MANAGEMENT 621: MANAGEMENT OF PEOPLE AT WORK
Fall 2010

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PURPOSE OF THE COURSE

The purpose of this course is to provide a framework for analyzing the issues associated with managing people. Management 621 will introduce you to topics such as motivating employees, managing performance, understanding careers, and the interface between management decisions and strategy. The concepts covered in this course will help you gain insight into how to motivate and lead those you manage as well as better understand your own motivation and performance at work.

Managerial and professional careers involve frequent changes in responsibilities, so the course also provides concepts for analyzing how managerial approaches may vary in different organizational and industry settings. We will discuss, based on these analyses, how to develop and implement organizational designs and systems that achieve competitive advantage through the management of people.

After working for several years, individuals often have developed a number of insights into how people behave in organizations, and how organizations in turn shape that behavior. We will draw upon your experiences to develop ways of understanding and analyzing the issues around the management of people covered in this course.

The "managing people" issues in this course have links to issues developed in Management 654, "Corporate Strategy" (Quarter 2), OPIM 631, "Operations Management: Quality and Productivity" (Quarter 3) and to Management 652, "Foundations of Leadership and Teamwork" (preterm). We will develop linkages with these courses as appropriate.

TEXT AND READINGS

The course readings and cases are collected in a course pack available from Wharton Reprographics on Study.net. You may order a printed copy from Wharton Reprographics. You will receive various handouts throughout the course, the cost of which will be charged to you separately. We estimate that the handout cost will be under $20.

COMMUNICATION

The primary means of communication outside of class is the course web page on webCafé. You can reach the webCafé room for the course at http://webcafe.wharton.upenn.edu.

FEEDBACK TO THE INSTRUCTOR DURING THE COURSE

Each instructor will choose some mechanism for eliciting feedback from students during the course. The exact form of this feedback will be announced on the first day of class.

GRADING

Your grade will depend both on developing a deep knowledge of the concepts and on applying this knowledge in class discussion, the course paper and the final exam.

Factor	**Weight**
Participation	20%
Course paper: Written analysis of previous employment	40%
Final exam	40%
Total	100%

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. 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. Specifically, according to the MBA office, there is no recruiting reason for which you should miss class. We will be taking attendance. Arriving late is disrespectful to your colleagues and, for attendance purposes, is treated as a distinct event from being present at the start of class. If you cannot come to class, you should notify your instructor by email in advance of the class. Finally, in order to facilitate lively, in-depth discussions and out of respect for each other, there are two simple ground rules regarding mobile devices and laptop computers: 1) please remember to turn off your phone, Blackberry and/or other communication devices; and 2) no laptops open during class.

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.

LEARNING TEAMS

We will use learning teams, at your instructor's discretion, for group exercises during the course. The primary team assignment will be a brief simulation exercise linked to the People Express case that we will cover on the last day of the course, tied to the topic of "aligning human resources and business strategy." We will describe the simulation in class Thursday, December 2, and then we ask that your learning team meet to run the simulation on a computer in Huntsman Hall before class on Thursday, December 9. We recommend that you plan for the learning team to meet for up to two hours. The first 15 to 30 minutes would be given to planning your management of the simulation exercise, and then, once you start the simulation, take no more than 90 minutes to complete it. We will ask you to bring the results of the simulation to class on **Thursday, December 9th**.

COURSE PAPER: WRITTEN ANALYSIS OF PREVIOUS EMPLOYMENT

Your assignment is to examine your last job (or an earlier job) 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 Sessions 1-8 in which we cover such topics as motivation, job design, reward systems, managing individual and group performance, and group and organizational influences on decision-making. Certain readings focus on specific theories (e.g. expectancy theory; equity theory) that provide a full-fledged framework for explaining and predicting behavior; while other readings include concepts that may not be full theories but can be abstracted and applied to a wide range of situations, e.g. Rewarding A While Hoping for B (Kerr).

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).

