the instructors if that is the case)
- Be attentive and ready to participate in class (voluntarily or being called upon) at all times

## **OUR VIRTUAL REALITY**

The recent announcement of Wharton going fully virtual in the fall semester due to the persistence of the COVID-19 pandemic was a big shift from earlier plans and a frustrating and upsetting development for us all. We understand if you're feeling a bit apprehensive about a fully online course. While this mode of teaching and learning is different from taking classes in-person, we have had very positive experiences delivering our classes online over the last couple of months. In delivering the MGMT 611 content online, our goal is to closely approach the in-class experience. Far from passive "watch this video" teaching, our goal is to make class time as interactive as possible. To facilitate such interaction, expect to see not lectures and discussions, but also breakout groups, exercises, polls, and quizzes. By interactive, we do mean, there will be cold-calling. To create more personal interactions, we will organize small group meetings between you and us—in various formats and at different times—over the course of the semester. We're looking forward to meeting you!

## **TEXT AND READINGS**

Wharton Reprographics has a copy of the course pack for MGMT 611, which can be purchased from Study.Net.

The readings and/or case listed on the course outline below should be read and prepared before that class session.

## **ASSIGNMENTS, QUIZZES AND EXAMS**

Final Paper—Proposal of Focal Firm: Friday, September 18<sup>th</sup> at 11:59PM

Strategy memo: Friday, October 2<sup>nd</sup> at 11:59PM

Human and Social Capital paper: Sunday November 8<sup>th</sup> at 11:59PM

Global Strategy multiple-choice tests—after each class session

Final Paper Presentations: Monday and Wednesday December 7<sup>th</sup> and 9<sup>th</sup>

Final Paper: Friday, December 11<sup>th</sup> at 11:59PM

**Please submit all assignments via Canvas.**

## **CLASS SESSIONS AND PARTICIPATION**

Each class will consist of a combination of lecture and discussion of the day's topic. On most days, we will use case analysis to explore the issues at hand. Careful preparation is essential. We expect you to read all of the assigned materials for each session in advance of the class. In class, you should be prepared to analyze the concepts from the case and the readings and to discuss any questions provided in the syllabus or on Canvas. If you cannot answer the questions, you are not prepared for class. We will use cold calling to ensure preparation and to establish an even level of participation throughout the course.

We expect you to participate actively in class to help your learning and that of your peers. A productive learning environment requires active engagement of all class members. Three factors determine good class participation. First, given thorough and careful preparation, you should be able to identify the important managerial issues related to the case and/or readings. Second, you should be able to use that analysis to define

a concise and logical position on the issues. Please avoid pure repetition of case facts. You should be able to show how a particular concept is illustrated in the case or suggest how the substantive problem presented in the case can be solved. Third, you should be able to analyze constructively the positions your classmates take. Quality, not quantity, will determine the effectiveness of your comments. “Airtime hogs” will not be rewarded.

Of course, the underlying condition for class participation is attendance. We expect you to attend all sessions. We realize that this is a challenging time and many of you are facing unprecedented child and elder care as well as health-, and technology-related challenges. If you cannot come to class, please notify your instructor by email in advance of the class (if you are not in class, we want to know that you are OK).

Finally, in order to facilitate lively, in-depth discussions and out of respect for each other in our virtual format, there are two simple ground rules: 1) please keep your video on and your audio muted – the former to keep us all engaged with each other and the latter to avoid background sounds that will interrupt everyone’s attention and focus; and 2) avoid viewing or working on other devices, e.g. phones, tablets, other computers, except when it is directly relevant to in-class activities.

### **CASE DISCUSSIONS**

In preparing cases for discussion in class, you should be ready to comment on (1) the case’s background and context, (2) the key issues and problems, (3) a framework for analyzing the issues and problems, (4) the implications of the assigned readings for understanding the case, and (5) a course of action for designing and implementing solutions.

### **GRADING**

Your grade will be based on:

- Class participation (20%)—graded by all three instructors and equally weighted across sessions.
- Three individual assignments—Strategy memo (20%), Human and Social Capital paper (20%), and Global Strategy multiple-choice tests (20%).
- The team final presentation (5%) and paper (15%)—20% combined.

It is possible to fail this class.

### **ETHICS AND USE OF PRIOR MATERIALS**

It is never appropriate to use materials prepared by students or faculty in this course from previous years. You should not use previously completed case write-ups, or summaries of readings.

