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HPM 820

Leadership Theory and Practice

Fall 2009

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It is not enough for graduates of this program to become first-rate leaders of organizations. If they are to improve the public's health, they must also lead people and organizations over whom they have no authority.

Course Overview

Content: As this is the first of several leadership courses in the DrPH curriculum, it introduces and explores a variety of topics, some of which are addressed in greater depth in later courses. This course examines several of the major approaches to understanding leadership: Power-influence, trait, situational, and participative.

Approach: There is often no one right way to lead effectively (although there can be multiple wrong ways). Consequently, it makes sense not to teach leadership didactically, but to learn by examining theories, issues, and situations, and by exchanging and critiquing each other's ideas, methods, and rationales. Therefore, students will be provided readings and cases studies, which will be explored in-depth in structured, highly interactive, live sessions. Also, students will be assigned small group (three-four person) projects and will present and defend their group's conclusions in class.

Course Objectives

1. Understand key leadership theories and be able to use them effectively in developing solutions to relevant case studies and issues.
2. Refine your understanding of yourself and your approach to leadership, and enhance your appreciation of others and their approaches and of your ability to work effectively with them.
3. Understand key principles of effective leadership.
4. Know what resources should be applied in what order at what times and in what ways to achieve change.
5. Know what stakeholders should be involved in given situations and how to work with them to lessen opposition and increase support for change.
6. Understand methods of motivating employees and promoting creativity.

Grading

Small group project reports	20%
The case study	33%
Paper on Gergen's "Seven Lessons of Leadership"	20%
Level of class preparation and quality of participation:	25%
Mid-term exams*	2%

- Don't panic. These are gifts of one point each, kind of like throw away bonus questions. It's just me being weird and having fun. These single question, open book, non-exams are shown below in the "Schedule" section under 9/15 and 10/13.

H: 90 and above
P: 75 - 89
L: 60 – 74
F: Less than 60

Readings

Required Books

Yukl G. *Leadership in Organizations (6th ed.)*, Upper Saddle River, New Jersey: Prentice Hall, 2006.

Collins J. *Good to Great and the Social Sectors* (monograph), New York: Collins, 2005.

Required Articles: All articles can be accessed via this link:
<http://eres.hsl.unc.edu/eres/coursepass.aspx?cid=1678>

Other Books: (Not required. These are listed simply as a service.)

On Health Care in the United States:

Bartlett DL and Steele JB. *Critical Condition: How Health Care in America Became Big Business and Bad Medicine*, New York: Doubleday, 2004.

Barton PL. *Understanding the U.S. Health Services System*, Second Edition, Chicago: Health Administration Press, 2003.

Hadler NM. *The Last Well Person: How to Stay Well Despite the Health-Care System*. Montreal: McGill-Queen's University Press, 2004.

Institute of Medicine. *The Future of the Public's Health in the 21st Century*, Washington, DC: National Academies Press, 2003.

Lee PR and Estes CL. *The Nation's Health*, Sixth Edition, Sudbury, MA: Jones and Bartlett Publishers, 2001.

Starr P. *The Social Transformation of American Medicine*, New York: Basic Books, 1982.

Sultz HA, Young KM. *Health Care USA: Understanding Its Organization and Delivery*, Fourth Edition, Sudbury, MA: Jones and Bartlett Publishers, 2003.

William SJ and Torrens PR. *Introduction to Health Services*, Sixth Edition, Albany, NY: Delmar Publishers, Inc., 2002.

On Leadership: (Of the thousands of books on leadership, a few of my favorites. . .)

Bennis W, Spreitzer GM, Cummings TG (eds.). *The Future of Leadership: Today's Top Leadership Thinkers Speak to Tomorrow's Leaders*, San Francisco: Jossey-Bass, 2001.

Buckingham M and Coffman C. *First, Break All the Rules: What the World's Greatest Managers Do Differently*, New York: Simon and Schuster, 1999.

Collins J. *Good to Great: Why Some Companies Make the Leap. . . and Others Don't*, New York: Harper Business, 2001.

Fisher R and Ury W. *Getting to Yes: Negotiating Agreement Without Giving In*, New York: Penguin Books, 1981.

Gergen D. *Eyewitness to Power: The Essence of Leadership, Nixon to Clinton*, New York: Simon and Schuster/Touchstone, 2000.

Heifetz RA. *Leadership Without Easy Answers*, Cambridge, Massachusetts: The Belknap Press of Harvard University, 1994.

Iacocca L (with Whitney C). *Where Have all the Leaders Gone?* New York: Scribner, 2007.

Institute of Medicine. *Leadership by Example: Coordinating Government Roles in Improving Health Care Quality*, Washington, DC: National Academies Press, 2003.

Rowitz L. *Public Health Leadership: Putting Principles into Practice*, Sudbury, Massachusetts: Jones and Bartlett Publishers, 2003.

UNC-Chapel Hill Honor Code

The principles of academic honesty, integrity, and responsible citizenship govern the performance of all academic work and student conduct at the University as they have during the long life of this institution. Your acceptance of enrollment in the University presupposes a commitment to the principles embodied in the Code of Student Conduct and a respect for this most significant Carolina tradition. Your reward is in the practice of these principles.

Your participation in this course comes with the expectation that your work will be completed in full observance of the Honor Code. Academic dishonesty in any form is unacceptable, because any breach in academic integrity, however small, strikes destructively at the University's life and work.

If you have any questions about your responsibility or the responsibility of faculty members under the Honor Code, please consult with either the Office of the Student Attorney General (966-4084) or the Office of the Dean of Students (966-4042).

You should be sure to read "The Instrument of Student Judicial Governance" (www.unc.edu/student/policies/isjg/).