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 past job. Rather, they demonstrate in-depth understanding and application of course concepts and theories.* More specifically, they:

1. Demonstrate in-depth understanding of **a minimum of three theories/concepts** from Sessions 1-8 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 our collective experience with this course assignment. Each instructor will offer additional guidance with his/her specific expectations and recommendations.

- 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.
- In a relative comparison (which is how we evaluate these papers), applying more theories is better than applying fewer theories, with two caveats: you need enough rich descriptive material about your job so we can understand it, and you need to cover each theory thoroughly enough that we are sure you know how to apply it. It is definitely possible to include *too many* theories and concepts if they are covered so superficially that your knowledge cannot be convincingly displayed.
- 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 a few 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 compare your job 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 printed double-spaced, using a normal font-size. The maximum length is 1,000 words (plus or minus 5%). 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 work on the paper early, to avoid the mid-semester crunch. This is feasible because the raw material (your work experience) is readily available to you and each class session will introduce new concepts that are potentially applicable. The paper is due at the beginning of class on **Tuesday, November 23rd**.

FINAL EXAM

A course final examination is intended to help you integrate and build upon concepts and themes about the management of people that we have developed during the term. In preparing for the examination, it will be helpful to review your notes and the cases that we have analyzed. It will also be useful to think about how course concepts and arguments can be used to understand and compare the cases, the "managing people" problems they present, the potential solutions, and the management elements that might be appropriately adopted by other organizations.

The format for the final examination is not yet determined but will be announced in class well in advance. The final will be held from **6 to 8 pm**. on **Friday, December 17th**.

ETHICS AND USE OF PRIOR MATERIALS

This is a core course for the Wharton MBA. As such, the course covers similar material from year to year. 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, summaries of readings or other "cheat sheets." We will work with your ethics liaisons to clarify any issues that may emerge.

SUMMARY OF CLASS SESSIONS

1.	Introduction to Managing People in Organizations	Thursday, October 28
2.	Motivating Individual Performance	Tuesday, November 2
3.	Designing Reward Systems	Thursday, November 4
4.	Designing Jobs	Tuesday, November 9
5.	Recruiting and Selecting Employees	Thursday, November 11
6.	Appraising Individual Performance	Tuesday, November 16
7.	Driving Group Performance	Thursday, November 18
8.	Group Decision-Making in Organizations	Tuesday, November 23
	THANKSGIVING BREAK	THURSDAY, NOVEMBER 25
9.	Instructor's Choice	Tuesday, November 30
10.	Improving Organizational Processes	Thursday, December 2
11.	Creating a High-Performance Culture	Tuesday, December 7
12.	Aligning Human Resources and Business Strategy	Thursday, December 9

SUMMARY OF COURSE ASSIGNMENT DATES

Tuesday, November 23:	Course paper due at start of class
Thursday, December 9:	Team report on People Express simulation exercise due at start of class
Friday, December 17:	Final examination, 6 to 8 PM

Class 1: Introduction to Managing People in Organizations (Thurs 10/28)

- Description: In this class, we emphasize the central goal for the course: to provide students with insights into the complexities of human behavior in organizations. We describe the sequence of topics, from the individual level (motivation, job design, equity issues) to the group level (stimulating effective group performance, group decision-making) and the organizational level (culture, human resource systems and the link to business strategy). We also review course requirements, discuss the Google mini-case, and touch on key issues in the Murray and Sutton articles.

- Readings: Alan Murray, "The End of Management," *Wall Street Journal*, August 21, 2010.

  Robert I. Sutton, "Why Good Bosses Tune In to Their People," *McKinsey Quarterly*, August 2010.

- Case: **The Voices of Google, *Fast Company*, February 14, 2008.**

  1. Would you like to work in a company with a structure and culture like Google? Why? Why not?
  2. What do you think it is like to manage people at Google?
  3. Suppose you were advising another company that wanted to imitate Google's culture? What issues would it need to think about?

