
Leading People

MBA205
Fall A 2016



<u>Instructor:</u> Don Moore <dmoore@haas.berkeley.edu>	<u>Class meetings (in Cheit 210):</u> Axe – T&Th, 9 to 11
<u>Graduate student instructors:</u> Derek Schatz <derek_schatz@haas.berkeley.edu> Richard Cheng <richard_cheng@mba.berkeley.edu>	Oski – T&Th, 2 to 4 <u>Office hours:</u> by appointment

Course overview

This course is all about maximizing human potential: your own, your team's, and your organization's. You will learn innovative leadership tools for establishing and managing prosperous firms while simultaneously creating a thriving career for yourself.

Leadership is about coordinating the skills, talents, and resources of individuals and groups in those combinations that best realize the organization's opportunities. You must make things happen, and often under conditions or schedules that are not of your own choosing. Innovative leadership requires managers to be able to diagnose problems, make effective decisions, influence and motivate others, manage their personal contacts, bring out the best in their colleagues, optimize cross-functional teams, and drive organizational change.

This course prepares you to achieve these objectives. It provides fundamental tools from the behavioral and social sciences that will improve your ability to analyze organizational dynamics, innovate, and lead effectively, while at the same time maintaining your own ethical compass.

Course format

Each day we will focus on a particular set of managerial skills. Our goal will be to distinguish between effective and ineffective tactics. We will accomplish this by discussing key concepts and analyzing related cases, including exercises and simulations we will conduct in class. You should come to class prepared to summarize key points from the day's readings and to contribute to the case analysis. As you complete the reading, ask yourself:

- What is the basic argument the author makes?
- What are the key concepts/principles?
- So what? How does this matter for organizations?
- What are the implications for the kinds of challenges I face as a leader?
- How can I apply this to my firm, my job, and my career?

Assignments and grading

Your final grade will be composed of three things:

- | | |
|------------------------------|-----|
| 1) Course contribution | 35% |
| 2) Organizational experiment | 25% |
| 3) Exams | 40% |

Course Contribution

Class sessions will include active discussions based on the readings and the cases, with an emphasis both on theoretical questions and on practical implications. Especially valuable will be comments that help connect course content with material covered in other classes. In addition, there will be opportunities to continue class discussions on the course blog hosted on Facebook.

Completion of class exercises (20%). There will be many exercises and homework assignments throughout the course that will require you to complete some assignment outside of class. Because they will help you get more out of the class, I want to give you a strong incentive to complete all these assignments. (It is easy to achieve perfect performance on this aspect of class simply by completing these assignments on time.)

Attendance (10%). Participation and course contribution is facilitated by actually showing up. Tardy arrival or early departure will be treated as an absence.

Points Earned (5%). Performance in various exercises during the class can earn you points.

Organizational Experiment (25%)

The real value of this class will be determined by the degree to which you can put its lessons to use. This assignment is designed to bring the knowledge you gain in class to bear on real issues in real organizations. The assignment is this: Working in your study teams, you must design an experiment useful for testing the effectiveness of some organizational intervention. It forces you to apply lessons on experimentation, problem framing, and opportunity recognition.

This is an opportunity for you to explore an issue or an industry in which you are interested, drawing from course topics that you find most relevant and applicable. Some topics you might want to cover include issues of hiring and personnel selection, motivation and managing performance, decision making, innovation and organizational change, dispute resolution, and organizational structure. You should pick one issue or one intervention that you believe is most important and for which you think you can design an experiment that will produce a useful and informative assessment. It would be impressive if you actually ran your experiment and collected data but that is not a requirement for this assignment. A hastily conducted experiment with many flaws is less valuable than a well-designed experiment that has not yet been conducted.

There is considerable flexibility about how you carry out this assignment. Feel free to ask me about unique topics or approaches you are considering taking if you are not sure about them. You must submit (via email) a brief (one paragraph) description of your project plan by the ninth class meeting. When you submit this, please make sure to put the words "Project plan" in the subject line of the email, and send it to the GSIs and to me. The six-page final written report is due in class on our last class meeting.

Note that I will ask you to evaluate all the individual members of your study team and tell me about their contributions. Your individual grade will be a function of both the group grade and the grades given to you by your fellow group members.

