Organizational Theory

Syllabus

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I. TEXTBOOKS, JOURNALS, ETC.
Case Studies: Selected cases studies from Harvard Business School Publishing

II. PURPOSE OF COURSE
This is a required course in the GlobalMBA program. The purpose of this course is to analyze under a systematic approach how to design and to manage organizations for the purpose of increasing efficiency and effectiveness. Special emphasis is made on internal and external determinants of structure and on the impact of structure on behavior in the organization.

III. LEARNING OBJECTIVES
Upon successful completion of the course, the student will be able:
- To analyze the concepts of organization and management.
- To ensure the understanding of different principles, functions and process of management.
• To demonstrate a capacity to apply this knowledge to real cases.
• To think critically and innovatively to identify problems, and propose alternatives to these problems and implement solutions.
• To communicate effectively in written, oral and electronic formats.

IV. GRADING
Students will be assessed through completion of selected cases, presentations of assigned readings, a written mid-term exam, a research project, and a final take-home essay exam.

Points will be accumulated in the following way:
Selected cases 10 points each    50 points
Mid-term written exam            40 points
Presentations readings           30 points
Research project                 70 points
Final take-home essay exam       60 points
TOTAL                          250 POINTS

V. COURSE CONTENT AND TIME SCHEME

Unit I: Managerial work and business administration
Weeks 1 – 2
Case Study: “Corey Robinson en Sprint Corporation”

Unit II: Decision Making
Weeks 3 – 4
Case Study: “Toma de decisiones en la alta dirección: all-star sports – División de ventas por catálogo”. Students must choose one of them.

Unit III: Planning and controlling
Weeks 5 – 8
Case Study: “Becton Dickinson: diseño del nuevo proceso de planificación estratégica, operativa y financiera” or “Hala Madrid: Dirigiendo el Club de fútbol Real Madrid, el equipo del siglo”. Students must choose one of them.

Unit IV: Organizing
Weeks: 9 – 14
Case Study: “Moët Hennessy España”, “Executive Decision Making at General Motors”, “Bausch & Lomb: Sales Force Reorganization”. Students must choose one of them.

Unit V: Human Resource
Weeks: 15 – 16
Case Study: “Morgan Stanley: Becoming a ‘One-Firm Firm’” or “JetBlue Airways: Starting from Scratch”. Students must choose one of them.
VI. CASE STUDIES DESCRIPTION

Corey Robinson en Sprint Corporation
Description:
Corey Robinson is promoted to a new position at Sprint during a time of much internal change within the company. Asks readers to consider how he sets the tone to his new management team and how effective he is in building credibility in his new leadership role.
Learning Objective:
To discuss the skills necessary for success as a general manager.

Toma de decisiones en la alta dirección: all-star sports – División de ventas por catálogo
Description:
A division president faces three options for redesigning the senior management team's strategic decision making process to address several key concerns. The president has extensive quantitative and qualitative data about the process to guide him as he and the senior team attempt to make improvements.
Learning Objective:
To teach students how general managers can design and shape decision-making processes, and how these processes affect the quality of the choice and its implementation.

Becton Dickinson: diseño del nuevo proceso de planificación estratégica, operativa y financiera
Description:
Describes management's attempts to design and install a sophisticated planning and control system in an international company as it changes its strategy. Issues of strategy implementation, accountability, and performance measurement are at the core of the analysis, as managers confront difficulty and resistance in using the system for "strategic, operational, and financial" control.
Learning Objective:
In the context of MBA or executive education programs to develop familiarity with issues of strategy implementation, accountability, and performance measurement salient to the design of a planning and control system. To use a blank "template" to attempt design a solution. To prepare a series of "skits" to role play the issues raised in the case.