Class 2: Motivating Individual Performance (Tues 11/2)

- Description: We begin with an obvious truism about human behavior in organizations – that people will behave according to what actions they perceive are being rewarded. We then begin our exploration of the theme "behavior is not that simple" by pointing out how often organizations "reward A while hoping for B". We also introduce various motivation theories from the behavioral sciences and contrast them with more economics-based views of motivation (e.g. agency theory) which emphasize financial incentives and contract-based goal alignment.

- Readings: Steven Kerr, "On the Folly of Rewarding A While Hoping for B," *Academy of Management Journal,* Vol. 18, pp. 769-83.

  Stephen P. Robbins and Timothy A. Judge, excerpts from "Motivation" (covers four theories: needs, cognitive evaluation, goal-setting, expectancy), *Organizational Behavior,* 12th edition, Englewood Cliffs, N.J.: Prentice Hall, pp. 192-198, 208-210.

- Case: **Nordstrom Department Store**

  1. Who sets the performance goals, and how are they set?
  2. What are the major positive and negative effects of this incentive system?

Class 3: Designing Reward Systems (Thurs 11/4)

- Description: Here we focus on the design of reward systems, keeping in mind various cognitive processes that affect motivation. We introduce concepts from equity theory, which describes how individuals assess the ratio of outcomes (pay, recognition) in relation to inputs (of effort, skill, experience) for themselves in comparison with others. We then consider the actions (and shifts in perception) individuals may undertake to establish a sense of equity. The case discussion emphasizes how the compensation and reward system of an organization must balance incentive and equity concerns. We also explore the role of the labor market in constraining the kinds of compensation systems firms can implement. Please come prepared with examples of reward systems you have encountered and we will examine them for cross-industry and cross-cultural differences.

- Readings: Elliot Aronson, "The Rationalizing Animal," *Psychology Today*, p. 67-77.

  Stephen P. Robbins & Timothy A. Judge, "Equity Theory," from *Organizational Behavior,* 12th edition, Englewood Cliffs, N.J.: Prentice Hall, pp. 203-207.

- Case: **Brainerd, Bennis, and Farrell**

  1. How should the lawyers listed at the back of the case (A-F) be paid?
  2. Please meet with your learning team and decide how to apportion 100 points between them. Come to class ready to present and defend your choice.

Class #4: Designing Jobs (Tues 11/9)

- Description: We next examine job design – one important source of implicit rewards at work. We compare Frederick Taylor's scientific management approach, first put forth in the early 1900s but still influential today, with Hackman and Oldham's job design theory, which analyzes the five characteristics of a job that contribute to its motivational potential. We then explore how poor job design can kill motivation even when explicit incentives are well-designed – or how even an excellent job design can't overcome poor incentives or poor leadership.

- Readings: "Frederick Winslow Taylor: Father of Scientific Management," selection from *Business: The Ultimate Resource*, Cambridge, MA: Perseus Publishing, pp. 1054-55.

  J. Richard Hackman, Greg Oldham, Robert Janson, and Kenneth Purdy, "A New Strategy for Job Enrichment," *California Management Review*, Vol. 17, pp. 57-71.

- Case: **Jennifer Henderson and the International Division at Trustworthy Trust**

  1. Why are analysts such as Henderson demoralized?
  2. How do you explain the motivation level of senior managers? What do you draw upon for your assessment?
  3. What recommendations would you offer the Executive Vice President Marshall Wilde?

Class 5: Recruiting and Selecting Employees (Thurs 11/11)

- Description: In this class, we turn our attention to employee recruitment and selection. 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 these strategies into place. We then explore the attraction-selection-attrition cycle and the implications of recruiting and selection for organizational culture and performance. The SG Cowen case provides an opportunity to analyze one company's MBA recruiting and selection practices; to "select" two of their applicants for hire; and to examine our own beliefs and assumptions about what makes for an effective hire.

- Readings: Ann Marie Ryan & Nancy T. Tippins, "Attracting and Selecting: What Psychological Research Tells Us", *Human Resource Management*, Vol. 43: p. 305-318.

  Benjamin Schneider, "The People Make the Place," *Personnel Psychology,* Vol. 40, pp. 437-53.

