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HPM 820

Leadership Theory and Practice

Fall 2011

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CB# 7411
Health Policy and Management
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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 9/13 and 10/11. *Don't even bother to send me your answers.*

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/coursepage.aspx?cid=2015>

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 \(CITI\)](https://www.citiprogram.org/default.asp) 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

The May 8 segment of 60 Minutes was devoted entirely to an interview by Steve Kroft of President Obama on the decision to go after Bin Laden. Watch the interview and/or read the transcript (both on http://www.cbsnews.com/8301-504803_162-20060530-10391709.html). In 4-5 pages, discuss at least four of Obama's answers and explain why each answer is an example of good,

mediocre, or poor leadership. In terms of leadership, would you have done anything differently than Obama? If so, why?

The paper is due on Wednesday, October 5.

SEMESTER PROJECT: CREATING A CASE STUDY

By August 26: *Choose two leaders/organizations from among the following. I will assign you one of your two choices.*

- Leader of an NGO
- Rural county public health officer
- Health officer of a major city
- Disaster management agency director
- CEO of a small, health-related not-for-profit
- CEO of a not-for-profit hospital
- CEO of a for-profit hospital
- Director of the Centers for Disease Control and Prevention
- A civic, religious, business, or political leader

By November 23: *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, meddling, and/or corrupt political leaders
 - 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, state, region, nation: USA or other) 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 questions 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.
- List several questions the reader/consultant needs to address.

At the end of the case study, list and explain the learning objectives and relate each objective to one or more readings in the course..

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)

See www.healthleadershipcases.sph.unc.edu for more case studies. Note that the cases on the website have been edited for use by a general audience of teachers and students worldwide.

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

8/30 **A. It's All About You: Know Thyself** (5:25pm)

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: Pages 180 & 181 and 189-204 in the 6th Edition or 190 & 191 and 199-215 in the 7th Edition,

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.

9/6 **Cleaning the Slate & Challenging Assumptions** (4:00pm)

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

9/13 **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.

9/20 **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 3, noon: **Send your Obama on Bin Laden papers to Ned and your fellow students.**

10/4 **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.

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 the Obama 60 Minutes Interview.

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.

10/18 **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%20Herzburg%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

10/25 **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.

11/8 **Ethics and Leadership – A Global Health Case** (4:00pm)

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 Sarthak Das submitted for this course in 2009. Sarthak is the country director for the Clinton Foundation in Papua New Guinea.*

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

Daniel’s Development Dilemma
A Case Study from Papua New Guinea

An unforgiving rain pounded the glass of the Daniel Frank’s Land Cruiser as he navigated the lone piece of road submerged in a lake of thick mud and surrounded by dense rainforest and steep terrain. Along the road-side women carrying heavy loads of firewood soldiered through the downpour as their naked children ran after them, many pausing to wave to the passing car. Stone age huts dotted the roadside dwarfed by billboards advertising Coca-Cola and Maggi Noodles. Daniel looked to his rear view mirror and watched as Saina Kimbe, 14, clutched her shoulders and stared vacantly out the window. Next to her were Gabriel and Malcolm, two of his employees. As they descended into the valley of Mt. Hagen he shifted to neutral and let the vehicle coast, exhaling as the rain seemed to let up. Daniel, 45, and the CEO of *Hope for Children*, did not seem clear anymore on where his organization was headed. All he knew was that he needed to do something for Saina; she was now eight months pregnant and HIV positive.

A Papua New Guinea Primer

Pristine waterfalls, wild Birds of Paradise, and majestic emerald mountains surround valleys in the Highlands of Papua New Guinea where first contact with the “modern world” occurred less than eighty years ago. The first time Highlanders saw the wheel was on the plane, which landed and discovered them. But the people of PNG, located six degrees south of the equator in Oceania, have been largely an afterthought to a developed world hungry to tap an unparalleled wealth of natural resources ranging such as copper, gold, nickel, and gas. Many call Papua New Guinea a “piece of gold floating in a sea of oil.”