### **STRATEGY MEMO**

**Due at 11:59PM on Friday, October 2<sup>nd</sup>**

1. Conduct an industry analysis of the last industry you worked in from the perspective of an incumbent firm.
2. Draw the activity system for your last employer.
3. Discuss 2 or 3 interactions within the activity system you drew (i.e., the reasoning behind why you have connected 2 elements in the activity system).

The paper should be no more than 1,000 words, i.e., about 3 pages, with one additional page depicting the activity system. Each of the three parts of the paper will have an equal weight for grading purposes.

**This is an individual assignment, and should be done individually.**

**HUMAN AND SOCIAL CAPITAL PAPER: WRITTEN ANALYSIS OF PREVIOUS EMPLOYMENT**  
**Due at 11:59PM on Sunday November 8<sup>th</sup>**

Your assignment is to examine a previous job (from any time in your life) and use theories and concepts from the course to analyze and explain your work experience. Essentially, in this assignment, you will use your job as the case material that allows you to demonstrate your understanding of course theories/concepts. You may use course materials from all H&SC sessions in which we cover such topics as motivation, job design, reward systems, managing individual performance, and the interface between management decisions and strategy.

The choice about what issues to cover and what theories/concepts to apply is yours. In evaluating your answer, we will look to see whether the theories/concepts you use are described accurately (i.e. substantively correct), applied appropriately (i.e. fit the job situation you describe), and most relevant to the situation (i.e. did you pick the theories/concepts that best illuminate your situation). **This is an individual assignment.**

In analyzing your job, focus on how you were **managed**, not how you behaved in managing others. It does not matter whether you had a good job experience or a bad job experience. You can talk about both the successful and the unsuccessful aspects of the job, and about what was missing for you. The paper presents you with an opportunity to explore in-depth the course readings, master them, and apply them to your experience. *Thus, very good papers do not simply present a lively and detailed description of your job. Rather, they demonstrate in-depth understanding and application of course concepts and theories.* More specifically, they:

1. Demonstrate in-depth understanding of **four theories/concepts** from the human and social capital sessions by making specific links between theories/concepts and key elements of your job experience.
2. Explore (and demonstrate your understanding of) the similarities, complementarities, or inconsistencies among the theories and concepts (i.e., do the theories/concepts fit together and reinforce each other or do they disagree? How do they complement each other? Conversely, how are they inconsistent or conflicting?)
3. Explain why the theories or concepts you've chosen are important and useful for understanding (and perhaps for suggesting changes to) your prior job or organization.

Here are some tips based on my experience with this course assignment.

- Don't forget that this is an exercise that must be graded. It is easy to get carried away with an interesting story and forget that this is also a way to test your knowledge of and ability to apply the course material.
- Be sure to explore your **personal** experience with your job, rather than writing generically about the experience of all people in positions like yours.
- Remember to mention course concepts specifically, so we don't have to read your mind to figure out what concepts you are applying to your work experience. Drawing explicit links between the concepts you identify and the case material is the key. Don't just drop in the names of theories or concepts into the midst of describing your job. Show how they apply to your situation.
- It may be useful to develop a comparative angle in the paper, i.e. compare how your job experience varied for two different tasks or before and after a change in your boss or a company restructuring.
- Comparing and contrasting how two or more different theories can be applied to the **same** aspect of your job situation is another effective strategy. Be sure you make it clear to us why you chose those theories and which you felt provided more insight.

The write-up should be **double-spaced, with 12-point font and 1-inch margins**. The maximum length is 1,000 words. **Please include a word count on the front page.** You will have to be concise and make choices about what issues to discuss. We recommend that you begin thinking about which past work experience to analyze right away. Then you can consider which concepts to apply as we cover them in each class session.

## GLOBAL STRATEGY MULTIPLE-CHOICE TESTS

A multiple-choice test with three (3) questions will be made available on Canvas at the end of each session in this module, for a total of seven (7) quizzes. Students will have one (1) day to answer the questions.

This is an individual assignment, and should be done individually.

## THE FINAL PAPER

**Due at 11:59PM on Friday, December 11<sup>th</sup>**

This team assignment consists of a report (25 pages in length) and a short presentation (9 minutes followed by 3 minutes of Q&A) summarizing its main themes and findings.

**This is a team assignment. Teams of 5-6 will be randomly assigned at the beginning of the semester.**

A one-page proposal that describes the company you are planning to study, what aspects your analysis will focus on, and how you plan to gather data should be submitted on Canvas by **Friday September 11th by 11:59PM**. You should then meet with faculty by the end of October to discuss your progress.