Exams (40%)

The exams will assess how well you have learned the material by asking you to apply concepts, think critically, and analyze cases. Exam questions will cover material from readings, lectures, videos, cases, and class discussion. The exams will be open-book and open notes, and will be taken on computer. They will consist primarily of multiple-choice questions.

Midterm (10%). The midterm will test your mastery of material covered in the first half of the class.

Final (30%). The final exam will be cumulative, in the sense that it could include questions on anything we have covered since the start of the class. However, it will emphasize material covered since the mid-term.

Consideration for Classmates

A large class requires attention to fairness and respect for one another. Therefore, I propose the following simple course code of conduct:

1. Attend class on time. It enhances the value of the class not only for you but for everyone when you are present and you participate. If you have an unavoidable conflict, please do not disturb your classmates by arriving late, leaving early, or asking to have information you missed repeated during the class.
2. Electronic gadgets, including phones, shall not be used in class. Students themselves have overwhelmingly voted to ban them from class, as they are distracting and can be disrespectful of those wishing to engage in the class. In short, their disadvantages outweigh their benefits.
3. If you are familiar with a case or an exercise introduced in class, please do not discuss your prior knowledge with other students as this can ruin the learning experience for them. If you are concerned that your prior experience with a case might be an issue, please let me know before class.

Grading Policies

1. Late assignments will not be accepted.
2. To appeal a grade, submit a written request explaining your position (along with the original assignment) within 7 days of receiving your grade. Document your points with the appropriate course material. After reviewing your explanation I may schedule a meeting with you to discuss the disputed issue(s). I reserve the right to re-grade the entire assignment when an appeal is submitted. This can result in a lower grade.
3. Consistent with UC Berkeley's honor code, cheating in any form will be met with the fullest sanctions permitted by the University.

Course materials

The course readings will be available through Study.net.

There are more excellent readings on the subjects we cover in class than we can possibly cover in our seven short weeks together. If you want to know more about the topics we are covering, I recommend specific supplementary readings in the detailed course outline that follows.

Brief Course Outline

Date	Topic	Readings/Cases/Assignments	Assignments due
8/25	Course overview	Why everything that seems obvious isn't • Gary Loveman, from Harvard economist to Caesar's CEO • Please, corporations, experiment on us • Moore on experimental design • <i>Lego team</i> [In-class exercise]	Pre-class questionnaire Sign up for Facebook group
8/30	Motivating performance and innovation	Match your motivational tactic to the situation • The company where everyone knows everyone else's salary	Lego team survey
9/1	Performance appraisal	<i>Performance appraisal exercise</i> [Handout] • Conducting a performance appraisal interview • Self-fulfilling stereotypes • Reinventing performance management	Decision survey
9/6	Decision making	Common biases	
9/8	Leading teams	Carter Racing exercise • Connecting the dots • What Google learned from its quest to build the perfect team	Propose exam question
9/13	Negotiation and conflict resolution	<i>New Drug exercise</i> [Handout] • Negotiation • The fairness trap	Ratings of interviewees
9/15	Midterm exam		
9/20	Human resource decisions	The HR equation • The new-boy network • Don't trust your gut • How to take the bias out of interviews	HR equation quiz
9/22	Ethical issues and conflicts of interest in organizations	The Giant Pool of Money • The man who crashed the world • Corporate accounting and disclosure • The secret document that transformed China • <i>Playing to Win</i> [In-class exercise]	Plan for final paper Team process diagnostic
9/27	Power and influence	Obedience to Authority • You don't have to be the boss to change how your company works	
9/29	Diversity and cross-cultural leadership	Cultural foundations of global business • Into the blindspot	Take an IAT
10/4	Managing innovation	Creation myth • Microsoft's creative destruction • <i>WordSmith</i> [In-class exercise]	Network names survey
10/6	Organizational culture and change	NUMMI • Beyond the holacracy hype	Familiarity survey
10/11	Founders, entrepreneurs, and leadership	Leadership is a choice • Shut up and sit down • Mastering the machine	Propose exam question Final paper due
10/12	Final exam	2-4 p.m. on October 12 in C210 and C220	