With exploration beginning in mostly in the 1980s came the creation of migrant labor camps, a highway, and movement of people down from mountains and into valleys. The Government recently signed a \$10 Billion USD liquefied natural gas deal with Exxon Mobil though little of that money is expected to reach the rural poor. Royalties to landowners and clans who previously had functioned without cash seem to pour money into liquor and parties in the capital of Port Moresby, with little tangible community development in their villages. With exploration has come disruption to families, clans, and system of tribal law and order that has endured millennia. And with exploration has come alcoholism, increasing incidence of physical and sexual abuse of women children, and HIV.

Over 85 percent of PNG's population of six million is rurally based with an illiteracy rate over 65 percent and unemployment near 90 percent (most are subsistence farmers). Seventy percent of rural primary health facilities are closed. The maternal mortality rate is a staggering 700 per 100,000 live births, among the highest in the world. PNG now has the fastest growing HIV epidemic in the Asia Pacific Region with a generalized prevalence of 2 percent though suspected to be between 3-5 percent in the Highlands region; overall sero-surveillance is weak.

While development funds and the GDP are relatively healthy, stone-age conditions persist through much of PNG with infrastructure limited, transport systems poor, and basic education an elusive commodity. The Government of PNG is notorious for being fractious and corrupt, with minimal revenue from the vast mineral wealth seeming to benefit the rural majority. Ironically, of the majority of development aid from Australia (which totals over \$150 Million USD annually) nearly 75 percent, is called "boomerang aid": most of it ends up back in Australia in the form of lucrative contracts and generous salaries. To say the lingering colonial legacy between PNG and Australia remains a painful one would be putting it mildly. Though they seldom admit it openly, Papua New Guineans hold an intense distrust for their "first world neighbors" who lie less than one hour south by plane.

Organizational Context

Hope for Children is an international NGO whose mission is to "support Governments around the world in an effort to promote the educational, social, physical, and spiritual well-being and rights of children." Over ninety years old with a global headquarters in the UK, "*Hope*", as it is called for short, is one of the older NGOs in PNG with an in-country presence for fifteen years. Recently, the organization has been shifting from funding projects and community organizations to more advisory level activity to the Government. This is in part donor driven though a heavily corporate influenced Board of Directors talks much of exit strategies and liabilities in implementation. Their work in PNG is funded through the Australian Government Aid Agency, (AusAID) with an annual operating budget of \$3M USD and a staff of six expatriates.

There has recently been very high turnover of expat staff at *Hope* with almost 80 percent turnover in the past 12 months. With its isolation, security concerns, and lack of opportunities outside of work, PNG is a difficult place to recruit and retain staff. Those who left complained of low salary and support for professional development, while others cited the stress of living in PNG. The previous CEO, while charismatic to some, was forced to resign prior to Daniel's arrival due to allegations of inappropriate behavior with female staff. The COO, Jeremy Clark, an Australian, and a nurse by training, is the one long-term employee who has been with *Hope* for nine years and carries a proprietary sense of ownership, though, he seems to have stagnated professionally. The rest of the staff is fairly new. Unfortunately, they divided quickly into camps during the departure of the previous

CEO and those divisions persist. The CEO reports to the Board of Directors based in Australia.

Major projects currently funded focus on the area of protecting child rights through better governance and HIV awareness activities through a network of community volunteers, mainly in the Western Highlands. Apart from the Government and a few faith-based organizations, there are no major partners to speak of. *Hope is* the only international NGO working on children's issues in the Highlands region where HIV is most rampant. A major review has recently taken place and a preliminary recommendation has been made to extend funding in the core areas for an additional three years for \$10M USD total. Daniel was favorably reviewed in the report. The Chairman of the Board, Mr. Robert Chillton, of *Hope for Children* Australia is set to arrive in Western Highlands in two weeks along with the Donor representatives from AusAID to discuss the ongoing funding. Chillton's reputation is one of a highly objective, pragmatist businessman with a new found passion for philanthropy. A native of the UK Daniel had worked for the past ten years in international health and policy, largely in Africa. Though trained initially in social work, he left clinical practice to pursue work in advocacy and children's health issues. His time in PNG had started on a brief consultancy for *Hope* that evolved into an Acting CEO role in the program after the unceremonious departure of the previous CEO. Just over one year in, it remains in one of the most challenging postings he has encountered. It is also a critical juncture in his career as it his first position in a more senior management role. With the new funding, Mr. Chillton is likely to offer him a long-term contract as CEO.