Your team is to address a critical decision facing the firm. Examples of appropriate focal questions include: Should Citi give stronger incentives to its branch managers? Should CVS set up mini-clinics in its stores? Should Panera Bread enter China? Your question should be narrow enough to have a specific answer, and yet substantial enough to require the theories and concepts from all three modules for a rigorous analysis. For example, your decision on how to incentivize your managers (a HSC question) will also depend on Citi's strategic positioning (a strategy topic), your decision to diversify into clinics (a strategy question) depends on CVS's ability to recruit qualified doctors without compromising the morale of the store assistants (a HSC topic) and the regulations in your intended markets (a global topic), and your decision to expand to China (a global question) will also depend on Panera's competitive advantage in the industry (a strategy topic).

Accordingly, the project can incorporate such human and social capital course topics as motivation, job design, reward systems, recruiting and selection, managing individual performance, and links between the HR system and business strategy; such strategy topics as industry analysis, positioning, firm capabilities and resources, and the horizontal, vertical and geographic boundaries of the firm; and such global topics as aggregation-adaptation-arbitrage, the role of state and technologies in cross-country differences, and the tension between global efficiency and local responsiveness. Note that if it is difficult to find links between the decision you choose and specific H&SC topics (e.g. you don't know if there were compensation bonuses tied to the outcome of that decision), you should cover the firm's overall approach to motivation, rewards, job design, hiring/selection, performance appraisal, culture, etc. and infer how those practices/policies apply to that decision.

The choice about the relative weight to put on different issues, theories and concepts is yours. Your allocation of space should be made based on the company you have chosen to cover, the issues you choose to analyze, and the data you are able to collect. Difficulty in finding data is not an acceptable excuse for omitting coverage of any aspect of the course; we can provide guidance on how you can find ways around such barriers. We will judge your coverage of the course material based in part on our sense of what a good analysis of the focal firm requires, i.e. if you think certain human & social capital or strategic or global issues aren't important enough to cover and we disagree, we'll reflect that in our comments and grading.

**In choosing a focal firm, remember that you may not choose a firm highlighted in the cases from the course; and that the firm must, to some degree, be global, i.e. involved in cross-border activities (not only serving a domestic market).**

In evaluating your paper, we will look to see whether the theories/concepts you use are described accurately (i.e. substantively correct), applied appropriately (i.e. fit the context you describe), and most relevant to the situation (i.e. did you pick the theories/concepts that best illuminate the firm's situation). **Most importantly, make sure your paper is focused on a core question and contains original analyses, and is not just a fact-based summary of a company.**

PLEASE NOTE THAT ANY QUOTATIONS OF LONGER THAN A PHRASE MUST BE EXPLICITLY NOTED IN THE TEXT. INSUFFICIENT ATTRIBUTION TO EXTENDED QUOTATIONS FROM EXTERNAL SOURCES WILL RESULT IN FORMAL CHARGES OF PLAGIARISM TO THE OFFICE OF STUDENT CONDUCT. IF YOU HAVE ANY QUESTIONS ON POLICY, SEE [http://gethelp.library.upenn.edu/PORT/documentation/plagiarism\\_policy.html](http://gethelp.library.upenn.edu/PORT/documentation/plagiarism_policy.html)

You will present your projects in Classes 23-24, in a randomly generated order. **One member of each team should upload your team's slide deck before Class 23, i.e. at 8am on Monday 7<sup>th</sup> December, even if your team presents during Class 24.**

The write-up should be printed double-spaced, using 12-point Times New Roman Font. The maximum length is 25 pages not including Exhibits. Please include an Executive Summary and Word Count on a title page. You will have to be concise and make choices about what issues to discuss. We recommend that you begin work on the paper early, to avoid a last-minute crunch.

## COURSE OUTLINE

### Class 1: Introduction to Managing the Established Enterprise (W 2<sup>nd</sup> of September)

- Readings: “Thinking Outside the Box: As American shoppers move online, Walmart fights to defend its dominance,” *The Economist*, June 2nd 2016.

Matthew Boyle, “Walmart Boosts Starting Hourly Pay to \$12 for Some Staff in Test.” *Bloomberg.com* (January 24, 2020).

Trefis Team, “An International Look at Walmart and Costco.” *Forbes* (October 7, 2019).