Course Evaluation

The Department of Health Policy and Management is participating in the Carolina Course Evaluation System (CES), the university's online course evaluation tool, enabled at the end of each semester. Your responses will be anonymous, with feedback provided in the aggregate; open-ended comments will be shared with instructors, but not identified with individual students. Your participation in CES is a course requirement, as providing constructive feedback is a professional expectation. Such feedback is critical to improving the quality of our courses, as well as providing input to the assessment of your instructors.

FYI: Required Human Subjects Training

The University requires that all faculty, staff and students who are engaged in the planning, conduct or analysis of research at UNC-Chapel Hill involving human subjects complete an online training module. *This training must be completed before you can begin work on your dissertation.* We recommend that you complete this module during your first semester in the Doctoral Program.

The **Office of Human Research Ethics (OHRE)** is responsible for ethical and regulatory oversight of research at UNC-Chapel Hill that involves human subjects. The OHRE administers, supports, and guides the work of the Institutional Review Boards (IRBs) and all related activities. Any research involving human subjects proposed by faculty, staff, or students must be reviewed and approved by an IRB before research may begin, and before related grants may be funded. OHRE and the IRBs are critical components of the coordinated Human Research Protection Program, which serves to protect the rights and welfare of human subjects.

A link to the online training module and details about the module can be found at <http://ohre.unc.edu/educ.php>. The [Collaborative IRB Training Initiative](https://www.citiprogram.org/default.asp) (CITI) at <https://www.citiprogram.org/default.asp> (direct link to the sign-in page for the module) is a web-based training package on issues relating to human subjects research. The CITI web site is maintained by the University of Miami, with content developed by a national consortium. CITI contains modules on topics like informed consent, vulnerable populations, ethical principles and IRB regulations. Each module has a short quiz at the end to assess understanding. Over 400 institutions are using CITI for their mandatory training.

PAPER

David Gergen served as advisor to Presidents Nixon, Ford, Reagan, and Clinton. He also worked for George H. W. Bush when he first sought the presidency and for Jimmy Carter after he left office. From these experiences, Gergen wrote *Eyewitness to Power: The Essence of Leadership, Nixon to Clinton* (New York: Simon and Schuster/Touchstone, 2000). He devotes a chapter to each of the four presidents he advised, probing and explaining their strengths and weaknesses. He concludes his book with the following “Seven Lessons of Leadership:”

1. Leadership Starts from Within. He says, for example that Nixon was a superb strategist and Clinton was an extraordinary tactician, but “each was the author of his own downfall. Nixon let his demons gain ascendance, and Clinton could not manage the fault lines in his character. They were living proof that before mastering the world, a leader must achieve self-mastery.”
2. A Central, Compelling Purpose. “Among recent executives, only Reagan was clear about his central goals – to reduce taxes, reduce spending, cut regulations, reduce the deficit, and increase the defense budget.” (Gergen doesn’t say that Reagan achieved his goals.) “By contrast, consider Ford, Carter, Bush, and Clinton. They had high hopes, too, but never articulated a central, compelling purpose for their presidencies, and they all suffered as a result.”
3. A Capacity to Persuade. Gergen praises Kennedy and Reagan for their ability to get the public to buy into their goals. He also says that “Clinton is unusually good at explaining complex public policies in simple terms that connect with his audiences,” but he talked so much “that overexposure has dulled his impact.”
4. An Ability to Work within the System. Persuasion isn’t enough. For a president to succeed, he must also “be effective at working with other elements,” which for presidents includes Congress, the press, and Washington’s political elite.
5. A Sure, Quick Start. Hit the ground running. “The difference between Reagan’s quick start and Clinton’s stumbles put one on the path toward a succession of legislative triumphs and the other on the road to a debacle in health care and a loss of Congress.”
6. Strong, Prudent Advisors. “The best presidents are the ones who surround themselves with the best advisors.”
7. Inspiring Others to Carry On the Mission. All eight of the presidents who came after Franklin Roosevelt “lived in his shadow” by at least accepting

the New Deal, if not furthering it. With the possible exception of Reagan, no recent president “has come close” to achieving such a legacy.

In 4-5 pages, write how and why you would change this list. Would you remove any of these seven? Which one(s) and why? Would you add anything? What and why? Would you change any of Gergen’s “lessons?” Which ones? Why? Would you leave it just as it is? Really? Don’t tell me you can’t improve on Gergen! NOTE: You need not read Gergen’s book. Just go with the above.

The paper is due on Tuesday, October 6.

SEMESTER PROJECT: CREATING A CASE STUDY

By August 27: *Choose two leaders/organizations from among the following. I will assign you one of your two choices.*

- CEO of drug manufacturer
- Rural county public health officer
- Health officer of a major city
- Head of Florida’s disaster management agency
- CEO of a not-for-profit whose mission is to prevent child abuse and treat victims of child abuse
- CEO of a not-for-profit hospital
- CEO of a for-profit hospital
- Director of the Centers for Disease Control and Prevention
-

By November 24: *Finish writing your 3-5 page case study according to the following. Send your case study to Ned and your fellow students.*

Basic content:

- The case study should contain relevant organizational, personnel, financial, and workload information about the organization.
- It should present relevant information about the “community,” for example: Population characteristics, health status indicators, public health and health care resources, and key stakeholders.

The scenario:

- Your organization faces some internal issues. Work at least one such issue into your case study. Examples of internal issues include:
 - o Emergency department overwhelmed by people needing non-emergency care
 - o Growing financial strains
 - o Inadequate internal systems
 - o Rebellious or inept or lazy (or whatever) staff

- Your organization also has to adapt to external realities. Work at least one such externality into your case study. Examples include:
 - o Unsupportive and/or meddling political leader
 - o Rapidly growing subpopulation (the elderly, Latinos, the filthy rich)
 - o An economic crisis is occurring (a big plant has closed, the country is falling into a deep recession, etc.)
- Your “community” (city, county, Florida, nation) depending on which leader is involved) has one or more serious public health needs, including for example:
 - o An epidemic of obesity
 - o Almost constant smog
 - o The bird flu has hit.

