

Course Code MGT 518

CHIEF EXECUTIVE OFFICER & TOP MANAGEMENT TEAM

Module 3, 2019-2020

Course Information

Instructor: ZHU Hong, PhD

Office: PHBS Building, Room 666

Phone: 86-755-2603-3781; Email: zhuhong@phbs.pku.edu.cn

Office Hour: 10:30am-12:30pm Thursday & By Appointment

Teaching Assistant: RAO Weiqi

Phone: 86-15611273329;

Email: 1701213772@sz.pku.edu.cn

TA Office: PHBS Building, Room 213/214

TA Office Hours: 13:30-15:30, Monday & Thursday

Classes

Lectures: Monday & Thursday 3:30pm-5:20pm

Venue: PHBS Building, TBD

Wechat Group: 2020M3 CEOTMT

1. Course Description

1.1 Context

Course overview

Chief Executive Officers (CEOs) and Top Management Teams (TMTs) are at the apex of a company. These officers are endowed with the power to run companies and to make key decisions. Their decisions exert profound influences on companies such as company performance and strategic directions, and on every employee including pay packages, career development, working environments and well-beings. Clearly this group of people in companies exerts strong influences on their companies and every employee including you.

Therefore, **it is imperative** for every student in particular in our business school to understand CEOs and TMTs - the key decision makers in companies. *I assume you - a graduate student in our business school in Peking University - have a desire to move up to the middle and top ladders of companies step by step in the coming years.* Only once you understand these key persons including their mindsets, personalities, behaviors and decision making processes (See schedule on page 8-9), you will have good understandings of why some companies such as Alibaba and Tencent could be the top companies in the world in merely 20 years; why other companies suffer from low performance and even disappear from the market; and how to be a successful CEO and/or a top executive.

Target audience

Every student is warmly welcome to take this course.

Prerequisites

Students are required to have completed at least one management course at master/undergraduate level. If students do not meet the prerequisite requirement, you must show the evidence that you have adequate academic backgrounds to the instructor for the approval.

1.2 References and Reading Materials

Course materials will consist of four areas: (1) References; (2) Harvard cases; (3) Powerpoint slides and related academic papers.

(1) Course references

One set of the following two references is available at Office 114. Please contact Jane (Qinzen Liu) at office 114 to borrow these references.

Finkelstein, S., Hambrick, D. C., and Cannella, A. 2009. *Strategic Leadership: Theory and Research on Executives, Top Management Teams, and Boards*. Oxford: Oxford University Press (Finalist, Academy of Management Terry Book Award).

Larcker, D. & Tayan, B. 2011. Labor market for executives and CEO succession planning & Executive compensation and incentives. Chapter 7 & 8. *Corporate Governance Matters: A Closer Look at Organizational Choices and Their Consequences*. New Jersey: Pearson Education, Inc.

(2) Harvard Cases

Harvard cases (Hardcopies) will be distributed one week before case discussion.

(3) Powerpoint (PPT) slides and related academic papers

PPT slides without answers and related academic papers will be emailed to you one week before the lectures. PPT slides with answers will be emailed to you in the weekend after the lectures.

Recommended Readings: I recommend that you read (or browse) a major business newspaper (e.g., *the Wall Street Journal* or *Financial Times*) on a daily basis. You have heard the phrase “readers are leaders.” This is true assuming the reading is relevant. There is a lot to choose from so choose wisely. Most people do not read; this will be a habit that will set you apart.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	No
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes
	2.2. Students will be able to apply leadership theories and related skills.	Yes
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business	Yes

	problems and identify the ethical aspects, provide a solution and defend it.	
	3.2. Our students will practice ethics in the duration of the program.	Yes
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes
	5.3. Our students will demonstrate competency in critical thinking.	Yes

2.2 Course specific objectives

This course contains the frontier academic research, numerical examples, and the analyses of classic and latest cases related to CEOs & TMTs in the global business world. The goals of this course are to (1) facilitate students to develop a solid and comprehensive understanding of these key people; (2) offer students fine-grained analyses of decision making processes of CEOs& TMTs. Armed with such in-depth understandings of CEOs & TMTs, students are more capable of shouldering key responsibilities in organizations competing in the dynamic global market.

2.3 Assessment/Grading Details

	Assessment Task	Weighting
I	Class Participation	10%
II	In-Class Group Case Analyses: Written Reports	30%
III	Final Individual Reports	30%
IV	Final Group Presentations	25%
V	Effective Group Leaders	5%
	Total	100%

*Assignments submitted after the due time will be penalized 10% of the base grade for each 24-hour late.