#### Walmart Discussion Questions

1. What do you see as Walmart’s overall strategy?
2. What tradeoffs are likely in Walmart attempting to improve the quality of its jobs in both extrinsic (pay) and intrinsic (different job designs) ways?
3. If you were CEO of Walmart, what countries would you enter first and which countries would you stay away from?

**Labor Day: No Class on Monday September 7<sup>th</sup>**

### Class 2 (Strategy #1): Industry Positioning & Competitiveness (W 9<sup>th</sup> of September)

- Readings: Porter, Michael E. 2008. “The Five Competitive Forces that Shape Strategy.” *Harvard Business Review*, January, pp. 79-93.
- Case: **Cola Wars Continue: Coke and Pepsi in 2010 (9-711-462)**
  1. Why, historically, has the soft drink industry been so profitable?
  2. Compare the economics of the concentrate industry to that of the bottling industry: Why is the profitability so different?
  3. How has the competition between Coke and Pepsi affected the industry’s profits?
  4. How can Coke and Pepsi sustain their profits in the wake of the flattening demand and the growing popularity of non-CSDs?

### Class 3 (Strategy #2): Complementors (M 14<sup>th</sup> of September)

- Readings: Brandenburger, Adam M., and Barry J. Nalebuff. 1996. Co-opetition pp. 11–34.
- Video All Players in the Game: <http://vimeo.com/62165898>
- Case: **De Beers at the Millenium (9-706-518)**
  1. What product does De Beers actually sell?
  2. What role does GIA play in the De Beers value net?

#### Class 4 (Strategy #3): Value Creation & Appropriation (W 16<sup>th</sup> of September)

- Readings: Brandenburger, Adam, and Harborne Stuart. 1996. "Value-Based Business Strategy." *Journal of Economics and Management Strategy* 5 (1): 5–24
- Videos: A Definition of Value: <http://vimeo.com/61143220>  
How the Pie is Divided: <http://vimeo.com/61225993>

1. To check your understanding of value creation and added value answer the following questions:

Consider a set-up with four suppliers, three firms, and two buyers. Each supplier can transact with at most one firm, and vice versa. Similarly, each buyer can transact with at most one firm, and vice versa. Each supplier has an opportunity cost of \$10 of providing resources to a firm. Each buyer has a willingness-to-pay of \$40 for the product of two low-quality firms (say firms 1 and 2) and a willingness-to-pay of \$50 for the product of one high-quality firm (say firm 3). What are the possible price ranges for the products sold by the high-quality and low-quality firms? Pick prices outside these ranges and convince yourself that these prices are not possible.

**One-page Final Paper Proposal, due on Friday, September 18<sup>th</sup>**

#### Class 5 (Strategy #4): Positioning & Activity Systems (M 21<sup>st</sup> of September)

- Readings: Porter, Michael E. 1996. "What is Strategy?" *Harvard Business Review* (November-December): 61–78.
- Case: **Progressive Corporation, 9-797-109**

What are the five key points in Porter's article?

When reading the Progressive case, please have the following questions in mind:

1. What is Progressive's positioning?
2. What are the characteristics of Progressive's customers?
3. How are Progressive's activities tailored to its position?
4. How do the activities fit with one another?
5. Should Progressive enter the standard segment?

#### Class 6 (Strategy #5): Competitive Interactions (W 23<sup>rd</sup> of September)

- Readings: Porter, Michael E. 1980. *Competitive Strategy* Ch. 3, pp. 47–74.
- Video: The Uncertainty in a Game <http://vimeo.com/64599418>
- Case: **Philips' Compact Disc Introduction (B), 9-792-036**

(In solving the Philips case, be aware of what assumptions you are making, and whether your results are robust to (small) changes in these assumptions).

1. How does competitor analysis proposed by Porter fit into the notion of second-order thinking in the video?
2. Should Philips establish a U.S. plant at the beginning of 1983 or wait a year before deciding? Why or why not? (You need to crunch numbers here!) Do not



try to draw a game tree! In this case, solving the problem without a tree is much easier.

### **Class 7 (Strategy #6): Corporate Strategy (M 28<sup>th</sup> of September)**

- Readings: Ghemawat, Pankaj and Jan Rivkin. 2010. "Choosing Corporate Scope," *Strategy and the Business Landscape* (3rd ed.), Ch. 6, pp. 123 – 147.
- Case: **The Walt Disney Company: The Entertainment King, 9-701-035**  
(Please make sure you understand the "two tests" Ghemawat and Rivkin are describing.)

