

# Syllabus

## Strategic Changemaking

- **Instructor:** Prof. Maciej Kisilowski (Office hours: In person or by skype: prof.kisilowski)
- **Credits:** 1,5 (3 ECTS)
- **Term:** Spring 2017-2018
- **Course level:** MBA
- **Prerequisites:** None

### 1) Course description

ATTN: This is an intensive-weekend elective. Actual classes will be held over one weekend only. As described below, the significant Groundwork Project, completed in groups, is required before that weekend. Because of the weight of this project in the final course grades, students who register for this course after June 3, 2018, must be aware that their final grade may be very seriously and adversely affected because of the late registration (and the inability to fully contribute to the the Groundwork Project). Because of the central importance of the Groundwork Project for the course academic objectives, no makeup assignment can be arranged. If you thereby consider registering late, it is advisable to instead take this course during the next academic year.

This course explores an important trend and development which may require us to redefine the domain and applicability of strategic management in the twenty-first century: The traditional boundaries of "sectors" are blurring. Techniques and approaches of strategic management can increasingly be applied to any type of organization. Modern executives and entrepreneurs are no longer constrained to leading business enterprises. Increasingly, they become universal Strategic Changemakers with careers spanning conventional boundaries. This course will explore this potentially fundamental development and how it provides opportunities for course participants.

There are key forces at work promoting this unprecedented career portability of strategic managers. To begin with, after the 2008-2009 financial crisis, we are witnessing a significant expansion of the role of governments into what had been known as the private sectors and into the global economy itself. Gigantic bailouts and rescue packages transformed some of the world's largest companies, including General Motors or AIG, into, effectively, state-owned enterprises. Even more long lasting may be the consequences of a renewed tightening of regulatory control over the private sector, including in industries such as energy or financial services. Outside the Western world, nations such as China or Turkey, have endorsed a seemingly successful national macro-strategy of achieving high growth rates by having economies tightly managed by governmental decision makers. These worldwide forces are also certainly found in Central and Eastern Europe, where the borderline between the private and the public sector has traditionally been, to put it mildly, fuzzy. It is striking that this reemergence of the role of government as an important economic actor takes place after attempts over more than three decades of thinking and discussion to replace an old architecture of bureaucratic state, classically analyzed by Webber, with a new architecture, commonly referred to as New Public Management. The essential idea behind this no longer "new" approach has been about smartly introducing managerial models that proved successful in the business sector into the operations of the government.

A somewhat similar force is also noticeable in the nonprofit world. Successful businesspersons, such as George Soros, Bill Gates, Warren Buffet, or politicians such a Bill and Hillary Clinton, have set up large nonprofit organizations that are often organized in a distinctly more business-like, or entrepreneurial way,

than many of the nonprofits of the past. Nonprofit service providers, including cultural and educational institutions, “commercialize” their activities by relying more on fees and creative cooperation with business partners than on diminished endowments or dwindling governmental support. To that, add the entire category of social enterprises that purposefully combine features of for-profit and nonprofit entities, occupying the space between the two previously clearly demarcated sectors.

Another force in play is an attempt to apply entrepreneurial thinking and methods, learned in the world of startups, VCs and the culture of booming entrepreneurial ecosystems, like Silicon Valley, Route 128, Cambridge, UK, across modern the spectrum of organizations endeavor so that now we have the emergence of social entrepreneurship, the entrepreneurial state, etc.

In short, we are witnessing an unprecedented proliferation of methods, approaches, and styles of business management throughout all sectors of our economy. And the careers of leaders reflect this new phenomenon, as they move, in the course of their career, between business, nonprofit, and governmental jobs. Perhaps the most well-known case in point here is Michael Bloomberg. A highly successful founder and long-time CEO of Bloomberg L.P., Bloomberg was a conspicuous (if controversial) three-term Mayor of New York City, being also deeply engaged in the nonprofit and advocacy work through his Bloomberg Philanthropies Foundation. Bloomberg’s career may be indicative of the emergence of portable, all-purpose managers who can apply most effective techniques of organizing and leading productive and innovative human activity in any sectoral context.

This elective, given over a single intensive weekend, explores the opportunities and challenges of such new developments resulting in a model of a portable, cross-sectoral Strategic Changemaking. The goal is to challenge participants into deep reflection on how the managerial skills they have acquired throughout the EMBA program can be utilized in a wide variety of contexts.