The question a reader of the case study needs to address:

- The reader is a consultant to the leader and must propose and defend how the leader should deal with the public health issue while also addressing the internal issue(s) and must do so within the external realities.

At the end of the case study, write a paragraph or two that explains its learning objectives.

Evaluating the case studies:

- Is it realistic?
- Is the reader given enough appropriate information?
- Is it well written? Is it clear? Is the flow of information logical?
- Are any tables and charts relevant and easy to understand?
- Does the case study reveal an understanding of relevant content in Yukl and other readings?
- Do the learning objectives follow logically from the case study?

An example case study from 2006 for you to use as a guide:

Siena Pharmaceuticals: At a Crossroads?

by Susan Helm-Murtagh

Isabella Brunello, CEO of Siena Pharmaceuticals, had a terrible headache. She carefully navigated her Porsche Boxster into the garage of her multi-million-dollar home in Governor’s Club, a wealthy enclave in Chapel Hill, North Carolina. Tossing her keys on the counter and heaving a huge sigh, she poured herself a glass of chianti and sat down to think.

Siena Pharmaceuticals, Inc., (SPI, NYSE) is a Durham-based pharmaceutical company, founded in 1990 by a UNC Kenan-Flagler graduate with a philanthropic bent. The company’s original mission was to produce influenza vaccine. Siena had a promising future, attracting significant

venture capital for the first three years. In 1995, the company celebrated a very successful initial public offering (IPO) of stock. But increasing regulation and oversight of the vaccine industry, tight margins, and the reluctance of insurers to provide sufficient reimbursement levels to providers suppressed demand and resulted in consistent failure to meet earnings projections; as a result, the stock price tanked. In 1999, when Siena was on the verge of bankruptcy, Brunello was brought on board to engineer a turnaround.

In 2005, after fourteen years of poor financial performance, Siena reported net profit of \$4.5 million on sales of \$45 million, somewhat below the industry margin average of 14%, but still respectable. Brunello had restored stakeholder trust by publicly committing to dedicate organizational resources to “innovative product development and the successful pursuit of sustainable markets.” Combining this strategy with lucrative, profit-based incentive programs had allowed her to attract key talent in research and development (R&D), marketing and manufacturing – areas that had traditionally been Siena’s functional weaknesses.

Brunello’s senior management team is now composed of the pharmaceutical industry’s best and brightest; she invested years and a tremendous amount of energy and company capital in recruiting and building the team. She has been focused on developing shared objectives, building mutual trust and cooperation, instilling confidence and optimism in the group, and acquiring the resources that the team needs to function successfully. She strongly believes that group decisions are far superior to individual decisions.

The company returned to profitability by exiting the vaccine market and focusing on blockbuster drug development. While there are several promising drugs in its pipeline, Siena’s new obesity drug, Liposuc, has been wildly successful and hugely profitable. Approved by the FDA in 2003, it has been hailed as a “miracle drug” -- patients can lose up to 5% of their body weight each month while taking the drug, without exercise and without dietary changes. Once the patient reaches his or her target weight, he or she simply takes a maintenance dose (half of the original weight-loss dosage). No significant adverse side effects have been reported to date.

However, since the drug is considered a lifestyle drug, it is not covered by health insurers. It is relatively expensive -- \$100 per month for the average patient -- so Siena’s target market is composed of overweight and obese adults with annual per capita incomes in excess of \$50,000.

Still, demand has been unprecedented; by devoting all resources to marketing and manufacturing, Siena is forecasting 100% revenue growth each of the four remaining years that the drug patent is in place, with profit margins of 27% of revenue. That is projected to double Siena’s current stock price next year, providing millions of additional dollars in precious capital for investment in research and development of the drugs in Siena’s pipeline and potentially lucrative extensions of Liposuc.

Siena’s future looks very bright. And so does Brunello’s; should the company meet the projections for Liposuc sales over the next four years, she stands to make more than \$10 million each year in bonuses. Her senior managers will make \$3-5 million apiece each year. Any additional successful drugs that come out of Siena’s pipeline will only add to those figures – “icing on the cake,” as her CFO puts it.

As a result of the company’s performance under Brunello’s leadership, the board has given her a great deal of decision-making authority. The majority of her proposals have gotten approval with little or no debate at board meetings. She has also become a shareholder darling; if an idea or

initiative is promoted as Brunello's, there is an almost immediate and positive impact on the stock price.

Liposuc is not the cause of Brunello's headache, though. A new avian flu strain has spread from Asia to the United States. North Carolina is now reporting three cases, while Florida and Louisiana are reporting one case each. Experts cannot agree on the true severity of the threat; it is not clear how the victims were infected or how the disease is being spread. Projections of infection rates range from a few additional isolated cases to a full pandemic. In the pandemic scenario, more than a quarter of the world's population will become infected within six months – on par with the 1918 Spanish flu outbreak. Experts do agree on one statistic: More than half of those infected with the virus will die. In the grim pandemic scenario, that adds up to more than 800 million flu deaths worldwide.

The United States is experiencing a vast shortage of vaccine, due to the number of companies that have abandoned the market. Because of its history and its competencies, Siena is one of only two companies worldwide that can produce a sufficient amount of vaccine in time to prevent the flu pandemic. Since the flu strain is expected to continuously mutate, the company will have to make a multi-year investment in research and development and manufacturing. Unfortunately, the decision to produce or not produce the vaccine, and the concomitant significant resource investments, must be made well before the severity of the outbreak is known.

