Ed.L.D
Graduate School of Education

Professor Michael Tushman
Harvard Business School
Morgan Hall 313
5-5442

Spring 2013

LEADING INNOVATION AND CHANGE

Overview

This mini-course focuses broadly on the determinants of innovation, organizational change, and organizational effectiveness both in the short term as well as over time. We will discuss these issues in a wide variety of contexts. Our course begins with a module on organizational alignment. We will focus on managerial diagnosis and problem solving and will explore the role of structures, systems, competencies, and organizational culture in driving organizational outcomes. We will discuss the role of the leader and his or her team in shaping organizational architectures in service of their organization’s strategy. Our second module focuses on the role of innovation as organizations evolve and on the role of the leader and his/her senior teams in shaping organizational transformation and change. Our final module deals directly with leading large systems change.

Throughout the course we will discuss the role of leaders in shaping innovation and change. We examine how industries are transformed by new technologies, how managerial action shapes product/service class evolution, and how managerial competencies affect the innovativeness of their organization. We also consider a host of organizational issues including business and technology strategy, structures, incentives, cultures, processes, human resource competencies and executive team characteristics that are associated with successful strategic innovation. Because innovation always also involves organization change, we also focus on the pragmatics of leading change. We will explore these issues in a variety of industries and countries.

Specific Course Goals

1. To introduce students to concepts of management and organizational behavior including diagnosis and managerial problem solving, motivation, group dynamics, leadership, organizational culture, human resources management, organization design, leading innovation and change.
2. Through cases and content to familiarize students with some of the core ideas and relevant research in the fields of management, organizational behavior, and innovation.
3. To provide in-class activities (videos, cases, and simulations) designed to help students apply concepts to their own managerial issues.
4. To equip students with a set of tools so that they can manage for short-term results as well as lead their firm to longer-term innovation.
5. To help students reflect on their own personal development and leadership skills.
Course Material:
- iPAC readings

March 4th  Introduction and Overview: The Challenge of Leading Innovation and Change

Video Case: Gunfire at Sea

Organization Diagnosis and Managerial Problem Solving

Case:  SMA: Microelectronic Products Division (A), 9-400-084

Assignment Questions:
From Guido Spichty's perspective:
1. What is his most pressing performance problem?
2. What are the roots of this problem?
3. What should Spichty do; how should he proceed?

Optional Reading:  Tushman and O’Reilly Chapters 3 and 4

March 11th  Strategic Innovation and Organizational Evolution

Case:  USA TODAY: Pursuing the Network Strategy (A), 9-402-010

Assignment Questions:
1. What was the competitive context facing Curley in February 2000?
2. What is Tom’s network strategy and why is his senior team so ambivalent?
3. What should Tom do?

Optional Case: Emerging Business Opportunities at IBM (A)  9-304-075

Assignment Questions:
1. Why do large companies like IBM find it so difficult to create new businesses? What are the primary barriers to success?
2. What is your evaluation of the "horizons of growth" model? What are the distinguishing characteristics of emerging, H3 businesses?
3. How did the EBO management system evolve over time? What was accomplished during:
   - the Thompson era?
   - the Corporate Strategy era?
4. What are the key elements of the current EBO management system? What is your evaluation of the system?
5. How should Harreld:
   - deal with those businesses now reaching H2 status?
   - scale up to increase the number of EBOs?

Lecture/Discussion: Strategic Innovation, Executive Leadership, and Organizational Evolution

Optional Reading:  Tushman and O’Reilly, Chapter 7
March 13  Leading Innovation and Change

Case:  Federal Bureau of Investigation (A), 9-707-500

Assignment Questions:
1. Domestic intelligence must remain within the scope of the FBI's mission. Why?
2. The FBI must narrow its scope, focus on law enforcement, and cede domestic intelligence to a new, specialized agency. Why?
3. Do you find your answer to the first question or the second question more compelling? If you were the President of the United States in late 2001, would you want to keep domestic intelligence within the purview of the FBI, or would you begin to set-up a new, specialized agency for that purpose? Why?
4. Assume that as Robert Mueller, the Director of the FBI, you believe that the FBI should keep domestic intelligence within the scope of its mission. What are your highest priorities as you attempt to remake the FBI?

Optional Reading:  Tushman and O’Reilly, Chapters 8 and 9
O’Reilly and Tushman “Organizational Ambidexterity in Action”, CMR, 2011