

This class is associated with the theme: The organization implication with strategy changes in Guide Michelin star restaurants.

Syllabus for 2019 winter quarter *preliminary*

Stanford, 04/1/2019

Global Organizations: Managing Diversity and The Matrix of Change

PUBLPOL 168/268, Sec 01

Soc 168/268

Winter 2019 (4 units)

Days/Times: Mon, Wed

Mon, Wed 11:30AM - 13:20PM at Wallenberg 325

Teacher: Dr Eva M Meyersson Milgrom
SIEPR, Room 337
Cynthia and John Gunn SIEPR Building
366 Galvez st
Stanford University
650-723 0188 or 650 575 2646
emilgrom@stanford.edu
eva@meyersson.com
meyersson@gmail.com
www.meyersson.com

1. An Overview

Managing organization across nations, cultures and different kinds of socioeconomic and political institutions is an art. Managing global organization in a changing environment is a challenge. The main focus of this course is on the management of *diversity* in global organizations. Diversity, which is defined as the degree of heterogeneity in interest, beliefs values and language, has effects on the organization's capacity to act as a cohesive unit and to innovate and process novel information. We will identify the advantages and disadvantages of diverse groups and most importantly how to create flexibility to change in response to vital changes in the environment. This course examines global management of diversity at many levels and multiple arenas, from Polar expeditions, central banks to Tribal courts like the Gacacas.

This course *covers* topics such as:

1. How does diversity influence the various dimensions of performance, including decision making and information processing in particular?
2. How does heterogeneity with respect to demographic characteristics such as ethnicity, age, socioeconomic status, gender and diversity affect the ability to achieve homogeneity in interests beliefs and values?
3. How do we manage global diversity through group composition, informal rules such as repeated interactions and formal rules such as variation in payoffs?

This course will present useful *analytical concepts* from the disciplines within the social sciences such as economics, political science, social psychology and sociology.

This course provides *tools* for

- a. Choosing the degree of internal diversity, firm strategy and degree of diverse institutional environment
- b. Promoting diversity/ avoiding diversity,
- c. Accepting/resisting/adapting to differing local rules
- d. Designing organizations around organization strategy in a flexible way in a changing environment

1. Content

The course will draw on *films, business school cases, text book* and *research articles*.

2. Teaching style

Class sessions consist of lectures, guest lectures, and team based case presentations. Guest speakers this year will focus on the theme of Strategy and organization design changes in *guide Michelin restaurants* or aspiring ones. General Manager Kent Bui at Protégé 30th of January 12.20 to 13.20. More to be announced.

3. Grading

The purpose of grading is two fold. One is the usual evaluation of your performance for academic purposes. The second is to encourage active discussion in the classroom. In line with these objectives, your grade for the course will be based on the following components:

| | |
|---|------|
| Individual Assignments (including Quiz and Class Participation) | 20 % |
| Case Group Projects | 20 % |
| Term paper (individual assignment) | 60 % |

4. Quiz and Final Term Paper (individual assignments)

The Quiz, on Roberts' book, will take place **30th of January** in class, and will consist of 5 questions. No open books or resources will be allowed. You are expected to use your computer to write down your answers and email them back to me after exactly 45 minutes. This is a diagnostic test of your familiarity with our framework.

In addition each student will write up a final term paper. More information about the papers will be giving by the beginning of February.

The final term paper should be no more than 12 pages, double spaced. Final term paper is due 13th of March at 9am. Be prepared to talk about your term paper in class the **6th of March**.

Your term paper will be part of the research you do for the research projects on Guide Michelin restaurants.

5. Groups and Case Assignments

Groups will consist of 2-4 students and will be formed at the third session. Each group will prepare and submit a case analyses of 2-3 pages, double space.

Submission format: Electronic form as Word or PDF files

Submission date: *The day before the corresponding class session, no later than noon.*

Submit by email to: eva@meyersson.com

Case discussion on Bridgestone Feb 6th. Due day the day before at noon.

Case discussion on "FBI" 27th of February. Due at noon 26th of February.

Extra task in case you are absent more than 3 or more sessions. Case on Procter & Gamble: Organization 2005 (A), due by 6th of March.

6. Other Individual Class Assignments

Each student will write up a commentary of the two films, no more than 2 pages single space. Please be prepared to present your assignment in class. Make sure you refer to course readers and lecture notes when you discuss the films. Apply arguments from articles into your analysis by referring to the authors. Make sure you develop your arguments and thoughts.

You will watch the movie at your own discretion and if you have a problem finding the film, (usually at Greens Library) talk to instructor. Please plan ahead since the movies might in high demand.