Saina's Story

The rains now stopped completely. Along the road, old men and women carry machetes and bags of *kau kau* (sweet potato) as they head home from their gardens. Daniel rolled down the windows; Saina was now asleep, her head against the window. Gabriel and Malcolm sat quietly. He recollected how it was that they had arrived at this point...

On an awareness outreach visit to a settlement area in the town of Mt. Hagen, Gabriel, a local Program Manager, and Malcolm, an outreach worker, had come across her sleeping in front of the market. Her eyes drawn and body weak, they managed to convince her to accompany them to the Western Highlands Provincial Ante Natal Clinic where she went for her first basic ANC visit. After receiving an HIV test as part of the basic antenatal package she confirmed positive. Harried, underpaid, and stressed by the long line of pregnant women waiting to see her, the Nurse was less than sympathetic instead leaving Saina to feel as though she must have done something wrong. Without formal training in counseling or basic HIV, the Nurse had even referred to HIV as a "disease of prostitutes." Saina had neither the presence of mind nor the courage to tell the Nurse she had been repeatedly sexually assaulted by her sister's husband. Though only 14, she was referred to the Adult HIV clinic, almost a mile away, rather than to the pediatric HIV clinic next door (in much of PNG, there is little understanding of adolescence: people are either children or adults and Hospital protocol states that children above 12 be referred to adult care). The rest of the information about prevention of transmission of the virus to her unborn baby, HIV appropriate delivery, and testing of the infant, was all a blur. She left the clinic dazed. When Saina reached the adult HIV clinic (which is also the high volume STI clinic) she saw a line which stretched far outside. Looking at the young men and women, intimidated by their faces, and ashamed to be seen, she headed straight for the gates of the hospital. Gabriel and Malcolm had both been waiting to make sure she had been properly seen and immediately caught up with her. After much cajoling, and over a bowl of warm soup, Saina told them of her results begging them to keep it secret. She also revealed to them that she had fled her

village in fear. Both her sister and brother-in-law had died in the past three months and she was afraid of being accused of witchcraft; other women in neighboring villages with *sik* AIDS had been accused of sorcery and then beaten or even killed.

They assured her they would not tell anyone and told her of a small local NGO, *Sunrise Integrated Health Services* which was trying to provide counseling and support services for HIV positive people, particularly pregnant women. Gabriel also explained to her how her transmission to her baby could be prevented and that, with treatment, she too could live a long life. With nowhere to go, Saina put her faith in these two. The three set off for the office *Hope* office.

They waited near the front office seeing that Daniel's car was still there. Jeremy eyed them suspiciously as he was leaving, asking curtly "How can I help you all?"

Gabriel hesitated. He knew that Jeremy was largely unsympathetic and suspicious of the requests from volunteers. In contrast, Daniel had also gotten to know the names of many of the local staff and had a rapport with Gabriel, something Jeremy did not take the time to do despite being with *Hope* for much longer.

"It's okay, we'll wait for Daniel," Gabriel replied. Eager to get home to bottle of chardonnay he had started chilling during the afternoon tea break, Jeremy shrugged and got into his car. He felt Daniel was making a mistake by making himself so accessible but, in the end, that was not his problem he thought as he pulled away.

As they waited, Gabriel examined the six Land Cruisers lined up, all gleaming silver with the iconic *Hope* logo of a stylized baby in a hand. From their tires, one could tell they rarely made it further than the town boundaries to the bush.

Ten minutes later Daniel exited. He smiled at the three and extending a hand to Saina.

"How can we help you guys?"

Material Support for Marginalized

Gabriel briefed Daniel on Saina's situation before they headed to *Sunrise*. Gabriel knew that Daniel would be moved by what he was about to see. And Gabriel was also keenly aware of the new funding and the impending visit of the Chairman of the Board and the donor team. They piled in leaving *Hope's* office compound and journeyed towards the rough part of town which is where the Hospital and *Sunrise* was located.

Their Land Cruiser now covered in mud, Daniel, Gabriel, Saina, and Malcolm arrived at the modest house where *Sunrise* was located. Betha Siwi, a tireless Nurse Midwife, who was also a Professor of Nursing, warmly greeted them. She ran *Sunrise* on a shoestring budget largely through donations from a local church. Taking Daniel on a tour, he was impressed with the efficiency, dedication, and small budget on which the facility was operating. The house was full of children and pregnant women, all HIV+.