Before she accepted the position at Siena, Isabella did her homework on the vaccine industry; she is painfully aware of the obstacles to success in that market. The government pays razor-thin margins to manufacturers for producing the vaccine. To compound matters, any patent protections are waived to allow as many companies as possible to produce the vaccine, making it difficult to corner the market and set potentially profitable prices.

In addition, the liability risk is significant, and is a primary reason for the mass exodus of suppliers from the industry. In October of 2000, vaccine producer Wyeth was fined \$30 million for manufacturing violations and an additional \$15,000 each day it remained out of compliance. In 2002, the company left the flu vaccine market after twenty years of production.

Finally, insurers are reluctant to provide reimbursement levels that are attractive to providers, as flu vaccines are typically not seen as cost-effective. This effectively suppresses demand and shuts down a potential source of profit for vaccine makers.

Brunello is facing a difficult dilemma: The successful production of the vaccine will require devoting all corporate resources to vaccine development and production. That will include the time and talents of the team that she has so painstakingly recruited with the promise of innovative product development and company profitability.

In that case, the patent on Liposuc will expire before Siena can fully penetrate that market, gain loyal users and develop additional drugs as patent extensions. In addition, the other promising drugs in Siena's pipeline will have to lie dormant, giving competitors the opportunity to patent and bring those ideas to market first.

Isabella does several quick calculations. Sole pursuit of the vaccine strategy, without any changes to liability legislation and current reimbursement levels by the government and insurers, will assure a return to the significant net losses of previous years and potential bankruptcy. It will also mean that she and her executive team will receive less than 10% of their projected bonus income next year and none after that.

Isabella picks up the phone to call her most trusted advisor, an executive at C2 Consulting. She has jotted down a list of questions.

Should Siena pursue the flu vaccine, or leave it to the other drug manufacturer?
How much should Brunello involve her senior team in the decision?
How might Siena mitigate the risks of pursuing the vaccine market?
What can she do to maximize the chances for success of the company's decision?
What stakeholders should she consider? What role(s) can they play?

Learning objectives

There are five leadership-related learning objectives:

1. Ethical leadership – Brunello, and Siena Pharmaceuticals, must choose between the pursuit of continued company and individual profit from a lifestyle drug or preventing a potential worldwide flu pandemic. The latter choice comes at a potential high (if not fatal) performance cost to the company, and will involve a significant departure from the “sexy” strategy and the compensation levels that she used to recruit her management team. (Yukl, Chapter 14)
2. Leadership in teams – The CEO must decide how much she engages her leadership team in the decision. A group decision model may produce a better decision (and is in line with her style), but an individual decision may potentially protect her team from the consequences of the wrong choice. (Yukl, Chapter 11)
3. Strategic leadership – Siena must choose between two divergent strategies (or possibly consider developing one or more partnerships). Brunello must evaluate how effective the chosen strategy will be, whether it builds on core competencies, if it is relevant to the company's long-term objectives, and if it is feasible in terms of current capabilities. (Yukl, Chapter 12)
4. Motivation – How does the CEO best motivate her team to align with the decision? Have her recruiting tactics limited the company's risk profile and strategic flexibility? (Herzberg)
5. Power and influence – Potential solutions include partnering with other manufacturers to spread the cost and risk, negotiating with insurance companies to raise the levels of reimbursement, and convincing the government to ease liability and up funding. How does the CEO use the different types of power and influence internally and externally to help Siena's strategy succeed? (Yukl, Chapter 6)

Another example is the case study assigned for Dec. 1 below.

SCHEDULE

NOTE: Unless otherwise noted, assignments are to be sent electronically to Ned by noon Monday, the day before class.

During the August visit to campus: **Introduction to the course**

PART ONE – On Leadership Generally

9/8 **A. It's All About You: Know Thyself** (4:00pm)

Goals:

- a. To understand oneself and to relate that understanding to one's leadership style.
- b. To understand other's characteristics and their approaches to leadership.
- c. To begin to understand what you value in others and why.

Reading:

Yukl, Chapter 7

Preparation: (Individual)

Take an abbreviated Myers-Briggs (www.humanmetrics.com/cgi-win/JTypes1.htm).

In class: What does Myers-Briggs say about you and the others? Is Myers-Briggs useless?

B. Public Health Leadership: What Is It?

Goal: To better understand the nature of successful leadership. Does public health leadership differ from leadership generally? If so, how? What are the core health leadership competencies?

Readings:

Yukl, Ch. 1

National Center for Healthcare Leadership. Health Leadership Competency Model, version 2.0, Summary, 2004

<http://www.nchl.org/ns/documents/CompetencyModel-short.pdf>

Public Sector Consortium. The Leadership Dilemma in a Democratic Society, 2003.

http://www.govleaders.org/leadership_dilemma.htm

Preparation: (Individual) List the top five competencies that health leaders must have. Be clear.

In class: Discuss, debate, and defend everyone's lists of competencies.

9/15 **Cleaning the Slate & Challenging Assumptions** (5:35pm)

Goals:

- a. To have as open a mind as possible leading into this course and the DrPH program.
- b. To think critically by critiquing the experts.

Readings:

Ghoshal S. Bad Management Theories Are Destroying Good Management Practices, *Academy of Management Learning & Education* 4(1), 2005, 75-91.

<http://journals.aomonline.org/amle/v4n1.html#>

Galvin R. 'A Deficiency of Will and Ambition': A Conversation with Donald Berwick, *Health Affairs* (Web Exclusive), January 12, 2005, W5-1 – W5-9.