Hala Madrid: Dirigiendo el Club de fútbol Real Madrid, el equipo del siglo
Description:
Florentino Perez, the president of Real Madrid, a leading European soccer team, is preparing for a press conference in which he will be asked about his plans for the coming season. Economic success and some sports mishaps during the prior season represent the scenario in which planning decisions are made.
Learning Objective:
To discuss strategic planning decisions, with a focus on: 1) the sources of value for a soccer team, 2) the strategy Real Madrid follows to capture these sources of value, and 3) how systems in place--notably the budgetary control system--limit the risks inherent in this strategy.
Moet Hennessy Espana
Description:
Since being appointed CEO of Moet Hennessy Espana (MHE), the Spanish subsidiary of the wine & spirits business of Louis Vuitton Moet Hennessy (LVMH), the world's leading luxury products group, Ramiro Otano had overseen a spectacularly successful run at the company by any financial measure. Despite the company's growth, some of the employees who had been at the company for years were complaining that the company had lost its "human touch" in the process of professionalizing and modernizing to capitalize on the fantastic market opportunities that had opened up in Spain. Some felt that the work was now too structured and interpersonal relationships too dry. Otano acknowledged that the financial success had happened on the expense of the informal and relational atmosphere that used to characterize the company. But did it matter, Otano wondered? How should he go forward?
Learning Objective:
To explore the impact of informal networks on a company's performance; to interpret interdepartmental relationships as a manifestation of organizational culture; to understand how changes in formal structure and systems affect an organization's culture and effectiveness.

Executive Decision Making at General Motors
Description:
Describes the evolution of General Motors' strategy, organizational structure, and management processes from its founding to the present day. Focuses on the role of GM's management committee--the senior-decision-making body at the company, now called the Automotive Strategy Board (ASB)--and how it operates under Rick Wagoner, its current CEO. In October 2004, Wagoner and the ASB are wrestling with recent changes in GM's planning and budgeting processes and how they will affect the balance between global and local needs.
Learning Objective:
To explore issues of executive decision making in a complex, global, matrixed organization. To focus on the role of the management committee and discuss the range of decisions senior teams must manage, the mechanics that make such teams effective, and the challenges of working within a matrixed organization. Also, to explore the relationship among strategy, structure, and management processes.

Bausch & Lomb: Sales Force Reorganization
Description:
Bausch & Lomb (B&L) was in a crisis situation when Ron Zarrella took the helm in late November 2001. Following the departure of the COO in 2000 and the CEO earlier in 2001, Bausch & Lomb had undergone six quarters of restructuring and had laid off 10% of its workforce. A company known for cutting-edge innovation and the ability to evolve to stay relevant to customer needs, B&L had become a company in turmoil. Revenue had been flat for the past several quarters, with margins slowly eroding due to lack of disciplined cost management. The company carried excess overhead from duplicate departments that remained as a result of two large acquisitions made in 1997. A patent infringement lawsuit against B&L's key contact lens product threatened the future revenue stream and B&L's stock had already dropped more than 50%. It was in this environment that the Americas sales region had begun a major reorganization. Zarrella felt that he had no choice but to be
cautiously optimistic. The 'Stronger as One: One vision, One goal, One team' reorganization had been underway for several months, merging the region's four sales forces into one. Even though lackluster financial performance indicated the need for change, Zarrella wondered whether 'Stronger as One' would return B&L to its rightful position in the market, or whether such a large reorganization would create more problems than it solved.

**Learning Objective:**

To discuss the alternative organizational structures and the advantages/disadvantages of each; understand sales force compensation/incentive plans and their impact on sales force productivity; and evaluate the opportunities/risks of a reorganization.

**Morgan Stanley: Becoming a "One-Firm Firm", Spanish Version**

**Description:**

John Mack, the newly appointed president of Morgan Stanley, feels strongly that the firm needs to change in order to compete in a changing investment banking environment. Mack and his senior team undertake initiatives in order to transform the culture and working style of the firm from individualistic to team-oriented. The case provides detailed information about Morgan Stanley's existing culture and systems as well as the kinds of changes that it hopes to make. Morgan Stanley views the human resource management systems as a tool for attaining strategic objectives.

**Learning Objective:**

To allow students to explore and evaluate the principles of strategic human resources management, develop awareness of 360 degrees performance evaluation, appreciate the importance of establishing evaluation criteria, and see performance appraisal as a tool for supporting larger organizational goals.

**JetBlue Airways: Starting from Scratch, Spanish Version**

**Description:**

JetBlue Airways shows how an entrepreneurial venture is able to use human resource management, specifically a values-centered approach to managing people, as a source of competitive advantage. The major challenge faced by Ann Rhoades is to grow this people-centered organization at a rapid rate, while retaining high standards for employee selection and maintaining a small company culture.

**Learning Objective:**

To consider the role of human resource management, leadership, and values in a start-up venture, and to address the tension between a strong organizational culture and rapid growth.