When reading the Disney case, please have the following questions in mind:

1. Why has Disney been successful for so long?
2. What did Michael Eisner do to rejuvenate Disney? Specifically, how did he increase net income in his first four years?
3. Has Disney diversified too far in recent years?

### **Class 8 (Strategy #7): Strategic Planning and Strategy Wrap-Up (W 30<sup>th</sup> of September)**

- Readings: Gavetti, Giovanni, and Jan Rivkin. "The Use and Abuse of Analogies" (9-703-429)  
  
Gavetti, Giovanni, and Jan Rivkin. "Analogical reasoning at Lycos"
  1. What are the pitfalls of analogical reasoning?
  2. Read the Lycos mini-case. Do you buy the analogy to traditional media Lycos's management team used to arrive at their decision? Does this analogy provide Lycos's managers with valid guidance?

**Friday, October 2<sup>nd</sup> STRATEGY MEMO DUE AT 11:59PM**

### **Class 9 (HSC Class #1): Motivating Individual Performance (M 5<sup>th</sup> of October)**

We start with the central topic of motivation, introducing a number of different behavioral theories and frameworks and applying them to the case "Kyle Evans at Ruffian Apparel".

Please think about these questions.

1. What do you see as the main problems with the current incentive system?
2. What changes should Kyle Evans make in the way Ruffian Apparel's Kelowna store employees are managed?
3. What can be learned from Samantha Abbott's tenure as Kelowna store manager?

**Readings:** Stephen P. Robbins and Timothy A. Judge, excerpts from "Motivation" (needs, cognitive evaluation, goal-setting, expectancy), *Organizational Behavior*, 12th edition

Steven Kerr, "On the Folly of Rewarding A While Hoping for B," *Academy of Management Journal*

**Case:** Kyle Evans at Ruffian Apparel

## **Class 10 (HSC Class #2): Designing Reward Systems (W 7<sup>th</sup> of October)**

We will discuss reward systems at Netflix and its distinctive culture and management practices. Start with their Powerpoint presentation “Freedom and Responsibility Culture”. Skim the whole thing (many slides but a quick read), noting in particular the sections “Pay Top of Market” and “Promotion and Development”, slides 92-117. The excerpt on equity theory provides perspective on the difficult balance in reward system design between incentive and equity concerns. The short reading on “rationalization” provides insight into ways people adjust to perceived inequities.

1. How well does the Netflix approach to compensation and promotions succeed at meeting “strong incentive” and “equity/fairness” criteria?
2. In what ways does the reward system at Netflix fit, and help achieve, its strategy?
3. What might be vulnerabilities or problems that could arise from the Netflix approach to reward systems? From its overall approach to culture?
4. Would you want to work at Netflix? Why or why not?

**Readings:** Stephen P. Robbins & Timothy A. Judge, “Equity Theory,” from *Organizational Behavior*, 12th edition

Elliot Aronson, “The Rationalizing Animal,” *Psychology Today*

**Case:** Netflix Freedom and Responsibility Culture (company document)

## **Class 11 (HSC Class #3): Designing Jobs and Organizing Work (M 12<sup>th</sup> of October)**

Please fill out the Job Diagnostic Survey (available on Canvas) for the first job that you held after graduating from college. Bring the results to class. We will work in teams to attempt redesigns of those jobs that will increase their motivating potential.

Consider the worst job you’ve ever had, or perhaps a job in your most recent workplace that seemed particularly dissatisfying and dispiriting. Apply the “Job Characteristics Model” (Hackman and Oldham’s framework, covered in Bauer et al) to the job. What would you change? Are such changes feasible? If not, why not? If so, why haven’t such changes been implemented to date?

Then think about the best job you’ve ever had. Can you identify the dimensions from Hackman and Oldham’s framework that provided motivation in that job? Did you do any “job crafting” to help the job fit you better?

Reading: Talya Bauer, Berrin Erdogan “Motivating Employees Through Job Design,” Section 6.2 in *Organizational Behavior*, Flat World Publishing

## **Class 12: (HSC Class #4) Recruiting and Selecting Employees (W 14<sup>th</sup> of October)**

Recruiting, selecting, and retaining employees who have the right mix of motivation, talent/skill, capacity for career development, and fit to the culture is crucial for organizational effectiveness. Researchers have identified a number of strategies likely to yield fair, valid, and effective hiring decisions. We review these strategies and discuss possible reasons why many companies do not put them into place. We then explore the attraction-selection-attrition cycle and the implications for organizational culture and performance. The SG Cowen case provides an opportunity to analyze one company’s recruiting and selection practices and to “select” two of their applicants to hire.