<http://content.healthaffairs.org/cgi/reprint/hlthaff.w5.1v3>

Holland K. Is It Time to Retrain B-Schools? *The New York Times*, March 15, 2009.

<http://www.nytimes.com/2009/03/15/business/15school.html>

Preparation: (Small groups) Prepare a Power Point presentation that assesses the Ghoshal article. What are its most salient or important points? What, if anything, do you disagree with? Why? What, if anything, would you add that would make the article more complete? Why?

In class: Discuss and debate one group's presentation

Mid-Term "Exam:" One point

Which of the following is a "double hermeneutic"? (See Ghoshal, p. 85)

- a. Pertains to the theory developed by the "two Hermans," Herman Melville and George Herman Ruth that large whales are poor baseball players.
- b. Impressive sounding academic jargon, which could be more clearly stated using common words.

- c. Similar to a double latte except that Diet Dr. Pepper is used instead of milk.
- d. Two interpretative or explanatory theories.
- e. “b” and ‘d” above.

PART TWO – Leading Organizations

9/29 **It’s Not All About You: Leading Teams** (5:35pm)

Goals: “The work of a business, of a government bureaucracy, of most forms of human activity, is something pursued not by individuals, but by teams.” - Andrew Grove in *High Output Management*

- a. Know what leaders can do to improve small group performance.
- b. Know the factors that promote good performance and those that hinder it.
- c. Know what can be done to improve group cohesiveness and focus.

Readings:

Yukl, Ch. 11

Berwick DM. *Escape Fire: Lessons for the Future of Health Care*, The Commonwealth Fund, 2002 (ISBN 1-884533-00-0).

http://www.commonwealthfund.org/usr_doc/berwick_escapefire_lowres_563.pdf?section=4039

Preparation: (Small groups) Case Study: “Carolina Center for Public Service: A Rocky Moment.”

In Class: Presentation by one of the groups of its response to the case study, and discussion.

10/6 **Could They Possibly Have Made More Mistakes?** (4:00)

Goal: To think holistically. Numerous factors affect decisions and decisions have numerous consequences, some of which are unintended. One of the leaders who spoke with the first cohort of students a year ago said that you cannot learn from others’ mistakes. Do you agree?

Readings:

Burns LR, Cacciamani J, Clement J, Aquino W. The Fall of the House of AHERF: The Alleghany Bankruptcy, *Health Affairs* 19(1), January/February 2000, 7-39.

<http://content.healthaffairs.org/cgi/reprint/19/1/7.pdf>

Yukl, Chapter 12.

Preparation: (Individual) Prepare for an in-class discussion about what AHERF's leaders did right, did wrong, and what they should have done better. No need to produce a document for this session.

In class: Discuss the reasons for AHERF's fall and draw lessons from the case.

October 6 ***Send your Gergen papers to Ned and your fellow students..***

10/13 **From the Trailing Edge to the Cutting Edge: The Transformation of the VA Healthcare System** (4:00pm)

Goal: Leadership is making change. This session aims at identifying and understanding the factors related to and methods of creating change.

Readings:

Kizer KW, Fonseca ML, Long LM. The Veterans Healthcare System: Preparing for the Twenty-First Century. *Hospital and Health Services Administration* 42(3), 1997, 283-298.

Everyone's papers on Gergen's "Seven Lessons of Leadership."

Yukl, Chapter 10

Preparation and in class: (Individual)

(A) Write in bullet format (not narrative) your top three to five responses to each of the following in-class discussion points:

1. What factors helped enable the transformation of the VA Healthcare System?
2. What factors were barriers to change?
3. What are the major lessons learned from the transformation/

(B) Discuss Gergen's "Seven Lessons of Leadership" and your papers.

Mid-term "exam:" One point

Which of the following is NOT one of Yukl's "Guidelines for People-Oriented Actions"?

- a. Create a sense of urgency about the need for change.
- b. Help people deal with the pain of change.
- c. Let them eat cake.
- d. Provide opportunities for early success.
- e. Demonstrate continued commitment to the change.

10/20 **Motivation** (5:35pm)

Goal: Motivation is fundamental to leadership. Leaders who don't motivate others aren't leaders. At best, they're bosses. This session aims at understanding the pros and cons of the many ways in which people motivate others.

Readings: All three are classics.

Kerr S. On the Folly of Rewarding A, While Hoping for B, *Academy of Management Executive* 9(1), 1995, 7-14.

<http://pages.stern.nyu.edu/~wstarbuc/mob/kerrab.html>

Herzberg F. One More Time: How Do You Motivate Employees? In *Harvard Business Review on Motivating People*, Boston: Harvard Business School Publishing, 2003.

<http://www.skylakebios.com/2%20Herzberg%20kita.pdf>

McClelland DC, Burnham DH. Power Is the Great Motivator, in *Harvard Business Review on Motivating People*, Boston: Harvard Business School Publishing, 2003.

Preparation: (Individual) It seems every time you turn around another management guru is writing about motivation and many of them produce lists of their golden rules for motivating employees:

"Make people's work fun."

"Set clear goals and use monetary incentives to inspire workers to achieve the goals."

"If an employee is not self-motivated, there is little the manager can do."

"Fear motivates powerfully in the short run, but is counter-productive over time."

So, now you're the guru. Given the readings and your own experience, make a list of your six top golden rules. No more than six. Each rule can be no more than two sentences.

In class: Be prepared to defend your rules and to challenge others'.

PART THREE: Leading Outside the Organization

11/17 **Power and Influence** (5:35pm)

Goals:

- a. Understand the sources and nature of power and how to use it to influence others' behavior.
- b. Know how to influence others' behavior when you have no "position power" over them.