Detailed Course Outline

Class	Topic	Readings/Cases/Assignments
1	Course overview	Why everything that seems obvious isn't • Gary Loveman, from Harvard economist to Caesar's CEO • Please, corporations, experiment on us • Moore on experimental design • <i>Lego team</i> [In-class exercise]
	Readings	<p>Watts, D. J. (2011). Why everything that seems obvious isn't. <i>PhysicsWorld.com</i></p> <p>Planet Money Episode #323: Gary Loveman, From Harvard Economist to Caesar's CEO. [Go to http://www.npr.org/blogs/money/2011/11/15/142366953/the-tuesday-podcast-from-harvard-economist-to-casino-ceo Listen to Episode 335 (11.15.2011)]</p> <p>Meyer, M. N., & Chabris, C. F. (2015, June 19). Please, corporations, experiment on us. <i>New York Times</i>.</p> <p>Video of Don Moore on experimental design: http://bit.ly/oKqiwh</p> <p>Lego Team. [In-class exercise]</p> <p>If you want to learn more</p> <p>Pfeffer, J., & Sutton, R. I. (2006). <i>Hard facts, dangerous half-truths, and total nonsense: Profiting from evidence-based management</i>. Harvard Business School Press.</p> <p>Davenport, T. H. (2009). How to design smart business experiments. <i>Harvard Business Review</i>, 87(2), 68-76.</p> <p>Anderson, E. T., & Simister, D. (2011). A step-by-step guide to smart business experiments. <i>Harvard Business Review</i>, 89(3).</p> <p>General textbook: Robbins, S. P., & Judge, T. A. (2016). <i>Essentials of organizational behavior</i> (13th ed.). Upper Saddle River, N.J.: Prentice Hall.</p>
2	Motivating performance and innovation	Match your motivational tactic to the situation • The company where everyone knows everyone else's salary
	Readings	<p>Schroeder, J., & Fishbach, A. (2016). Match your motivational tactic to the situation. https://hbr.org/2016/01/match-your-motivational-tactic-to-the-situation</p> <p>Pollak, L. (2014, July 2). The company where everyone knows everyone else's salary. National Public Radio: <i>All Things Considered</i>. http://www.npr.org/blogs/money/2014/07/02/327758712/the-company-where-everyone-knows-everyone-elses-salary</p> <p>If you want to learn more</p> <p>Pink, D. H. (2011). <i>Drive: The surprising truth about what motivates us</i>. New York: Riverhead.</p> <p>Gilbert, D. T. (2006). <i>Stumbling on happiness</i>. New York: Random House.</p> <p>Ariely, D. (2010). <i>The upside of irrationality</i> (especially Chapter 2). New York: HarperCollins.</p> <p>Dunn, E., & Norton, M. I. (2013). <i>Happy Money: The Science of Smarter Spending</i>. New York: Simon & Schuster.</p> <p>Motivating and organizing yourself</p> <p>Allen, D. (2003). <i>Getting things done: The art of stress-free productivity</i>. New York: Penguin Books.</p>
3	Performance appraisal	<i>Performance appraisal exercise</i> • Conducting a performance appraisal interview • Self-fulfilling stereotypes • Reinventing performance management
	Reading	<p><i>Performance appraisal</i>. [Handout]</p> <p>Beer, M. (1997). Conducting a performance appraisal interview. <i>Harvard Business School Press</i>.</p>