1. Who would you hire and why?
2. How will the change in recruiting strategy proposed by Chip Rae affect SG Cowen and its culture?

3. What recommendations would you make to Chip Rae to improve SG Cowen's recruiting in the future?
- Readings: Benjamin Schneider, "The People Make the Place"  
*Optional: Ann Marie Ryan & Nancy T. Tippins, "Attracting and Selecting: What Psychological Research Tells Us", Human Resource Management, Vol. 43: 305-18.*
  - Case: **SG Cowen: New Recruits**

**Core Exams—No Class, October 15-21**

### **Class 13 (HSC Class #5): Managing and Appraising Performance (M 26<sup>th</sup> of October)**

We will discuss appraisal of individual employees as an important but difficult-to-manage component of any effective performance management system, including: why performance appraisal is crucial to maintaining motivation and aligning incentives; why nobody likes the process – due to built-in conflicts within the individual, within the organization, and between the individual and the organization; and "best practices" for performance appraisal. We will discuss retention dilemmas at Naukri (India's leading online recruitment company) and the implications for performance appraisal. Then we will discuss the recent trend to eliminate traditional performance appraisal in favor of new approaches at companies such as Adobe and Deloitte.

Please consider the following questions about Naukri:

Of these top performers, which individuals should Naukri attempt to retain?

Mala Podar (sales team)?

Amit Bose (technical team)?

Shiv Iyer (heading up a new venture within Naukri)?

**Reading:** John J. Gabarro and Linda A. Hill, "Managing Performance" (9-496-022)

**Case:** Naukri: Three Retention Dilemmas

### **Class 14 (HSC Class #6): Improving Organizational Processes (W 28<sup>th</sup> of October)**

Successful strategies don't only involve "innovations". Organizations can pursue competitive advantage through strategies based on achieving operational excellence on multiple performance metrics, e.g. cost, quality, speed, responsiveness, customization, or by combining an innovation with operational excellence.

The reading provides the mini-case example of NUMMI (GM-Toyota JV) – a rare industrial experiment that conveys powerful lessons about the transplantation of Toyota Production System (TPS) to the U.S. and also about culture and organizational change. The Washington Post article shows TPS applied in a hospital.

In the case, Toby Johnson, a young manager fresh from an MBA and in a leadership rotation program, is trying to turn around the performance of a manufacturing plant via improving organizational processes.

1. What challenges did Toby Johnson face when she first took over as manufacturing manager at the Williamsport plant?
2. Map out the sequence of specific actions that Johnson took after starting her job at the plant. What was the purpose and impact of each? Which were the most important in your eyes?
3. If you were in Johnson's shoes, would you advocate for the Williamsport plant being the first to pilot the Team 4-Ward process improvement initiative?

**Readings:** John Shook, "How to Change a Culture: Lessons from NUMMI"

*Optional:* Ceci Connolly, "Toyota Assembly Line Inspires Improvements at Hospital," Washington Post, June 3, 2005

**Case:** **Toby Johnson: Leading After School (A)**

### **Class 15 (HSC Class #7): Managing Human Resources for Organizational Performance (M 2<sup>nd</sup> of November)**

In this capstone session, we will review Pfeffer's reading on the 7 key elements of high-performance work systems and discuss the importance of choosing "bundles" of practices that are internally consistent and well-aligned with business strategy.

Our case is Southwest Airlines, focusing on its founding imprint and its emergence as a high performing firm; then on its distinctive culture and management practices; and on the challenges facing Southwest currently given that its long-time strategy and business model no longer provide as much competitive advantage as in the past.

1. What is Southwest's strategy? How would it answer the question, "What business are we in?"
2. Why has it been successful for so long? Can its success be replicated by a competitor? Why or why not?
3. How does Southwest's system for managing people link to the execution of its strategy?
4. What would cause Southwest to fail?