Reading: Yukl, Chapter 6

Preparation: Small groups deal with this situation:

You're in Harrison County, SC. Population: 87,000. County seat: Jonesville. Population: 26,000. The County's two major textile plants closed within the last three years putting 4,800 people out of work. The chief drivers of the weak economy are hog and peach farming, some small and struggling textile plants, one furniture maker employing 350 people, and restaurants and motels along I-95, which runs through the eastern half of the County. About 40% of the population is white, 40% African-American, and 20% Latino, although the Latino population doubles in late summer when the peaches are harvested. The whites dominate business and politics in the county. 18% of the adults are unemployed. The high school drop out rate is 12% a year. The average annual family income for whites is \$37,980; for blacks, \$27,280; and for Latinos, \$22,660. One-third of the population has private health insurance, one-third is on Medicaid or SCHIP, and one-third is uninsured. (Two years ago, only 20 percent were uninsured.)

As for health care, the not-for-profit M. Willis Winston Hospital (named for the long deceased founder of one of the big textile plants) has 65 beds, an ambulatory care center, and an ER, which is flooded with uninsured patients. The ER lost nearly \$1 million last year.

There are several small group practices, mainly primary care and mainly in Harrisonville. The County operates a health department that provides the basic public health services and operates a walk-in medical clinic Monday, Wednesday, and Friday mornings. The clinic is also overwhelmed by uninsured patients. There are two, distinctly second-rate, for-profit nursing homes.

Your group collectively is the hospital's CEO. You think the uninsured would be better served (and your hospital would lose less money in the ER) if an outpatient clinic could operate every day between 3:30 and 8:30pm.

Your hospital doesn't have the resources to do it alone, but you do have the space and you can contribute the salaries of a manager and some staff. You need first to sell the plan to your board, which is composed of the following:

M. Harrison (Harry) Harrison, IX, Chair of the Board. White. Rich. CEO and board chair of the local bank. Land owner. Leases several hundred acres to peach farmers. The Harrisons have lived in Harrison County since the days of Daniel Boone.

W. Culpepper (Cully) Stringfellow, Vice Chair. White. Rich. CEO of the furniture company, which has been in his family for three generations. Like Harry Harrison, a lifetime member of the NRA. Completely devastated when McCain lost the election.

Billy Bob (Bubba) Crutchfield. Evangelical minister. His flock is all white. Has his own Sunday morning radio show. Aspires to get on cable. Very conscious of his public image.

Angelina Rodriguez. The most recent member of the board having been appointed just three months ago (to her surprise). Runs El Centro Latino.

Martin McMaster, MD. The hospital's chief of staff. Originally from Boston. Been here for five years.

R. L. (Rolly) Rodwell. Owns Rodwell's Automotive, a Ford dealership. A master salesman. One of the few whites who attends Our Lady of Everlasting Peace church. He'd lobbied hard to get Ms. Rodriguez on the board. Keeps his membership in ACLU secret.

W. Lickbutt (Licker) Williams. Mayor. Serving his fourth term both as mayor and on the hospital's board.

Missy Thorpe. Rides her own show horses. Nationally ranked in dressage thirty years ago. Overly fond of mint julips.

Samuel Harrison. Reputed to be descended from one of M. Harrison Harrison's VI slaves. School teacher and part-time peach farmer. Writes a weekly column, *The Peach Pit*, in the local paper.

You are figuring out how best to get the board to go along with your plan. What board members are likely to support your plan? Why? Who might be opposed? Why? You know that Harrison and Stringfellow are key, but while they no doubt want to stop the money leakage from the ER, they've never given the slightest hint that they care about the underprivileged. What tactics do you take with them? Why?

In class: Small group presentations and discussions.

12/1 **Ethics and Leadership – A Global Health Case** (5:35pm)

Goal: Numerous systems – biological, environmental, educational, financial, political, etc. – affect the public's health, so leaders concerned about improving the health of the public must think and act systemically. The goals are to better appreciate the relevance and roles of health and non-health systems, and how these interact to influence people's health.

Readings:

Yukl, Chapter 14

The following case study. *Note: Other than a few minor edits, this case study is identical to the one Nneka Emenyonu submitted for this course in 2007. Nneka lives in Mbarara, Uganda where she created and leads a 50-person research collaboration to study and promote public health and to enable African professionals to better address local public health issues.*

Preparation: (Small groups) Address each of the questions at the end of the case study.

In class: One group explains its response to the case study questions. The rest of us explore the responses with the presenting group.

Case Study

Fortunate Mbabazi's Unfortunate Situation

by Nneka Emenyonu

Fortunate Mbabazi stood at the podium of the National Independence Grounds in Kampala in utter disbelief as thousands of her fellow Ugandans clapped and cheered for her. It was Heroes Day, June 9, 2004 and Dr. Mbabazi, CEO and founder of the Uganda Coalition Against Child Abuse (UCACA), was being given the highest national award. The occasion signified many firsts. It was the first time a non-military person had graced that stage. It was the first time a woman had been recognized nationally by the president on Heroes Day. It was also the first time anyone had received a national award for humanitarian work. Heroes Day was reserved for the celebration of military freedom fighters who had liberated the country from terrible regimes. So although Dr. Mbabazi had received several international awards, this one, the first of its kind in her home country, was particularly symbolic.

It was long coming for Fortunate Mbabazi. She was born to an American mother and a Ugandan father forty three years ago. Her father was a medical doctor from the northern part of Uganda and was a personal physician to the president in the 1970s. Her family had enjoyed the luxuries of the upper middle class in Uganda and the United States with their fluid existence in both countries. Unfortunately, such memories were often clouded

by the events leading to her family's abrupt exit from Uganda almost 30 years ago. Fortunate was just 13 when the opposition soldiers raided their home in Kololo, killing her father and raping her and her mother. They managed to flee the country days later to begin a new life in the US.

