



Athens University of Economics and Business

MSc in Human Resource Management

CORPORATE STRATEGY

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Aim of the course

Strategy has always been considered a critical success factor in all areas of human activity. This has been a dominant viewpoint in theory and practice, not only in business enterprises but also in areas such as military action and diplomacy, politics and government, personal development and career. In all these areas, it is widely recognized that “strategy matters”. The argument of course holds for a good strategy, appropriate for given conditions, which can render superior outcomes or can even overcome deficiencies due to resource disadvantage and difficult environmental conditions.

Everybody wishes to learn from successful examples in order to understand which strategy was followed and how this was applied in specific conditions. Particularly for business enterprises we expect from strategy to provide direction and cohesion of action in the highly competitive and continuously changing business scene; to identify what type of competitive advantage the enterprise should pursue, what activities and positioning should select and how to implement the strategic choices.

The aim of the course is to familiarize students with the concepts of strategy, the various approaches proposed for conceptualizing strategy, and the notions of fit and coevolution between strategy and environment and internal enterprise capabilities. It considers both analytical techniques and the role of environmental and organizational context. Through case studies and examples from practice it seeks to make students acquainted with concepts, tools and their application. It uses an integrated example which gives an

illustrative application of all tools in the stages of strategy analysis, choice of new strategy and strategy implementation.

In addition, given that the course is directed to HR students, it gives particular emphasis to the role of HR in strategy. In particular, it exemplifies the relations between corporate strategy with human resource strategy, and the role of human resources in building competitive advantage and successful strategies.

More specifically, the objectives of the course are:

- To make students understand the different concepts of strategy, the alternative aspects and approaches proposed when conceptualizing strategy, the processes of formulating and implementing strategy in practice, and the role of management and HR in strategic processes,
- To familiarize students with methodologies of strategic analysis tools used in analyzing the environment, resources and capabilities, stakeholders expectations and values pertaining to strategy,
- To present alternative strategies for business development and make students acquainted with methods and tools used in generating strategic options, evaluating and selecting strategies appropriate for a particular enterprise,
- To make students understand the complexities of the strategy implementation process and the methods and tools that can be applied toward the successful application of a new strategy in the practice.

Course Contents

The course contains five basic sessions, which include the following:

1. Strategy concepts and approaches. Relations with HRM

The concept of strategy, alternative approaches to conceptualizing strategy. The notions of strategic fit, congruence and coevolution. Strategic intent and its relation to other approaches. Strategy as an emerging process and “strategy-as-practice” as a new

paradigm.. Analytical framework for strategy formulation and implementation, the role of analysis in strategy. The role of management in strategy and the relations between corporate strategy and HRM. The evolving role of HR in strategic processes.

2. Competitive advantage: Sources, sustainability

The role of competitive advantage. Alternative approaches for identifying and building sustainable advantage. Resource based view and knowledge based view. Core capabilities and core “rigidities”. Different types of competitive advantage and taxonomies. Generic strategies, distinctive capabilities. Sustainability of competitive advantage and protection mechanisms.

3. Analyzing the strategic position: external & internal analysis, strategy congruence

Framework for strategic analysis. The business environment at macro and micro level, tools and methods available, application and evaluation. Analyzing resources and capabilities, methods and tools. Examination of expectations of stakeholders, values and mission. Strategy diagnosis, linking external and internal analysis with existing strategy. Framework of environment - resources - values and strategy congruence.

4. Strategic alternatives: Generation and evaluation

Strategies of enterprise development, framework for generating and evaluating alternative strategic options. Strategies of diversification, risks and benefits. The choices of development methods, organic development against acquisitions, alliances and partnerships. Methods and tools of evaluating the appropriateness and feasibility of alternative choices, financial evaluation and shareholders value creation.

5. Strategy implementation, strategic change

Business transformation and change. Directing strategy implementation and change processes, methods and tools. Defining a change plan, with actions spanning over a wide spectrum: structures and systems, skills and culture, individuals and management style. Organization of the project of strategic change, agents and roles. Engagement of stakeholders, overcoming resistance, communication.

Teaching Approach

For each unit the course will include class lectures, analysis of mini case studies, application examples and exercises based on questionnaires.

In addition the students are expected to analyze selected larger cases and to present their analyses in class, in order to promote participation and discussion.

Recommended reading

Teaching notes will be provided by the teacher for each session, together with case studies, transparencies and selected articles.

For further reading the following strategy textbooks are recommended. These books have a somehow different style and provide, to a large degree, complementary views of the issues:

- 1) "Contemporary Strategy Analysis", R. Grant, 4th Edition, Blackwell, 2002.
- 2) "Exploring Corporate Strategy", G. Johnson & Scholes, 6th Edition, Prentice Hall, 2002.

Examination Method

The grades will be based on the following components:

- 1) Final written examination (individual) 30%
- 2) Application project (in groups) 50%
- 3) Class attendance & participation 20%

The examination will take place with open books and notes on a case study which will be distributed in advance, or on questions which cover all material discussed.

The application project will be delivered after the end of course and it will include a strategic analysis of an actual enterprise, spanning from an evaluation of existing strategy to formulation of a new strategy and devising an implementation plan. Alternatively a specialized topic of strategy can be developed, with theoretical review of related bibliography and available studies as well as application to an enterprise.

Class attendance will be judged on the basis of 1) presentation of cases and examples by students, and 2) the interest shown and participation in class discussions.