I.Class Participation (10%)

Please plan to treat this course as an opportunity to practice the professionalism that will serve you well during your career. You owe yourself and your fellow students your presence in the classroom. Meanwhile, please note that nonprofessional behavior (i.e. sleeping in class, chatting with your neighbors during the class time, showing up late to class, reading materials other than those assigned for this class, leaving class early, failing to turn cell phones off, passing notes, eating, rudeness, sarcasm, discrimination, etc.) that creates a distraction is likely to inhibit both your own and your peers classroom learning. As such you can expect that the demonstration of unprofessional behavior will negatively impact your grade in class participation.

Please also note that attendance is a necessary but insufficient condition for participation in a timely manner; this means that simply attending the class is not the same as participating. Participation will

be graded on the basis of the quantity and quality of an individual's contribution to classroom discussion. In fact, we learn best when we are actively involved in the activity we are attempting to master (consider riding a bicycle, studying dentistry).

Being well prepared for class is a prerequisite for high quality involvement, which in turn better enables you to maximize your learning. Hence, it is virtually important and it is also your responsibility that you always have read in advance the materials that will be covered during the class. Your level of preparation for this class will determine your success. Please come to class prepared. Please inform TA the number of times you provide your opinions in the end of each lecture.

***Note: THE MA OFFICE WILL RANDOMLY CHECK YOUR ATTENDANCE.**

*Students with the University approved excuse (e.g., valid medical proof) will have his or her absence excused for that day. Besides, it is the responsibility of the absentees to consult their peers about what were covered in the class.

II. In-Class Group Case Analyses: Written Reports (30%)

Group members: Group members (4-6 members) will be assigned by the Professor at least one week before each group case discussion. TA will send you the seating chart indicating groups through emails/wechats one week before each group case discussion. To ensure students to experience sufficient interactions with each other and to experience group dynamics, group members will be different across six group case discussion.

Group leaders: TA will assign a group leader. Every student will have one opportunity of being a group leader including being the group leaders of final group projects. If you prefer being the group leader of group final projects, please inform TA as soon as possible.

Group leaders will be responsible for (a) taking a laptop to the class; (b) coordinating group discussion; (c) leading the group to discuss the case with other groups. You can agree or disagree with other groups' opinions. If you disagree, you need to tell the rationales. You are welcome to provide different insights; and (d) submitting a written report on time.

Pre-class preparations: Each group member has to read the case and think about case discussion questions INDEPENDENTLY before class.

In-class group case discussion: In class each group member will discuss your thoughts with your group members; and then groups will exchange and/or debate on ideas.

Post-class written report submissions: A written report is no more than *three-page* long excluding the cover page with case title, case #, group #, group leader name and group members' names, and references; and typed in **double-space** and **12 point Times New Roman**. Please submit it before **10:00pm, Sunday** of the week when the case is fully discussed.

This written report should include the following contents:

- (1) A summary of this case that includes key points we discuss in the classroom (around 2 pages)
- (2) Your thoughts about the case beyond our class discussion, if any (around one paragraph).
- (3) The description of how your group discusses the case. For example, how does the group leader lead group discussion; how does each member contribute to group discussion? What does each member contribute? Do you think this round of group discussion is efficient? how do you debate with each other? What could be improved to increase the efficiency and effectiveness of group discussion? etc. (half page)

In your written reports, you should prioritize point (1) and (3), though you are encouraged to have your own insights beyond our case discussion (point 2).

Grading criteria: In the end of the class, the professor will randomly pick up three cases among five (or six) cases; and grade your group performance of these three cases. The grade is based on your group's correct understandings of the concepts and theories, the breadth and depth of

your group's case analyses, your insights beyond the case discussion, and the effectiveness of group discussion in written reports. Every group member receives the same grade.

III. Final Individual Report (30%)

Contents: In the end of the class each student is required to submit an individual report. The final individual report is the reflection of what you have learned in the course. You could focus on a few key concepts/theories and use cases and examples to illustrate these key concepts/theories.

Grading criteria: The individual report is no more than *three-page* long excluding the cover page with your name, student ID number and individual report title, and references; and typed in *single-space* and *12 point Times New Roman*. Please provide your references to the facts/data in your writing. *Please email your individual report to TA and copy the email to the Professor before 10:00pm, April 19.* The Professor will grade your individual report based on the relevance and accuracy of your contents, the logics, rationales and depth of your analyses, the format and your diligence shown in the report.

IV. Final Group Project: Presentation (25%)

To facilitate students' awareness about, and sensitivity to CEOs and TMTs in the business world dynamics, as well as apply what is learned throughout the course, students are required to form groups and prepare a group case presentation in the last lecture (April 16).