Dr. Mbabazi returned to Uganda in 1995 for the first time since she left as a teenager. Apart from the Uganda National celebrations in Boston and her activities with the African Student's Association at Harvard and UNC Chapel Hill, she had maintained very little contact with her home country. One morning as she walked past the news stands during her routine coffee run of 8 years, a special edition of O magazine sparked her interest. She didn't usually read O, but the headlines: "Ugandan Girls Prefer AIDS to Hunger", had caught her attention. As she read the stories of the young girls forced into abused lives destined by their situation, Fortunate realized that her return home was inevitable. 6 months later she and her family relocated across the world and she embarked on her journey for social change.

Perhaps it was her personality, the strong leadership qualities within that made Fortunate so determined to succeed. Maybe it was her personal experiences as a teenager and young adult that fueled her passion to achieve justice. Or was it the environment she grew up in, her ability to switch gears from one culture to another and adapt quickly, that made her so strong and convincing. Perhaps it was her Ivy League education and years of apprenticeship in the corporate world that instilled in her the competitive spirit and strong sense of purpose. Whether born or made, her track record was unparalleled as she moved and compelled her peers, subordinates and bosses to succeed. She had been a leader all her life.

Her skills notwithstanding, it took Dr. Mbabazi 4 years to set up the Uganda Coalition Against Child Abuse; longer than it took her to earn her DRPH degree at UNC Chapel Hill. Besides the bureaucracy of the Ugandan government and the NGO Board demanding bribes that Fortunate was not accustomed to, the Ugandan people were not ready to admit that child abuse was a problem of huge magnitude in the country. After years of torture with former presidents, Ugandans just wanted to smile peacefully. It took years of campaigning, education and coalition building for the message to get across. The Uganda Coalition Against Child Abuse was about freedom and happiness. It was about healing wounds and placing true smiles on the faces of families, starting with their children. Fortunate was determined to see that this was communicated and that the mission was accomplished.

UCACA was the first Non-Governmental Organization in Uganda set up to serve the needs of children specifically. It had one main aim: preventing and eliminating child abuse in Uganda. The prevalence of child abuse was not known and many actually discounted its existence claiming that it was a foreign concept unknown to African soil. It wasn't until the UCACA office was flooded with victims within the first 3 months of operation that Fortunate realized the magnitude of her project. Until then, the agenda had been largely personal, driven by her personal search for justice and closure. Fortunate had not anticipated that the organization would be treating more abuse victims than it

prevented. She never expected that 80% of her organization's activity would involve treating victims. It was a challenge that was now at the forefront of her mission.

After 4 years of hard work, the tireless fundraising and grant writing efforts were beginning to yield fruit. It was quite timely as Fortunate's entire savings had been depleted and she was beginning to question her decision to pursue this cause. UCACA became fully funded in 1999 after much publicity in the international arena following its serendipitous discovery. A New York Times journalist was vacationing in Uganda and heard of UCACA while Gorilla tracking. Soon after, UCAC received a 2 year grant from the European Commission to implement its goals in collaboration with the Uganda Ministry of Youth, Sports and Recreation. The grant was for 200 million Uganda Shillings (\$120,000) over the two year period with a possibility for renewal for 5 years. The following month UCAC received an additional 500 million Uganda Shillings (\$300,000) from the Ford Foundation; and 6 months later 1 billion Uganda Shillings (\$600,000) from the Brooks Family Foundation in Chapel Hill, USA. The organization was now well-positioned to meet all its goals and beyond.

With abundant financial resources all of a sudden, and with an exponential increase in clients, Dr. Mbabazi had to come up with a plan quickly. She immediately hired 50 staff members and managed to convince some of her fellow Africans abroad to return. She had a multinational team of experts with whom she made the best decisions. She relocated the headquarters near Mulago Hospital and collaborated by referring the more complicated victims of physical and sexual abuse. UCACA began the process of expansion and satellite sites were set up in Mbarara, Gulu, Soroti, Kasese and Masindi. These "up-

country" rural locations each had triple the number of clients that the Kampala office had. By the end of the year in 1999, UCACA was a household name in Uganda serving the entire country with a record of treating over 20,000 victims of child abuse and preventing an estimated 200,000 cases. There were now over 20 UCACA centers throughout the countries and over 100 affiliated referral sites all working towards the common goal against child abuse.

The international recognition achieved by UCACA earned it a place on the national agenda. In June 2000, Dr. Mbabazi succeeded in making prevention of child abuse a national priority. The president allocated 1% of the national budget towards these efforts and created a special sub-ministry under the President's office and appointed a country director to UCACA. In the same year, UCACA's efforts had led to the pioneer passing of the bill against child abuse in Uganda by Parliament. Child abuse including physical, mental and social elements, was now considered a felony punishable by seven years of imprisonment for each count.

Three years later, there was one major problem with the Uganda Coalition Against Child Abuse. It was Mr. Bernard Mwebazi; UCACA's country director. He was the nephew of the first lady and never missed an opportunity to flaunt his pedigree. His incompetence was most evident as Fortunate was frequently away at international meetings and fundraising efforts. It had become widely known that to get a job at UCACA one had to

pass through the private interview process with Mr. Mwebazi. Morale at the different locations was down and the frequent accounts of harassment of the female staff in the Kampala office led to several resignations of key founding members.

At the same time, Uganda was making news internationally as the first African country to tackle its HIV/AIDS problem. The prevalence rates had gone down from 26% to under 10%. HIV/AIDS became the main source of revenue for the country as several international organizations and institutions poured into the country to contribute to, and to benefit from this success story. The national focus was now solely on HIV/AIDS. With regards to children, the attention had shifted to the millions of orphans that were left to the government for care.