	Buckingham, M., & Goodall, A. (2015, April). Reinventing performance management. <i>Harvard Business Review</i> .	
	Snyder, M. (1982). Self-fulfilling stereotypes. <i>Psychology Today</i> , 60-68.	
4	Decision making	Common biases
	<p>Readings</p> <p>Bazerman, M. H., & Moore, D. A. (2013). Chapter 3: Common biases. In <i>Judgment in managerial decision making</i> (8th ed.). New York: Wiley, p. 31-59.</p> <p>If you want to learn more</p> <p>Kahneman, D. (2011). <i>Thinking fast and slow</i>. New York: Farrar, Straus and Giroux.</p> <p>Chabris, C. F., & Simons, D. J. (2010). <i>The invisible gorilla</i>. New York: Crown.</p> <p>Bazerman, M. H., & Moore, D. A. (2013). <i>Judgment in managerial decision making</i> (8th ed.). New York: Wiley.</p>	
5	Leading teams	<i>Carter Racing exercise</i> • Connecting the dots • What Google learned from its quest to build the perfect team
	<p>Readings</p> <p>Carter racing, <i>DRRC case</i>. [Handout]</p> <p>Gladwell, M. (2003, March 10). Connecting the dots. <i>The New Yorker</i>, 83-88.</p> <p>Duhigg, C. (2016). What Google learned from its quest to build the perfect team. <i>New York Times Magazine</i>. http://www.nytimes.com/2016/02/28/magazine/what-google-learned-from-its-quest-to-build-the-perfect-team.html</p> <p>Case question:</p> <p>Should the Carters race or not? Be ready to discuss the reasons for or against.</p> <p>If you want to learn more</p> <p>Hackman, J.R. (2009). Why teams don't work. <i>Harvard Business Review</i>.</p> <p>Haas, M. and Mortensen, M. (2009). The Secrets of Great Teamwork. <i>Harvard Business Review</i>.</p>	
6	Negotiation and conflict resolution	<i>New Drug exercise</i> [Handout] • Negotiation (Chapter 10 from Bazerman & Moore) • The fairness trap
	<p>Readings</p> <p>New Drug case. [Handout]</p> <p>Bazerman, M. H., & Moore, D. A. (2013). Chapter 10: Negotiation. In <i>Judgment in managerial decision making</i> (8th ed.). New York: Wiley.</p> <p>Surowiecki, J. (2012, June 4). The fairness trap. <i>The New Yorker</i>.</p> <p>If you want to learn more</p> <p>Malhotra, D., & Bazerman, M. H. (2007). <i>Negotiation genius</i>. New York: Bantam.</p>	
7	Midterm exam	
8	Human resource decisions	The HR equation • The new-boy network • Don't trust your gut • How to take the bias out of interviews
	<p>Readings</p> <p>Video: The HR equation [<i>available on the course web site</i>]</p> <p>Gladwell, M. (2000, May 29). The new-boy network. <i>The New Yorker</i>.</p> <p>Bock, L. (2015). Chapter 5 from <i>Work rules!</i> New York: Hachette.</p> <p>Bohnet, I. (2016). How to take the bias out of interviews. <i>Harvard Business Review</i>. https://hbr.org/2016/04/how-to-take-the-bias-out-of-interviews</p> <p>If you want to learn more</p> <p>Bock, L. (2015). <i>Work rules!</i> New York: Hachette.</p> <p>Gladwell, M. (2008). <i>Outliers: The story of success</i>. New York: Little, Brown and Co.</p>	

	Schmidt, F. L., & Hunter, J. E. (1998). The validity and utility of selection methods in personnel psychology: Practical and theoretical implications of 85 years of research findings. <i>Psychological Bulletin</i> , 124(2), 262-274. Gladwell, M. (2008, December 15). Most likely to succeed: How do you hire when we can't tell who's right for the job? <i>The New Yorker</i> .
9	Ethical issues and conflicts of interest in organizations The Giant Pool of Money • The man who crashed the world • Corporate accounting and disclosure • The secret document that transformed China • <i>Playing to Win</i> [In-class exercise] Organizational experiment project plan due
	Readings The Giant Pool of Money is an episode of the radio show This American Life. [Go to http://www.thisamericanlife.org and listen to Episode 355 (05.09.2008)] Lewis, M. (2009, August). The man who crashed the world. <i>Vanity Fair</i> . Greenspan, A. (2002). Corporate accounting and disclosure: A diagnosis of the problem. <i>Internal memo from the Federal Reserve Bank of the United States</i> . Kestenbaum, D., & Goldstein, J. (2012). The secret document that transformed China. http://www.npr.org/blogs/money/2012/01/20/145360447/the-secret-document-that-transformed-china Case questions (for the reading by Lewis about AIG-FP): Would it be more accurate to describe the failure of AIG-FP as resulting from malfeasance or incompetence? What could AIG have done differently to prevent the collapse of AIG-FP? How did the ownership and accountability structures at AIG contribute to or facilitate the problems at AIG-FP?
10	Power and influence Obedience to Authority • You don't have to be the boss to change how your company works
	Readings Milgram, S. (1974). <i>Obedience to authority</i> . New York: Harper and Row, pp. 1-12. Overbeck, J. (2015). You don't have to be the boss to change how your company works. https://hbr.org/2015/02/you-dont-have-to-be-the-boss-to-change-how-your-company-works If you want to learn more Cialdini, R. B. (2007). <i>Influence: The psychology of persuasion</i> . New York: HarperCollins. A replication of the Milgram Experiment: http://www.youtube.com/watch?v=y6GxluljT3w The Stanford Prison Study: http://www.youtube.com/watch?v=Lbs_lfBbmn8
11	Diversity and cross-cultural leadership <i>The IAT</i> • Cultural foundations of global business • Into the blindspot
	Exercise The Implicit Association Test. [Visit https://implicit.harvard.edu/implicit/demo/ and take at least the race version of the test prior to class] Readings Banaji, M. R., & Greenwald, A. G. (2013). Into the blindspot; Chapter 3 from <i>Blind Spot: Hidden Biases of Good People</i> . New York: Random House. Steers, R. M., & Nardon, L. (2006). Cultural foundations of global business. Chapter 7 in <i>Managing the global economy</i> (pp. 119-148). Armonk: M. E. Sharpe. If you want to learn more Fiske, S. T. (2010). <i>Are We Born Racist?</i> Boston: Beacon.