- Case: **SG Cowen: New Recruits**

  1. Who would you hire and why?
  2. How will the change in recruiting strategy proposed by Chip Rae affect the nature of the company and its culture?
  3. What are SG Cowen's goals for its recruiting process? Is SG Cowen meeting its goals?

Class 6: Appraising Individual Performance (Tues 11/16)

- Description: We continue on the topic of individual performance, introducing dilemmas that managers face with respect to directing, supporting, and evaluating the work of subordinates: balancing implicit rewards (challenging work assignments, recognition) with explicit rewards (pay); weighing incentives for individual achievement vs. incentives for the group or team; and handling performance appraisal in a way that communicates goals and expectations accurately and motivates improved performance. The case focuses on a situation where cross-cultural issues also complicate a manager's choices on these issues. We will draw on the readings to analyze and understand the tensions that may arise during the performance appraisal process and to discuss approaches that can help deal with those tensions while contributing to the effective management of performance.

- Readings: John J. Gabarro and Linda A. Hill, "Managing Performance," Harvard Business School (9-496-022).

  Clinton O. Longenecker and Dennis A. Gioia, "Confronting the 'Politics' in Performance Appraisal," *Business Forum*, Vol. 25, Nos. 3,4, pp. 17-23.

- Case: **Karen Leary**

  1. How would you assess Chung's performance, and how would you rate Leary's management of him and the office?
  2. If you were Chung, how might you have more effectively managed your relationship with Leary?
  3. If you were Leary, how might you have more effectively managed your relationship with Chung?

Class 7: Driving Group Performance (Thurs 11/18)

- Description: Here we emphasize the power of group norms and information provided by coworkers, subordinates, and bosses as influences on individual behavior. These social influences can, if well-managed, help align group and individual goals with organizational goals, yield higher performance than individuals provide, especially when tasks are complex and demand complementary skills, and build a common language and shared experience base to facilitate coordination and creativity. If poorly managed, however, group norms and information can foster inappropriate conformity and compliance, diminishing individual, team, or organizational effectiveness and integrity. We explore both the potentially positive and the potentially negative consequences of social influence in this class and take a close look at how managers create (and respond to) groups that are "hot" – lively, high-achieving, dedicated groups, usually small, whose members are turned on to an exciting and challenging task.

- Readings: "Social Influence," from Thomas Gilovich, Dacher Keltner, and Richard E. Nisbett, *Social Psychology*, NYC: WW Norton and Co., two excerpts, pp. 213-230 and pp. 240-253.

- Case: **Soul of a New Machine**

    1. Why is the Eclipse group working so hard?
    2. In what ways does West give and receive feedback from his group and the organization?
    3. Do you think West's leadership of the group is successful in the short-run? In the long-run? What are the risks involved in his style?

Class 8: Group Decision Making in Organizations (Tues 11/23)

***** COURSE PAPER DUE AT BEGINNING OF CLASS *****

- Description: Group influences in organizations can be either positive or negative. In this class, we consider situations in which social influences can pull individuals away from alignment with management's goals and result in distorted decision-making dominated by unthinking conformity and compliance with group biases. At the same time, we will discuss the assets that groups bring to problem-solving and decision-making and how to leverage those most effectively.

- Readings: Irving L. Janis, "Groupthink," *Psychology Today*, pp. 43-46, 74-76.

  Norman R.F. Maier, "Assets and Liabilities in Group Problem-Solving," *Psychological Review*, pp. 239-49.

- In-class Exercise: Materials distributed during class

***** THANKSGIVING BREAK November 25 *****

Class 9: Special Topic: Instructor's Choice (Tues 11/30)

- Description: Each instructor will inform you on Day 1 of the course about the special topic and the plan for this session.

