**York University**

**Faculty of Liberal Arts and Professional Studies**

**School of Administrative Studies**

**Fall 2019**

**AP/ADMS4910 A**

**Management Policy: Part 2**

**Term: Fall**

**Day: Thursdays**

**Time: 19:00 – 22:00**

**Location: HNE 032**

**Course Director: Prof. Jung-Chin Shen**

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**Office Hours: Thursday 15:00-16:00 RM AK 256 or by appointments**

**Start Date: Thursday, Sep. 5, 2019**

**COURSE DESCRIPTION**

The Management Policy II course is to enhance students’ understanding of selective topics of strategy on the basis of theories competitive advantage of the Management Policy I. It is consisted of four topics that are not fully covered by 4900: Globalization, Corporate Governance, Entrepreneurship, and Business Development. Specifically, globalization is concerned with theories of trade and mode of entry in today’s global environment. Corporate governance focuses on governing the relationships among shareholders, board of directors and management team in order to maximize shareholders’ and/or stakeholders’ interests and goals. Entrepreneurship not only discusses the process of start-ups, but also the financing of innovation and venture capital networks. Business development emphasizes mergers and acquisitions, and joint ventures and alliance networks. Strategy and policy identification, formulation, and evaluation are developed through lectures and case discussions.

**COURSE OVERVIEW**

This course examines the four topics of strategic management – globalization, corporate governance, entrepreneurship, and business development. We will analyze each topic with well-grounded theories: theories of trade, agency theory, information economics, network theory, the resource-based view and cognitive process. Despite the depth of each topic, the purpose is to integrate those theories into our analysis of the various functional areas of business and the external factors throughout the firm as a whole.

To increase your competence in managing the strategic process, extensive use of the case study method is employed. This allows us to practice business decision-making skills in simulated management roles. To maximize the learning experience, it is essential that all students be prepared to discuss the assigned cases. Therefore, student participation is essential for the success of this course.

In addition to learning about strategic concepts, you can expect to further develop your abilities in sizing up complex business situations and identifying the core problems or issues. You will have the opportunity to analyze qualitative and quantitative data, both internal and external to the firm, and assessing what implications it may hold for a firm's success.

Through the case studies, you will learn to identify and evaluate existing and alternative strategies and gain the confidence to recommend specific courses of action. Finally, you will gain an understanding of the issues involved in implementing a change in strategic direction, including addressing the issue of control.

**REQUIRED TEXT(S)**

Please download the class readings via the University Library website. The reading list can be found in the course outline.

Please order the following cases from Ivey Publishing, Ivey School of Business: **Huxley Maquiladora (Product Number: 9B02M033), Governance from scratch: The Pepsi Bottling Group IPO (Product Number: 9B04M062), Swimming in the Virtual Community Pool With PlentyofFish (Product Number: 9B08M015), Flipkart: Valuing a Venture Capital-funded Startup (Product Number: 9B14N018), Tata Communications' Acquisition of Tyco Global Network (A) (Product Number: 9B14M137)**

**COURSE EVALUATION**

Group Work:

- Reading summary 10%

- Group debate 20%

- Group case presentation 30%

Final Exam: 20%

Class Participation: 20%

**FORMAT OF THE COURSE**

Each session is of a three-hour duration. In the early stage of the course, the role of the instructor is as a lecturer to help students make sense of the material. As the time goes by, the role of the instructor will shift to facilitate class discussions. There are assigned chapters and a case in each session. In the first half of the session, we will mainly focus on the assigned chapters. In the second half of the session, we will focus on the cases and apply relevant theories to make sense of case situations. Moreover, this is a highly interactive course in which students are required to participate in **ALL** class activities and exercises.

**GROUP WORK**

This course puts great emphasis on group work (60%) since group work is a contemporary work design in the real business world. It is expected to have six groups in the class. Accordingly, students will form a group of approximate 3-4 members (names and student numbers of group members are to be submitted no later than Session 2), depending upon the size of the class. Please be advised that each group member is responsible for the group process and dynamics. Instructor will be involved in group issues only if necessary. In addition, students are not allowed to switch groups after the groups are formed.

There are three components of group work.