### **Main topics:**

- Creating value across sectors – What are the similarities and differences in the definition of value in private, public, and nonprofit sectors? How useful and applicable is the concept of value and value-creation beyond the private sector? What is the evolution of this concept in response to major economic trends? In particular, how does it relate to the elevated role of knowledge-intensive organizations in modern economy? Can a portable manager whose career spans across sectors add something unique to the understanding of value and the culture of value-orientation of businesses, governments, and nonprofits?
- Aligning strategies across sectors – What is the essence of strategic alignment and why does the concept of strategic alignment play such an essential role in managing modern knowledge-intensive organizations? How to use and apply in practice modern tools facilitating the design of aligned strategies: strategy maps, balanced scorecards? Specifically, how exactly should these tools be used in organizations of belonging to different economic sectors? Can a cross-sectoral manager develop portable strategic management skills that align business, governmental, and nonprofit organizations alike?
- Purpose-driven organizations, leaders, and careers – Why has providing purpose and meaning in people’s lives become such an important aspect of value creation in today’s world? Why does deeper purpose (beyond paycheck) play an increasingly central role in recruiting, integrating, motivating, and leading teams of most talented people? How do these trends affect each of the three sectors? How can they affect each of the sectors? Can portable managers moving across sectors be particularly effective in responding to these new, nonmaterial needs of key organizational stakeholders of businesses, nonprofits, and governments? Is the career of a portable manager a potential path towards deeper professional fulfillment?

## 2) Learning outcomes

Core Learning Area	Learning Outcome
Cross-sectoral manager's mindset	Understanding the fundamental differences and an emerging blurriness between private, public, and nonprofit organizations, especially in their objectives, organizational cultures, and personnel self-selection. Understanding key managerial challenges stemming from those differences.
Cross-sectoral manager's toolkit	Acquainting oneself with the most important instruments used in strategic planning and performance measurement in different types of organizations. Understanding why specificities of private, public and nonprofit sectors force us to adapt traditional managerial tools, or devise new ones.
Leadership skills	Ability to leverage understanding of the management across sectors gained throughout the course to become an effective, inspirational leader and a change agent within a public organization.
Entrepreneurial Skills	Learn how to apply entrepreneurial skills and orientation in diverse sectorial settings.

## 3) Reading list

Group Groundwork Project Package. These readings are intended to give you tools to prepare your Group Groundwork Project – i.e. the strategy map of the organization your group will work on. Accordingly, you need to go through those readings early, as the first version of your Group Groundwork Project is due before our intensive weekend starts. The readings for the Groundwork Project will be available on Moodle in a clearly indicated section of the course's site.

Case Studies. You will have to read published case studies about a few iconic public, nonprofit, small-sized/startup/entrepreneurial or corporate organizations before the intensive weekend. The case studies will be available on Moodle in a clearly indicated section of the course's site.

Lecture notes will be available on Moodle before each class.

## 4) Assessment

Regular and punctual attendance at every class session is a requirement of all degree programs at CEU DEB. Each class covers material not found in the readings. Furthermore, participation in class discussions is an important part of the learning experience for all students as well as a factor in grading. If illness or another unusual circumstance requires missing a class, please do your best to inform the instructor in advance. A grade of "AF" (Administrative Fail) may be assigned for failure to regularly attend a course, to drop the course in time, or to complete requirements on time.

### Grading

#### Preparation:

- 10% of your grade will be awarded for your individual preparation for our intensive weekend. It will be entirely based on the transparent self-assessment of the extent to which you acquainted

yourself with the assigned readings. The self-assessment will be conducted via Moodle before the start of the intensive weekend.

- 20% of your grade will be awarded for the initial version of the Group Groundwork Project, to be prepared before our intensive weekend. Each participant will be asked to join a project group no later than six weeks before the intensive weekend. Each group, in consultation with the Instructors, will choose a corporate, SME/entrepreneurial, governmental, or nonprofit organization and analyze its strategy using the tools shared and discussed with participants in advance. The results of this analysis will be presented in class during the intensive weekend.

#### Participation:

- 20% of your grade will be your course participation. Active participation in class is crucial for the quality of the common learning experience. That is why it is particularly important to reward those participants who add a valuable contribution to our analysis of the topics. The grading of class participation will be based on the concept of 360-degree review. After our intensive weekend, each participant will be asked to evaluate the overall in-class contribution of her classmates. The final participation grade will be the average of all submitted classmates' assessments.

#### Reflection:

- 30% of your grade will be awarded for the final version of your Group Groundwork Project. Using the insights from the intensive weekend, each group will prepare a comprehensive proposal for making the organization chosen by the group more strategically aligned.
- 20% of your grade will be a concise individual response paper offering reflection on the concept of purpose-driven organization and its relevance across economic sectors. The detailed instructions for the response paper will be given during the intensive weekend.

#### Weighting of the group grade:

Each Groundwork Project Group will receive a grade for the above-mentioned deliverables. An individual group member's grade for all group assignments will depend both on the sum of (properly weighted) group grades for all the assignments and on the 360-degree evaluation conducted within the group. The evaluation should proceed as follows:

After completing all the assignments, each group member should fill in the Individual Report of the peer evaluation of all group members (which includes self-assessment), using an online form available on Moodle. After completing their forms, group members should organize a feedback session where they will give other group participant(s) feedback.

A final individual group member's score for the Groundwork Group Project will be calculated as follows:

final group score x average percentage score from Individual Reports submitted x number of group members

If your score as calculated using the formula above exceeds the maximum number of points you can get for group work (i.e. 50), each additional point will count as 0.5 bonus point towards your final grade, up to 5 bonus points.