		<p>Kaufman, S. B. (2011). Does the implicit association test (IAT) really measure racial prejudice? Probably not. <i>Psychology Today</i>.</p> <p>Sydell, L. (2016). Can computer programs be racist and sexist? NPR.</p>
12	Managing innovation	<p><i>WordSmith</i> [Handout] • Creation myth • Microsoft's creative destruction</p>
	Readings	<p>Gladwell, M. (2011, May 16). Creation myth. <i>The New Yorker</i>.</p> <p>Brass, D. (2010, February 4). Microsoft's creative destruction. <i>The New York Times</i>.</p> <p>If you want to learn more</p> <p>Christensen, C. (1997). <i>The innovator's dilemma: When new technologies cause great firms to fail</i>. Harvard Business Press.</p>
13	Organizational culture and change	<p>NUMMI • Beyond the holacracy hype</p>
	Readings	<p>NUMMI [Go to http://www.thisamericanlife.org and listen to Episode 561 (July 17, 2015)]</p> <p>Bernstein, E., Bunch, J., Canner, N., & Lee, M. (2016). Beyond the holacracy hype. <i>Harvard Business Review</i>, July-August.</p> <p>Case questions:</p> <p>What best accounts for GM's failures to scale the lessons of NUMMI?</p> <p>Is Zappos experiment in holacracy something other companies should emulate?</p> <p>What can other companies learn from Zappos?</p> <p>If you want to learn more</p> <p>Rao, H., & Sutton, R. I. (2014). <i>Scaling up excellence</i>. New York: Crown Business.</p> <p>Jacobs, A. (2009, September 14). Happy feet: Inside the online shoe utopia. <i>The New Yorker</i>.</p> <p>Reingold, J. (2016). How a radical shift left Zappos reeling. <i>Fortune</i>. http://fortune.com/zappos-tony-hsieh-holacracy/</p> <p>Gelles, D. (2016). Zappos exodus continues after a radical management experiment. http://bits.blogs.nytimes.com/2016/01/13/after-a-radical-management-experiment-the-zappos-exodus-continues/</p>
14	Founders, entrepreneurs, and leadership	<p>Leadership is a choice • Shut up and sit down • Mastering the machine</p> <p><i>Organizational experiment paper due</i></p>
	Readings	<p>Ginzel, L. E. (Winter 2015/16). Leadership is a choice. <i>Capital Ideas</i>.</p> <p>Rothman, J. (2016, February 29). Shut up and sit down: Why the leadership industry rules. <i>The New Yorker</i>.</p> <p>Cassidy, J. (2011, July 25). Mastering the machine: How Ray Dalio built the world's richest and strangest hedge fund. <i>The New Yorker</i>.</p> <p>If you want to learn more</p> <p>Kahneman, D. (2011, October 19). Don't blink! The hazards of confidence. <i>New York Times</i>.</p> <p>Jackson, E. (2012, January 2). The seven habits of spectacularly unsuccessful executives. <i>Forbes</i>.</p> <p>Van Zant, A. B., & Moore, D. A. (2013). Avoiding the Pitfalls of Overconfidence while Benefiting from the Advantages of Confidence. <i>California Management Review</i>, 55(2), 5-23.</p>
	Final exam	2-4 p.m. on October 12

Organizational Experiment

Using the concepts from the course, identify an organizational problem and design an experiment useful for testing a solution to that problem. This is an opportunity to spend some time reaching a deeper understanding of the forces that make organizations work—or fail to do so.