Jeffrey Pfeffer, "Producing Sustainable Competitive Advantage Through the Effective Management of People"

*Optional: MacDuffie, John Paul. "Human Resource Bundles and Manufacturing Performance: Organizational Logic and Flexible Production Systems in the World Auto Industry"*

Case: Southwest Airlines: Using Human Resources for Competitive Advantage

<p><b>Sunday, November 8<sup>th</sup>      HUMAN AND SOCIAL CAPITAL PAPER DUE AT 11:59PM</b></p>
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**Class 16 (Global #1): Global Market Trends  
(W 4<sup>th</sup> of November)**

- Readings: “The Future of Global Consumer Markets,” *Wharton Magazine* (Fall 2016).

Mauro F. Guillén, *2030: How Today’s Biggest Trends Will Collide and Reshape the Future of Everything* (New York: St. Martin’s Press), pp. 11-15, 41-48, 72-77.

1. How are shifting demographics changing global consumer markets?
2. Are first-generation middle-class consumers different than N-generation ones (N>1)?
3. What key trends are changing the segment of the high-net-worth individuals?

**Class 17 (Global #2): Global Industry Dynamics (M 9<sup>th</sup> of November)**

- Readings: SNL Kagan, *Economics of Global Music 2017*.  
IFPI, *Global Music Report 2019*.  
Dossier on Apple Music.

1. Is the music streaming business a commodity business?
2. What are the ways in which companies can differentiate themselves?
3. In your view, who has a better chance of dominating this business, Spotify or Apple?

**Class 18 (Global #3): Prioritizing Global Markets and Entry Modes (W 11<sup>th</sup> of November)**

- Reading: Irma Hunt, Allison Watts, and Sarah K. Bryant, “Walmart’s International Expansion: Successes and Miscalculations.” *Journal of Business Strategy* 39(2) (2018):22-29.
- Case: Walmart China: Challenging Alibaba’s New Retail. Asia Case Research Centre, University of Hong Kong Case 19/643C.

1. Did it make sense for Walmart to enter foreign markets in the sequence it did?
2. How would you rate Walmart’s decisions concerning the choice of wholly-owned operations, joint ventures, and acquisitions for different markets?
3. Does Walmart’s China strategy have a good chance of success? Why? Why not?

**Class 19 (Global #4): The Digital Transformation of an Established Company (M 16<sup>th</sup> of November)**

- Reading: Mauro F. Guillén, “How Businesses Have Successfully Pivoted during the Pandemic.” <https://hbr.org/2020/07/how-businesses-have-successfully-pivoted-during-the-pandemic>

- Case: Zara: Fast Fashion in the Digital Age. Columbia Business School ID#190401

1. Why didn't Zara follow any logical sequence of international growth in retail shops?
2. Is apparel retail more or less difficult to move online than other types of retail?
3. Should Zara close physical stores indiscriminately or following some kind of sequence?

**Class 20 (Global #5): Reacting to a Technology Shock: Newspapers Go Digital (W 18<sup>th</sup> of November)**

- Case: Dossier on the New York Times, the Wall Street Journal, The Guardian, and El País. The New York Times Company, Form 6-K

1. What are the new emerging business models in the newspaper business?
2. Does it pay off to offer content in several languages?
3. What other sources of revenue would you pursue?

**Class 21 (Global #6): Business, Inequality, and Discrimination around the World (M 30<sup>th</sup> of November)**

- Readings: "26 simple charts to show friends and family who aren't convinced racism is still a problem in America." Business Insider (July 8, 2020).  
Thomas Piketty, and Emmanuel Saez, "Inequality in the Long Run." *Science* 344(6186) (2014):838-843.  
"U.S. Board Diversity Trends in 2019." Institutional Shareholder Services.  
Cat Davis and Dorian Warren, "Walmart exploits Black lives while paying lip service to Black Lives Matter," *Think* (June 18, 2020).

1. What are the most important sources of structural inequality and discrimination in the U.S. economy and business sector?
2. What is the key argument in the Piketty-Saez model of inequality?
3. Why aren't boards of directors more diverse?

**Class 22 (Global #7): The Next Agricultural-Industrial Revolution (W 2<sup>nd</sup> of December)**

- Case: "Frabho: The Cassavapreneur." Lagos Business School Case 817-0046-1

1. Why is the development of small farming in Africa so important?
2. What are the challenges faced by small farmers in Africa?
3. How does cassava farming help overcome those challenges?

**Class 23 and 24 Final Paper Presentations (M 7<sup>th</sup> and W 9<sup>th</sup> of December) (all teams submit to Canvas by 8am on Monday December 7<sup>th</sup>)**

**Friday, December 11<sup>th</sup>**

**FINAL PAPER DUE AT 11:59PM**