## Academic Integrity

All students must adhere to the principles of academic integrity in all work done for this class and for other classes. Attempted cheating in any form, including plagiarism, is extremely serious and can result in dismissal from the school and university.

### 5) Course schedule and materials for each session

<p>Monday, June 4, noon</p>	<p><b>Deadline for the Groundwork Project Groups to Form</b></p> <p><i>Please communicate your group membership to prof. Kisilowski</i></p> <p><i>If you do not form a group, you will be assigned one by the instructor.</i></p>
<p>Wednesday, June 6, 5 pm - Thursday, June 13, 2.30 pm</p>	<p><b>Selection of Your Groundwork Project Sector</b></p> <p><i>Please select your preferred sector in which you will find an organization that you will study for your Groundwork Project. You can choose between corporate, SME/entrepreneurial, nongovernmental, public.</i></p> <p><i>If the Moodle system accepts your selection of the preferred sector (i.e. if the slots have not been taken by other groups), it means your choice have been accepted and you can start working on the organization from your selected sector immediately. If not, please choose another available sector. If you do not choose your sector by the deadline, the instructor will assign it to you.</i></p>
<p>Monday, June 25, noon</p>	<p><b>Deadline for the Groundwork Project Organization Selection</b></p> <p><i>Please send Prof. Kisilowski the exact name of an organization that you will be working on for your Groundwork Project. Keep in mind it must belong to a sector chosen by (or assigned to) your group. <b><u>Failure to communicate the organization's name by that deadline (or contact me to indicate problems/extensions), will be equivalent to an automatic withdrawal from the course of all group members.</u></b></i></p> <p><i>By the same deadline, you will also receive information about an "alliance" between your group and one other group. The idea is that I want Groundwork Project Groups working on public/nonprofit organizations to coordinate with groups working on corporate/entrepreneurial organizations, which will promote learning in the cross-sectoral spirit of the course.</i></p>
<p>Tuesday, July 17, 9 pm</p>	<p><b>First draft of the strategy maps for your Groundwork Project due.</b></p> <p><i>Please submit the via Moodle.</i></p>
<p><b>Part 1</b></p>	<p><b>Value</b></p>

(Two Sessions) Friday-Sat,	<i>In Part 1 of our course, we will explore the essential new similarities, but also important new differences, in the concept of creating value in business, governmental, and nonprofit sectors. What does it mean for an organization to create value in these different contexts? How can a portable, cross-sectoral manager effectively define goals for organizations of a different kind?</i>
<b>Part 2</b> (Two Sessions) Saturday	<b>Alignment</b> <i>Part 2 will be devoted to strategic and entrepreneurial alignment, which is the foundation of organizational success especially in a modern knowledge-intensive setting. Students will be asked to participate in a practical exercise designing an aligned strategy and entrepreneurial activity for organizations of different kinds and discussing challenges of effective integration of people, knowledge, and processes with value-centered goals in different types of sectoral settings.</i>
<b>Part 3</b> (Two Sessions) Sunday	<b>Purpose</b> <i>On the final day, in Part 3, of our intensive course we will focus on the link between organizational and personal success in the cross-sectoral context. A particularly important hypothesis to be explored will be that truly outstanding portable managers and leaders are able to permeate both their organizations and their own life with the deep and forceful sense of purpose and meaning, which leads to fulfillment, both for the leader per se and for an entire team in whatever sectoral context.</i>
Sunday, July 29	<b>Deadline for Group Project</b> <i>Please submit your strategy proposals by Moodle</i>
Sunday, August 5	<b>Deadline for Individual Response Papers</b> <i>Please submit your by Moodle</i>

## 6) Instructor

Maciej Kisilowski received his doctorate in law and master's in law degrees from Yale Law School, M.P.A. in economics and public policy from Princeton University's Woodrow Wilson School of Public and International Affairs, and M.B.A. with distinction from INSEAD. He also holds another Ph.D. and M.A. in law from Warsaw University. His research interests include the theory of regulation and public management. He has previously taught at Yale University. He has consulted numerous public and nonprofit organizations, including the Secretariat-General of the European Commission and the Committee for Economic Development (Washington D.C.). The latest book he co-authored and edited, *Free Market in Its Twenties: Modern Business Decision-Making in Central and Eastern Europe*, was published in 2014 by Central European University with the foreword of George Soros. In 2011, a case study he authored won an award at the Annual Congress of the Academy of Management in Boston, MA. His recent academic work has appeared in *Law and Social Inquiry* and the *International Business Review*. His popular commentary

has appeared, among others, in Politico, Foreign Policy, Euronews, HVG (Hungary), Gazeta Wyborcza and Rzeczpospolita (Poland), Capital (Bulgaria). His co-authored book—Administrategy: Achieving Personal Success when Managing Public Administration—has been published by leading publishers in Hungary, Poland, Ukraine, and Romania.