Reading summary (10%): The purpose of this exercise to provide you with an opportunity to share the responsibility of class learning. Specifically, each group will take turns to summarize the lecture materials and discussion in the end of each session. Starting from Session 3 (after the formation of groups being finalized), the assigned group will summarize the call readings in 20 minutes. The 10% will be evaluated based on the quality and completeness of the summary. The focus on your summary should be on what have been discussed in the lecture that are not on slides. Only group members who present at the time when the group is asked to do the summary will get the credits. In other words, group members who do not present in the class at that time will receive no credits for this component.

Group debate (20%): The purpose of group debate is to deepen students’ understanding of a topic and to stimulate group thinking. Each group will be randomly assigned one of two topics and the position of the debate. Each group will base on the class readings and other academic sources from library to form its arguments to support its position in the debate. Each group will present the basic arguments in 15 minutes. Then each group can cross ask questions to the other group to enhance its position. Each group has 10 minutes for Q&A.

Group presentation (30%; where 25% for presentation and 5% for Q&As): The purpose of the group presentation is to help students to develop case analysis and presentation skills. Each group will be randomly assigned one of two cases. Each group, acting as a *consulting team*, will do the case analysis. On Sessions 10 and 11, each group will do a 45-minute presentation (30-minute presentation and 15-minute Q&As) to the class. There is no required format for the presentations. Clarity and creativity are keys. As you are assigned to a case, your analysis should be **limited** to the case materials. No additional research is necessary nor recommended. By one day prior to your presentation, your group is **required** to give the instructor the outline of your presentation (no required format).

**Words for the Presenting Groups for the Second Group Presentation**

Your presentation can be as creative as you’d like to. In the presentation, you basically need to cover the following topics.

1. Issue identification (what are the issues)

2. Issue analysis (why those are issues)

3. Recommendations/Solutions

4. Implementation/Action

Please let me know in advance if you need any equipment assistance.

**Words for Audience**

To be a good audience, you need to listen to the presentation closely and read the case material in advance. By doing so, you will find that you can learn a great deal from the presenting groups. You will be invited to ask any questions you may have. Keep in mind that your questions need to be constructive and relevant to the presentation and course materials.

**CLASS PARTICIPATION**

The quality of course is the responsibility of both the instructor and students. Class participation is essential for learning processes. Class participation is weighted 20% of your final grade. **Class participation is not about attendance, but rather your contribution to class discussion.** Thus, it is highly likely that students who attend the class each week without any participation record may fail this grade component.

Specifically, the course puts great emphasis on discussion of the course materials. Therefore, your input is greatly appreciated. Indeed, past students have pointed out that they gained great benefits from the class participation in ADMS 4910. In order to actively participate in discussions, you are recommended to read the materials in advance. Class participation is evaluated on a regular basis.

The instructor will evaluate students’ participation based on quantity and quality. Good quality participation is one that can stimulate in-depth, meaningful discussion. On the other hand, a repetitive comment or simply summary of the materials would be considered as the modest participation. If students have any difficulty in participating in discussion, they should contact the instructor as soon as possible to discuss how to help them to engage in the class discussion.

Your participation is evaluated on a regular basis, including lecture and case discussion, but the emphasis is on case discussion. There are 5 sessions (starting Session 2) in which students have opportunities to participate in class discussion. In each session, each student will get points according to his/her participation in both lecture and case discussions relative to the class average.

**FINAL EXAM**

Final exam, 20%, will be a close-book, 3-hour exam. Students are permitted to bring notes up to 10 pages. The exam is a case analysis in which students will be given a copy of a case at the exam and are required to apply ALL materials we discuss in the class to analyze the case and make recommendations.