Date for first film assignment "East is East", is due at noon 15th of January. Due date for second film "12 Angry Men" is at noon 19th of February. Send in to instructor email: emilgrom@stanford.edu

7. Other Administrative Details

If you have to miss a class during the semester, please let me know in advance, if possible, by means of a written note.

If you miss a class, please find out from your classmates what material was covered, what additional assignments were given and what items may have been distributed in class.

I will make sure that everybody is involved in the class discussion. If you prefer not to be called upon during some class session, please let me know in advance.

As a courtesy to your classmates and to me, please be in class on time.

You will not need any technical equipments such as computers or cellphones during the lectures. All lectures will be posted on line the evening before.

8. Office hours

I will be available after every class. My office hours are *Monday 2-2.30 pm*. If you need to see me any other time, please contact me for an appointment, work 723 0188 or at 650 575 2646.

9. Schedule and Reading List

The assigned readings from academic books and journals are to be browsed for ideas, rather than for technical details.

Required Readings and cases are found in the course reader at the bookstore.

10. Obs we may have some visits to the restaurants, plus evening activities during class. TBA

.

A Framework: The Fit Between Strategy and Organization Design

Session 1. (Mon 7 Jan) Matching firm strategy with organization design. The Tradeoffs Between Decision Making and Information Processing. A Toolbox.

Required Readings

Chapter I and II in "the modern firm". Organizational design for performance and growth", by *John Roberts*. Oxford University Press, Oxford, 2007.

The Difference. How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies, by *Scott E. Page* pp x-18. Princeton University Press, Princeton. 2007

Organization Design and Institutions

Session 2. (Wed 9 Jan) Institutions, Culture and Organization Structure

Required Readings

Organizational Structure, pp.143 -171, Chapter 6 in "Personnel Economics in Practice" by Edward P Lazear and Michael Gibbs, 2009. John Wiley & sons, Hoboken New Jersey.

The Organization of Firms Across Countries by Nicholas Bloom, Raffaella Sadun and John van Reenen *The Quarterly Journal of Economics* 2012, 1663-1705,

Culture and Institutions September 1st 2014 by *Alberto Alesina and Paola Guiliano*, mimeo Harvard University.

Session 3. (M 14 Jan) Who can you trust part I? *Student reflection on Culture and Institutions.*

Required Readings

Discrimination in a Segmented Society: An Experimental Approach - *Chaim Fershtman and Uri Gneezy*, *Quarterly Journal of Economics* 2001 (Feb)

Discrimination and Nepotism: The Efficiency of the Anonymity Rule by *Chaim Fershtman, Uri Gneezy, and Frank Verboven*. *Journal of Legal Studies* vol.34 June 2005.

Structure, Identity, and Solidarity: A Comparative Field Study of Generalized and Direct

Session 4. (Wed 16 Jan) Who Can't You Trust part II? **Discussion of film "East is East"**

Required Readings

Identifying barriers to Muslim integration in France. *David Laitin and Marie-Anne Valfort*, *PNAS* December 28 2010 vol. 107 No. 52.

POW Camp Survivors, *Chapter 5 in Heroes & Cowards. the Social Face of War*, by *Dora L. Costa & Matthew E. Kahn*.

Exchange by *Robb Willer, Francis J. Flynn and Sonya Zak*, *Administrative Science Quarterly* 9th of May 2012.

Motivation: social and pecuniary incentives

Session 5. (Wed 23 Jan) Coordination I. Incentives

Required Readings

Edward P Lazear and Paul Oyer, 2009. "Personnel Economics" draft of chapter forthcoming in handbook of Organizational Economics, Eds by Bob Gibbons and John Roberts.

Gneezy, U., and A. Rustichini "A Fine Is a Price" *Journal of Legal Studies*, vol. XXIX, 1, part 1, 2000, 1-18.

Chapter 4 in "the modern firm". "motivation", by *john roberts*. Oxford University Press, Oxford, 2007.

Organizational design and self selection on the labor market

Session 6. (Mon 28 Jan) Coordination II. Corporate Culture and *A Mock Quiz*

Required Readings

Do women shy away from competition by Muriel Niederle and Lise Vesterlund in *Quarterly Journal of Economics* August 2007, pp.1067-1001 .

Pay Risk, and Productivity by Eva M Meyersson Milgrom, Trond Petersen and Rita Asplund in *Finnish Economic Papers* Vol 15 No 1 Spring 2002.

When gender discrimination is not about gender by Katherine B Coffman, Christine L Exley, and Muriel Niderle, Nov 8 2018, mimeo Stanford .