Group members: Please email TA your group members (4-6 students) and the group leader before **March 19**. If TA does not receive your preference, TA will assign students into different groups with group leaders.

Group leaders will be responsible for (a) assigning tasks among group members; (b) calling for group meetings to discuss the final project; (c) coordinating among members and facilitating the completion of the final project before the deadline; and (d) submitting the PPTs on time and making sure the quality of the presentation.

Topics: The principle is "first come, first served." Please email TA the name of the CEO/TMT of your final presentation as soon as you could and copy the email to the Professor.

Contents: Your group presentation should include the following parts:

- (1) A brief introduction of a CEO/TMT; and the affiliated company.
 - a) The CEO/TMT in your final group project should not be discussed in lectures and case analyses.
 - b) You are encouraged to analyse a CEO/top manager that you admire most.
 - c) Groups should analyse different CEOs/TMTs. The principle is "first come, first served."
- (2) An analysis of several key aspects of the CEO/TMT. For example,
 - a. What contributes to their successes? What makes them fail?
 - b. How do CEOs/TMTs lead their companies?
 - c. How do CEOs/TMTs make strategic decisions?
 - d. What are the roles of CEOs/TMTs in mergers and acquisitions (M&As) or cross-border M&As?
 - e. Other topics such as CEO turnover and succession and executive compensation. etc.

The above topics are examples. Your final presentations are not limited to these topics. You can cover any topics we discuss in the class.

(3) Conclusion

Submissions: Please email TA the draft of PowerPoint slides before or on April 13 and copy the email to the Professor. Please submit the finalized version of your PPT slides to the TA before 10:00pm on April 16.

Presentation: The sequence of the presentation follows the alphabetical sequence of each group leader's surname. Not every member is required to present and you could send the best presenters. The presentation will last 15-20 minutes excluding 3-5 minutes Q&A session.

Grading criteria include: the number of concepts and theories included in the analyses, accurate understandings of concepts and theories, the application of concepts and theories to analyze the case,

the depth and quality of your analyses, critical thinking, quality of PPTs, presentation quality, professional dress, efforts in the final project, the quality of your answers to the questions, and completion of the presentation within time limit. Marks will be deducted if the time limit is exceeded.

V. Effective Group leaders (5%)

If you are a group leader, you will automatically receive 5%.

2.4 Communications

TA will be responsible for creating a wechat group (2020M3 CEOTMT) for this course. Each student is required to join the wechat group. Each student should use his/her real name (Chinese/English names in this wechat group). Announcements will be posted through the wechat.

In Lecture 2, each group leader of case 1 will be responsible for submitting a group photo indicating each member's Chinese name and English name to TA and copy the email to me. The photo should clearly show each member's face and manner.

NOTES:

- (1) The number of students in each group, the number of groups and the presentation time will be decided based on the number of registered students after the add-drop period.
- (2) The number of cases we will discuss will depend on our progress in the module.

2.5 Academic Honesty and Plagiarism

Course materials and assignments

1. Please do not share course materials with students who do not register for the course.
2. Please complete your assignments by yourself.

If you violate the above regulations, please refer to Handbook for PHBS students for relevant punishments as shown below.

Handbook for PHBS students

Please refer to Handbook for PHBS students. It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*

Topics, Teaching and Assessment Schedule (*The temporary one: the schedule will be adjusted on the basis of our progress)