**COURSE OUTLINE**

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| **Session 1**  **5, Sep** | Introduction Lecture 1: Course overview: Globalization, Entrepreneurship, Corporate Governance, and Business Development  Course Expectation Administrative issues  Organizing group |
| **Session 2**  **12, Sep** | Lecture 2: Globalization 1: International Trade and Foreign Direct Investment   * Theories of International trade * Foreign direct investment   **Readings:**   * **Sunanda Sen, 2010, International Trade Theory and Policy: A Review of the Literature, SSRN working paper, Available at SSRN: http://ssrn.com/abstract=1713843 or** [**http://dx.doi.org/10.2139/ssrn.1713843**](http://dx.doi.org/10.2139/ssrn.1713843) * **Stanley Fisher, 2003, Globalization and its Challenges, *American Economic Review*, 93(2): 1-30.**   **Submission of group memberships** |
| **Session 3**  **19, Sep** | Lecture 3: Globalization 2: Entry mode choice   * Country selection * Entry mode choice   **Readings:**   * **Charles W. L. Hill, Peter Hwang and W. Chan Kim, 1990, An eclectic theory of the choice of international entry mode, *Strategic Management Journal*, 11(2): 117-128.** * **Erin Anderson and Hubert Gatignon, 1986, Modes of Foreign Entry: A Transaction Cost Analysis and Propositions, *Journal of International Business Studies*, 17(3): 1-26.**   **Case: Huxley Maquiladora (Product Number: 9B02M033)** |
| **Session 4**  **26, Sep** | Lecture 4: Corporate Governance 1: Agency theory   * Agency theory   **Readings:**   * **Holmstrom, Bengt, and Steven N. Kaplan. 2003, The dangers of too much governance: overreacting to corporate scandal will hobble risk taking, innovations and growth. *MIT Sloan Management Review*45: 96-97.** * **Weill, P., & Ross, J. 2005. Designing IT governance. *MIT Sloan Management Review*, 46(2), 26-34.**   **Debate: Globalization: Good or Bad** |
| **Session 5**  **3, Oct** | Lecture 5: Corporate Governance 2: Board of Directors and CEO   * The roles of board of directors   **Readings:**   * **Hambrick, Donald C., and Eric M. Jackson. 2000, Outside directors with a stake: The linchpin in improving governance. *California Management Review*42: 108-127.** * **D. Henderson, 1995, Redraw the Line Between the Board and the CEO, *Harvard Business Review* 71, no. 1 (March–April 1995).** * **Penbera, J., 2009. What lead directors do. *MIT Sloan Management Review*, 50(4), p.15.**   **Case: Governance from scratch: The Pepsi Bottling Group IPO (Product Number: 9B04M062)**  **Session summary: Group 1** |
| **Session 6**  **10, Oct** | **Debate: Do the current corporate governance practices maximize shareholder value?** |
| **Session 7**  **24, Oct** | Lecture 6: Entrepreneurship 1: Entrepreneurship Financing   * Information economics     **Readings:**   * **C. Mirjam van Praag and Peter H. Versloot, 2007, What is the value of entrepreneurship? A review of recent research, *Small Business Economics*, 29(4): 351-382.** * **Chesbrough, Henry. 2000, Designing corporate ventures in the shadow of private venture capital. *California Management Review* 42: 31-49.**   **Case: Swimming in the Virtual Community Pool With PlentyofFish (Product Number: 9B08M015)**  **Session summary: Group 2** |
| **Session 8**  **31, Oct** | Lecture 7: Entrepreneurship 2: Venture Capitalist   * Network Theory   **Readings:**   * **William D. Bygrave, 1987, Syndicated investments by venture capital firms: A networking perspective, *Journal of Business Venturing*, 2(2): 139-154.** * **Saxenian, AnnaLee. 1990. Regional networks and the resurgence of Silicon Valley. *California Management Review* 33: 89-112.**   **Case: Flipkart: Valuing a Venture Capital-funded Startup (Product Number: 9B14N018)**  **Session summary: Group 3** |
| **Session 9**  **7, Nov** | Lecture 8: Business Development 1: Mergers and Acquisitions   * Pre-acquisition motives and post-acquisition integrations     **Readings:**   * **Gregor Andrade, Mark Mitchell, and Erik Stafford , 2001, New Evidence and Perspectives on Mergers, *Journal of Economic Perspectives*, 15(2): 103-120.** * **Roberts, E.B. and Liu, W.K., 2001. Ally or acquire? How technology leaders decide. *MIT Sloan Management Review*, 43(1): 26-35.**   **Case: Tata Communications' Acquisition of Tyco Global Network (A) (Product Number: 9B14M137)**  **Session summary: Group 4** |
| **Session 10**  **14, Nov** | **Group presentations**  (Group 1, 2) |
| **Session 11**  **21, Nov** | **Group presentations**  (Group 3, 4) |
| **Session 12**  **28, Nov** | **Final Exam.**  **You can bring your notes up to 10 pages (A4 size, one-sided or 5 pages if double-sided)** |

**NOTE: THE INSTRUCTOR RESERVES THE RIGHT TO CHANGE THE SEQUENCE OF TEXT MATERIALS AND THE ASSIGNMENT OF CASES.**