One way to approach this assignment would be to start with an organizational intervention you find intriguing. Do you wonder about the effectiveness of team-building exercises? Organizational retreats? Total quality management? Quality circles? Do you wonder whether organizations whose boards of directors are composed of outsiders (rather than allies of the CEO) perform better? Do flexible working arrangements and telecommuting contribute to productivity? Are socially responsible organizations better or worse performers? You will then design an experiment that could test the effectiveness of this intervention, program, or policy.

A second way to approach this assignment is by starting with a manager, a company, or an industry you care about. Identify someone you have worked for, would like to work for, you have read about, you just happen to know, or even a relative. Consider the organizational interventions with which they are familiar. Or identify an issue that is important to them and their work, or an intervention they are considering. Or pick an industry with which you are familiar or with which you would like to become familiar, and identify a current issue with which this industry is struggling and an intervention with the potential to resolve this issue. You can then design an experiment to test the effectiveness of this intervention.

I recommend that you begin thinking right away about what would be an interesting topic, industry, or problem. This planning should occur as soon as possible. It can be a time-consuming process to design an experiment well. Start early so that you will have enough time to complete this project by the end of the class.

Key elements in the analysis

The general form of the project is to apply the course material to ask a particular question that can be informed by empirical evidence. Every project should include an introduction that answers questions such as:

- What is the focus of your paper?
- What is the problem you are seeking to understand?
- What is the experimental question?
- Why is it important?
- What do we already know about this topic?
- What investigations or relevant research been done before?

You will want this introduction to feed into the development of hypotheses. Do you have a prediction for the outcome of your experiment? On what reasoning, logic, or prior evidence is your hypothesis based?

Every project should also include a description of the experimental design. This includes three key elements:

- 1) Research participants. Where will your data be coming from? How will the research subjects be selected?
- 2) Independent variables: What are you manipulating in your experiment? What exactly will vary between experimental conditions? The hallmark of experimentation is random assignment to experimental condition. If for practical or ethical reasons, pure random assignment is not possible, then you should discuss the potential selection problems you will encounter and how you can address them.
- 3) Dependent variables: What will you be measuring? What are the key tests you will perform to see if your hypothesis is supported?

If you can get data and conduct analyses that will provide at least partial answers to your research question, that is great, although it is not a requirement. Collecting a novel data set in the seven short weeks we have in class is probably not realistic. But even this is not a requirement for successfully completing this assignment.

You decide how best to package your analysis. Projects will be graded for their grasp of the class material and their success at applying it to an interesting organizational problem.

Final product

The final product of your analysis will be a paper. Your paper should not exceed 2000 words in length (about 6 pages in length, double spaced type, Times New Roman font, 12 point font, with 1-inch margins all around). Please submit papers by email with a Word or PDF attachment. Please number each page and include a word count on the first page.

Papers will be graded using three criteria:

- 1) The quality of the ideas. Have you set the stage for your proposal by exploring the existing literature and identifying how you can contribute? Have you explained why your idea is important? Is it interesting?
- 2) Rigor of the design. Have you managed to avoid the major threats to experimental validity? Have you dealt with the key issues and concerns in research design, such as minimizing confounds (also known as lurking variables)? Would your experiment produce useful answers that could inform important organization decisions? It would be advisable for you to brush up on the experimental design if you have not studied it before. Here is one place to start: <http://www.socialresearchmethods.net/kb/desexper.php>
Here is another: http://en.wikipedia.org/wiki/Design_of_experiments
- 3) The paper's presentation. Is the paper clearly organized and well written? Have you stayed within word limits? Do spelling and grammatical irregularities interfere with the story?

On or before the ninth class meeting, please submit a summary of your project plan. This should include a list of your five-member group and what a brief description (maybe just a paragraph) describing the experiment you are developing. The final paper will be due by the start of class on the last day of class. Late papers will lose a letter grade for every day they are late.