Class 10: Improving Organizational Processes (Thurs 12/2)

- Description: We look at the organization of work and the human resource policies associated with the improvement of organizational processes, focusing particularly on "lean" or "flexible" production and the link to quality and productivity outcomes. We teach the Toyota Production System (TPS), emphasizing the "people" side of the production system, e.g. teams, job rotation, training, standardized work. Please note that the OPIM 631 faculty will teach a related case in the next quarter, focusing on operational and logistics aspects of TPS. The integrating theme across these courses is how crucially inter-dependent "people" policies (social system) and operational policies (technical system) are. While TPS arose in a manufacturing context, it is finding applications in many other industries, most recently health care. Our case discussion will focus on one such initiative at a Seattle hospital, allowing us to analyze how and where TPS principles and practices apply best in this setting and where they encounter barriers.

- Readings: James P. Womack, Daniel T. Jones, and Daniel Roos, "How Lean Production Can Change the World," *New York Times*, pp. 20ff.

  John Paul MacDuffie and John F. Krafcik, "Integrating Technology and Human Resources for High Performance Manufacturing: Evidence from the International Auto Industry," in Thomas A. Kochan and Michael Useem (eds.), Transforming Organizations, pp. 209-226. New York: Oxford University Press. ***Pages 210-215 & 221-223 required; rest is optional.***

- Case: **Virginia Mason Medical Center**

  1. What is Gary Kaplan trying to achieve at Virginia Mason?
  2. How does the Toyota Production System fit into his strategy?
  3. What is your view of the "people are not cars" debate?
  4. Is Kaplan's approach transferable to other hospitals?

Class 11: Creating a High-Performance Culture (Tues 12/7)

- Description: Here we explore the sources, and consequences, of a strong, performance-oriented organizational culture. The readings provide definitions and frameworks for thinking about organizational culture and point out how difficult culture change can be. The case, Mary Kay Cosmetics, reveals how a strong performance-oriented culture emerges from the early choices of the firm's founder and is reinforced through the skillful use of ritual and ceremony. We will discuss the ways in which a manager's job involves the creation and shaping of meaning for a firm's employees. We will also consider the transferability of an organization's high-performance culture to settings very different from those in which it arose.

- Readings: James N. Baron and Michael T. Hannan, "Organizational Blueprints for Success in High-Tech Start-Ups," *California Management Review,* Vol. 44, No. 3, pp. 8-36.

  Charles O'Reilly, "Corporations, Culture, and Commitment: Motivation and Social Control in Organizations," *California Management Review*, p. 9-25.

- Case: **Mary Kay Cosmetics Inc.**

  1. What are the artifacts, the espoused values, and the underlying assumptions of the culture at Mary Kay Cosmetics?
  2. How does Mary Kay use ritual and ceremony to create a high-performance culture? What are the strengths and weaknesses of this approach to achieving performance?
  3. How readily do you think the organizational culture at Mary Kay could be transferred, as it expands globally?

Class 12: Aligning Human Resources and Business Strategy (Thurs 12/9)

***** Team report from People Express simulation exercise due at beginning of class *****

- Description: In this capstone session, we highlight the alignment (or misalignment) between human resources systems and business strategy as a source of competitive advantage. We also discuss debates over whether there is "one best way" for all companies in all industries to organize their systems for managing people. In the case discussion, we will untangle the factors behind the high performance of Southwest Airlines, perhaps the most successful airline in the U.S. over the past 10-15 years. We will compare Southwest with examples, past and present, of airlines that have taken different approaches to combining their "managing people" practices with their business model and operational practices, and discuss the significance of these differences for achieving sustainable competitive advantage in this very tough industry.

- Readings: Peter Cappelli and Anne Crocker-Hefter, "Distinctive Human Resources Are Firms' Core Competencies," *Organizational Dynamics*, Vol. 24, No. 3.

  Jeffrey Pfeffer, "Producing Sustainable Competitive Advantage Through the Effective Management of People," *Academy of Management Executive*, Vol. 19 (4): pp. 95-106.

- Case: **Southwest Airways: Using Human Resources for Competitive Advantage**

  1. What is Southwest's strategy? How would it answer the question, "What business are we in?" Why has it been successful for so long?
  2. 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. How would you describe the culture of the organization?
  5. What would cause Southwest to fail?

***** FINAL EXAMINATION Friday, December 17, 6 to 8 pm. *****