They privately asked Lilian (*Sunrise's* founder and director) if Saina could stay, explaining her situation. Lilian, knew she was over capacity. But she also know she could not say no. She immediately asked one of her staff to bring Saina into the house. Daniel was moved by what he saw.

Daniel, Gabriel, and Malcolm thanked her profusely as they headed for the gate. Lilian looked at Daniel straight in the eyes, "I don't like to beg because I believe the Universe will provide. But right now, this is hard. My rooms are full of kids and moms. We are running out of space and food. "

"You know better than I these pregnant mommas, most of whom are children themselves, go back to their villages, their chance for HIV appropriate safe delivery are nil. Those unborn will die. We can talk about sustainability till were blue in the face. But what is point in talking about sustainability if there's nothing to sustain?"

She paused. “Tell me Daniel, what kind of *Hope* can you offer these children?”

Learning Objectives & Daniel’s Dilemma

Seeing *Sunrise* wasn’t the impetus for new thinking for Daniel. He had been feeling for several months that days and months were being wasted flying to endless meetings and pointless trainings on good governance. The longer-term goals were noble, but without more pressure on the Government, child rights policy would remain elusive for some time. More importantly, they needed better experience from implementation to more correctly inform policies such as the referral of patients such as Saina, who should remain in pediatric HIV care, to adult care. Staff and partners, he thought, had far too much time to deal in the abstract realm and were growing more out of touch by the day. With the fear of “putting themselves out there in communities” the pendulum had swung drastically the other direction. Visiting *Sunrise* simply confirmed that.

Daniel’s heart and mind were telling him very different things. His heart told him that, as the only international NGO addressing children’s issues, they had an ethical responsibility to be as responsive as possible to pressing community needs. How would *Hope* be perceived if they continued in the direction of shying away from direct implementation maintaining a fleet of new vehicles and expat staff with relatively large salaries? What kind of material benefit were locals seeing in the face of a raging epidemic? If *Hope* continued solely in the direction of advising an ineffectual government, wasn’t it at risk of being perceived as another vehicle of Boomerang Aid? Shouldn’t the new phase of funding be, at the very least, a balance of implementation support and advisory work? Isn’t perpetual talk of exit strategy damaging to the commitment to the people of Western Highlands?

His mind told him that raising these issues would be met with stiff opposition. Within his own team, Jeremy was against any implementation activity and would side with the Board. The others were not yet informed well enough to have an opinion. The radical step of suggesting a move back to implementation may lead Chairman Chillton to think Daniel was losing his grip as a manager already. On the other hand, he might admire him for his willingness to lead.

Depending on one’s perspective, this could be seen as a prime opportunity to raise the possibility of change, or simply bad timing with a donor ready to sign over \$10 Million. And yet, Daniel could not shake the feeling that there was something corrupted about all this. His future career with *Hope* aside, he felt a defining moment at hand, personally and professionally.

Questions

1. Is it prudent for Daniel to use this moment to propose a shift in organizational thinking?
2. Will there be enough time for a campaign to bring Geoff and other staff on board? If not, can he mitigate their lack of support?
3. How should Daniel address the issue of community perception with the Board and Donors? How important a factor is this?
4. If the mandate is to work with Government, but the Government is corrupt, how can we navigate to accomplish goals while maintaining strong relationships?

Learning Objectives:

1. Leadership in Decision Making Groups. Describe the process and components required in quality group decision-making. What steps does Daniel take in leading consensus with the donor and Board? (Yukl Chapter 11)
2. Culture and Growth Stage of Organizations. What does an assessment of the organization’s developmental stage and culture tell us about how a new vision could be institutionalized? (Yukl Chapter 10)

3. Managing Conflict and Team Building. What are primary, secondary steps needed in order to reestablish cohesion? How can the team be supported properly in a challenging environment that is PNG? (Yukl Chapter 7)

NOTE: Term papers (case studies) are due by noon Tuesday, November 23. 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.)

11/22 **Getting it Done in the Community: Case Study #1** (5:25pm)

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