Session 7. (Wed 30 of Jan) Quiz on Roberts (**see special note**)

Session 8. (Mon 4 Feb) **US and Them**, Discrimination and Self-selection on the labor market. Discussion on Quotas and Affirmative Action.

Required Readings:

"New Perspectives on Gender", Marianne Bertrand forthcoming in Orley Ashenfelter and David Card eds, *Handbook of Labor Economics*, December 2010, volume 4B, pp. 1545-1592.

Gender by Muriel Niederle, November 25, 2014 mimeo Stanford

Male workers, Female Bosses, and Gender Quotas, *SIEPR policy brief December 2010* by Eva M Meyersson Milgrom.

.

And Its Social and Economic Consequences for the Workplace

Session 9. (Wed 6 Feb) Influence activities, conflicts at the workplace. **Bridgestone/Fireston**

Required Readings

Influence Cost and Equity. Moral Hazard and Performance Incentives: Influence Cost - *Paul R. Milgrom and John Roberts, Economics, Organization & Management. Chapter 6 pp.192-194. 1992, Prentice-Hall, Inc.*

The Efficiency of Equity in Organizational Decision Processes - *Paul Milgrom and John Roberts The American Economic Review 1990 Vol 80 no 2 pp154-159.*

Strikes, Scabs and Tread Separations: Labor Strife and the Production of Defective Bridgestone/Firestone Tires by Alan B Krueger and Alexandre Mas, Princeton University mime. 2002.

Downes, Patrick E. and Choi Daejeong. 2014 Employee reactions to pay dispersion: A Typology of Existing Research. *Human Resource Management Review*. No 24, 53-66.

The Social Mechanisms for Social Inclusion and Exclusion

Session 10. (M 11 Feb) Cognitive Dissonance, Group Think, Homophily and Social Closure.

Required Readings

Review Back to the Future Retrospective Review of Leon Festinger's A Theory of Cognitive Dissonance.

Behind the Veil in Arabia - *Unni Wikan 1982 pp.141-167. Chicago University Press*

The Human Network by Matthew O Jackson pdf 2018. Pp. 93 to 116.

Session 11. (Wed 13 Feb) Social distance, Comparison and Status theories.

Required Readings

Hierarchy and Its Discontents: Status Disagreement Leads to Withdrawal of Contribution and Lower Group Performance by Gavin J. Kilduff, Robb Willer, Cameron Anderson, *Organization science* Marh 18 2016 (Informs).

Stigma and Status: The Interrelation of Two Theoretical Perspectives by Jeffrey W. Lucas and Jo C. Phelan in *Social Psychology Quarterly* X(X) pp. 1-12 8th of November 2012.

A Theory of Social Comparison Processes - *Festinger Leon pp. 117 –130 from Journal: Human Relations 1954.*

Beleifs, Interests and Diversity

Session 12. (Wed 20 Feb)) About: Beleifs “stereotyping”, and “self theories of intelligence”..
Discussion of 12 Angry Men Film Reiew.

Required Readings

A Threat in the Air: How Stereotypes Shape Intellectual Identity and Performance - *Claude M Steele in American Psychologist 1997 Vol 52 No6 613-629*

Self-Theories of Intelligence *Carol S. Dweck in Elliot Aronson, Reading About the Social Animal, New York: Worth. Adapted from: Messages That Motivate. In J. Aronson Ed. 2002. Improving academic achievement. New York: Academic Press.*

Chapter 4. in "the modern firm. organizational design for performance and growth", by *john roberts*. Oxford University Press, Oxford, 2004.

Networks as Enabler of Integration and Differentiation

Session 13. (Mon 25 of Feb) Networks Effects on Social Diversty and Integration.

Required Readings

The Strength of Weak Ties: A Network Theory Revisited by *Mark Granovetter (1983) in Randall Collins (Ed.) Sociology theory vol 1, pp. 201-233. San Francisco: Jossey-Bass.*

Information Flow Through Strong and Weak Ties I Intra-organizational Social Networks - *Noah Freidkin, Social Networks 3 1982 273-285.*

The Cost of Friendship by Paul Gompers, Vladimir Mukharlyamov and Yahi Xuan NBER Cambridge Working paper 18141.

Session 14. (Wed 27 Feb) Student presentation HBS Case # 9-905-061 FBI: Mission Extended.

Required reading

Intelligence Failures: An Organizational Economics Perspective. Luis Garicano and Richard A Posner, discussion paper no 5186.

Presentation of drafts of term paper and the India report

Session 15. (Mon 4 of March) Prep for project, articles on restaurants

Session 16. (Wed 6 March) Presentation of drafts based on text book, coursereaders, and handouts.

Last week individual research for final paper.