The UCACA centers were turning into dumping grounds for orphans, some of whom were HIV infected and very sick. They were not victims of child abuse per se; just orphans. It was during one of the UCACA board meetings that a suggestion was made for UCACA to shift its focus to HIV/AIDS. This was timely as UCACA's financial problems seemed to be escalating by the minute, a trend which started after Mr. Mwebaze and 7 of his family members resumed duty at UCACA. Did the new administrators really need the 10 newly-acquired white 4X4 Toyota Land Cruisers? Then there was the recent discovery of Mr. Mwebaze's habit of donating large sums of money on behalf of UCACA at political functions without prior approval. The operational capital was dwindling and it had become difficult to meet pay roll on 3 occasions. Although the funding seemed

steady, the figures were not adding up, and the accounts had not balanced for the past 18 months.

The national budget could no longer accommodate funding for projects that were not related to HIV/AIDS. UCACA could take a significant blow as a result of this. Dr. Mbabazi battled with the suggestion of shifting their focus to HIV/AIDS. She had never been one to follow trends. But the survival of UCACA was at stake; their international reputation and their obligation to carry out their mission notwithstanding. Perhaps, HIV/AIDS could be a component of their mission that would provide the bread and butter for their child abuse projects. After all, some of their clients were victims of both. However, the HIV/AIDS presented such a huge burden that UCACA's true mission of preventing child abuse would drown in its presence. They were not prepared to handle it.

It was time. Dr. Mbabazi set up a meeting with the President. She could have an honest discussion of the direction of things with him. He had always supported her and she had been careful to keep her requests from him to a minimum. And finally, there was the lagging issue of Mr. Mwebaze which she hoped she could put to rest. The meeting was brief and to the point. Mwebaze was the main reason she had received the national award 3 years prior, he casually mentioned. The \$25 million pediatric AIDS grant to be awarded to UCACA next month was also tied to Mwebaze. It would be part of the existing UCACA AIDS program which the government had been supporting for the last year.

Fortunate tried to hide her shock as she walked out of the President's office in Nakasero. What program was the President talking about to the tune of \$1 million in the past year?

It dawned on her. The NGO, for which she had devoted her life and had been so proud of, was just a front for the President's family. It was the perfect set up for PEPFAR and Global Fund monies to be swallowed. She was torn between her personal identity and her national pride for both the U.S. and Uganda. She was torn between her mission to lead and the lack of power she all of a sudden felt. She was torn between doing the right thing, saving the lives of these children and succumbing to corruption. Would she allow herself and her organization to be used in such a manner? If she left, then 100% of the funds would definitely be gone. Perhaps she could turn the other direction and secure at least 10% of the funds for the actual mission of UCACA. Could she live with the guilt that her organization was embezzling funds; hard earned U.S. tax payer's money? But then she couldn't leave those children; they depended on her and her ability to make a difference. She was torn between staying in her country to solve this problem and going back to her country across the Atlantic to solve the same problem. Perhaps she could just leave the country and never return.

It had been three years since Fortunate Mbabazi stood at the podium of the National Independence Grounds next to President Museveni, receiving her award. She remembered it as if it were yesterday and still felt the euphoria of the event every time she thought of it. Why did she now feel so undeserving?

Questions:

1. As the case study points out, Dr. Mbabazi "was torn between doing the right thing, saving the lives of these children and succumbing to corruption. Would she allow herself and her organization to be used in such a manner? If she left, then 100% of the funds would definitely be gone. Perhaps she could turn the other direction and secure at least 10% of the funds for the actual mission of UCACA. Could she live with the guilt that her organization was embezzling funds; hard earned U.S. tax payer's money?" What would you choose to do? Why?
2. Ethical Leadership - personal: Fortunate Mbabazi must choose between her personal morals and the need for international funds to flow into a developing country. She could turn in the other direction and do nothing, or she could expose the corruption. What are the consequences of the exposure to the innocent masses? (Yukl chapter 14)
3. Power: How does Dr. Mbabazi rectify her lack of power in such a powerful position? How might she use her position power and influence to rectify the current situation? Who does she contact and what does she tell them to convince them towards an ethical solution? (Yukl chapter 6)
Motivation and Trust: How does the NGO improve the morale and complacent attitude of its employees given that the main de-motivating factors are still constant? How does the organization regain the trust of its members as well as

the general population? How should Dr. Mbabazi and her management team work in an environment in which there is no trust? (Herzberg, McClelland)

NOTE: Term papers (case studies) are due by noon Tuesday, November 24. Distribute your case study to your fellow students and Ned. By Dec. 1 skim everyone's case study and identify two that you think would result in particularly useful in-class discussions. Email Ned your choices on Dec 1. (Selection for in-class discussion is not related to grade.)

12/8 **Getting it Done in the Community: Case Study #1** (4:00pm)

Goal: To understand the inter-personal, political, tactical, and strategic processes involved in moving people and organizations over whom the leader has no official authority toward a common goal.

Reading: Collins J. *Good to Great and the Social Sectors* (monograph), New York: Collins, 2005.

Preparation: Read a specified case study from the semester project and be prepared to address its questions in class. (No written assignment.)

In-Class: Discuss the case study

Jan. **Getting it Done in the Community: Case Study #2**

Goal: To understand the inter-personal, political, tactical, and strategic processes involved in moving people and organizations over whom the leader has no official authority toward a common goal.

Reading: None! You deserve a break.

Preparation: Read a specified case study from the semester project and be prepared to address its questions in class. (No written assignment.)

In-Class: Discuss the case study