Week		Date	Lecture	Contents
1	Monday	17-Feb	1	Introduction
				(1a) Course Introduction
				(1b) Related Reading Materials: Quigley, T.J. & Graffin, S.D. 2017. Reaffirming the CEO effect is significant and much larger than chance: A comment on Fitza (2014) <i>Strategic Management Journal</i> , 38: 793-801.
	Thursday	20-Feb	2	CEO and Top Management Team: Concepts
				(1) CEO & Top Management Team: Concepts
				(2) An important phone - 2018-06-21
2	Monday	24-Feb	3	(3) Exercise 1: The world's billionaires: Where does their wealth come from? Being a founder/CEO/TMT member
				CEO: Strategic Decision Making and its Profound Effects I
				(1) Mini-case 1: Golden Mine Case A
				(2) Theoretical framework: Decision making framework in real business worlds
	Thursday	27-Feb	4	(3) Mini-case 2: The rise of wechat
				(4) Mini-case 3: Google acquires YouTube for 1.65 billion in stock
				CEO: Strategic Decision Making and its Profound Effects II
3	Monday	2-Mar	5	(1) Video: The Secret to Alibaba's Culture Is Jack Ma's Apartment
				(2) Warm-up Case: Alibaba's Jack Ma: Rise of the new Chinese entrepreneur (HKU-Harvard Business Publishing Case)
	Thursday	5-Mar	6	Top Management Team: Strategic Decision Making with Team Dynamics and Implementation I
				(1) Mini-case 4: Golden Mine Case B
4	Monday	9-Mar	7	Top Management Team: Strategic Decision Making with Team Dynamics and Implementation II
				(1) Mini-case of TMT: Journey to the west
	Thursday	12-Mar	8	(2) Top Management Team: composition, size and dynamics
				Top Management Team: Strategic Decision Making with Team Dynamics and Implementation III
5	Monday	16-Mar	9	(1) Case 1: Decision making at the Top: The all-star sports ebusiness division (Harvard Business School case)
				Top Management Team: Strategic Decision Making with Team Dynamics and Implementation IV
				(1) Case 2: Blake Sports Apparel and Switch Activewear: Bringing the Executive Team Together (Harvard Business School case)
	Thursday	19-Mar	10	(1) Case 3* The late bloomer: ZPMC CEO Guan Tongxian (Tsinghua SEM-Harvard Business Publishing Case)
				*Case 3's key theme: The Entrepreneur/CEO's Chinese traditional Confucianism value: his startup decision and leadership style
				CEO and Top Executives: Bounded Rationality in Strategic Decision Making I
				CEO and Top Executives: Bounded Rationality in Strategic Decision Making II
				(1a) Bounded rationality concept: Executive personality

				(1b) Related reading material: Zhu, D. H., & Chen, G. L. 2015. CEO narcissism and the impact of prior board experience on corporate strategy. <i>Administrative Science Quarterly</i> , 60: 31–65.
6	Monday	23-Mar	11	CEO and Top Executives: Bounded Rationality in Strategic Decision Making III
				(1a) Bounded rationality concept: executive experience
				(1b) Related reading material: Cohen, Wesley, M. & Levinthal, Daniel A. 1990. Absorptive Capacity: A New Perspective on Learning and Innovation, <i>Administrative Science Quarterly</i> , 35, 128-152.
	Thursday	26-Mar	12	CEO and Top Executives: Bounded Rationality in Mergers and Acquisitions
				(1) Case 4 Sunac's Acquisition of Greentown in the Chinese Real Estate Market (A) (NSEAD-Harvard Business Publishing Case)
7	Monday	30-Mar	13	CEO and Top Executives: Bounded Rationality in Cross-border Strategies
				(1a) Game 1: Power distance cultural value of CEOs and post-acquisition integration of cross-border M&As
				(1b) Related reading materials: Huang, Zhi., Zhu, Hong., & Brass, Daneil. 2017. Cross-border acquisitions and the asymmetric effect of Power Distance value difference on long-term post-acquisition performance. <i>Strategic Management Journal</i> , 38 (4): 972-991
				(1c) Related reading materials: Zhu, Hong., & Zhu, Qi. 2016. Merger and acquisition by Chinese firms: A review and comparison with other merger and acquisition research in the leading journals. <i>Asia Pacific Journal of Management</i> , 33 (4): 1107–1149.
				(2) Game 2: Blue chip game
	Thursday	2-Apr	14	CEO and Top Management Team: Key Challenges
				(1) Mini-case 5: Jack Ma's crisis management: a leaked email to employees regarding share price performance
				(2) Mini-case 6 :Google & Alphabet (G&A) -how to tackle challenges (Harvard Business Review)
8	Monday	6-Apr	15	CEO and Top Executives: Compensation and Incentives
				(1) Case 5: Executive Compensation at General Electric (A) (Harvard Business School)
				(2) CEO and top executives' compensation and incentives: concept and theory
	Thursday	9-Apr	16	CEO and Top Executives: Turnover and Succession I
				(1) Case 6 : Founder-CEO succession at Whily Technology (Harvard Business School case)
				CEO and Top Executives: Turnover and Succession II
9	Monday	13-Apr	17	(1a) CEO turnover and succession: concept and theory
				(1b) Related reading materials: Shen, W., & Cannella, A. A., Jr. 2002. Revisiting the performance consequences of CEO succession: The impacts of successor type, postsuccession senior executive turnover, and departing CEO tenure. <i>Academy of Management Journal</i> , 45(4): 717-733.
				(1c) Related reading materials: Harvard Business Review Spotlight: The Best-performing CEOs in the world 2018
	Thursday	16-Apr	18	Final Group Presentations