



**Shih Chien University**  
**STP Program (July 01-Aug 02)**  
**ECON 240 Organization and Strategy**  
**Course Outline**

**Course Code: ECON 240**

**Instructor: Victor Y. Lian**

**Home Institution: Lynn University**

**Office Hours: TBA**

**Email: victor.lian@hotmail.com**

**Credits: 4**

**Class Hours:**

This course will have 144 class hours, including 50 lecture hours, professor 30 office hours, 20-hour TA discussion sessions, 10-hour review sessions, 34-hour extra classes.

**Prerequisites: N/A**

**Course Description:**

ECON 240 delves into the economic underpinnings of organizational and strategic management by integrating essential microeconomic concepts with organizational architecture theories. This course explores how foundational economic theories intersect with key organizational issues such as agency dilemmas, the role of information, and decision rights allocation within companies. Students will develop analytical frameworks to address and solve critical managerial and organizational challenges, blending economic theory with practical organizational strategies. Through rigorous analysis and

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application, this course equips students with the tools to make informed managerial decisions and strategize effectively within diverse organizational structures.

### **Learning Objectives:**

By the end of this course, students should be able to:

1. **Understand the Integration of Microeconomics with Organizational Architecture:** Students will learn how basic microeconomic principles apply to organizational settings, focusing on the allocation of decision rights, information asymmetries, and agency problems.
2. **Analyze Organizational Challenges Using Economic Theories:** Develop the ability to use economic theories to analyze and propose solutions to real-world organizational and strategic management challenges.
3. **Evaluate Decision-Making Processes:** Gain insights into how decisions are made within organizations, the economic implications of these decisions, and how decision rights can be optimally distributed within an organization.
4. **Apply Theoretical Concepts to Practical Situations:** Through case studies and simulations, students will apply theoretical concepts to practical business scenarios, enhancing their problem-solving and strategic thinking skills.
5. **Critically Assess Organizational and Managerial Strategies:** Critique and assess the effectiveness of various organizational strategies using economic frameworks to suggest improvements or alternative approaches.
6. **Enhance Strategic Decision-Making Skills:** Students will develop the skills to make informed strategic decisions that align with organizational goals and economic principles, preparing them for managerial roles.

### **Required Course Materials:**

Brickley, Smith, Zimmerman, *Managerial Economics and Organizational Architecture, 7th edition*. McGraw Hill Education

Supplement materials including HBR and WSJ cases will be used during the

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semester.

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### **Grading & Evaluation:**

#### Weekly Assignments 40%

Critical questions covering the related topics

#### Case Analysis 30%

Analyze and discuss real cases by applying related concepts and theories

#### Final Exam 15%

Comprehensive exam to test the students' understanding, analytics, and application of related concepts and theories

#### Course Reflection and Discussion: 15%

Students will summarize key concepts and have discussions with each other.

### **Grading System (1 ~ 100):**

<b>Quality Points</b>	<b>Grade</b>	<b>Percentage %</b>
<b>4</b>	<b>A</b>	<b>80-100</b>
<b>3</b>	<b>B</b>	<b>70-79</b>
<b>2</b>	<b>C</b>	<b>60-69</b>
<b>1</b>	<b>D</b>	<b>50-59</b>
<b>0</b>	<b>E</b>	<b>0-49</b>

### **Course Schedule:**

Week 1: Behavioral Foundations and Market Exchange

- Chapter 2 - Economists' View of Behavior
- Chapter 3 - Exchange and Markets

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- Discussion: Explore behavioral economics' impact on decision-making within organizations.

#### Week 2: Strategic Creation and Capturing of Value

- Chapter 8 - Economics of Strategy: Creating and Capturing Value
- Chapter 9 - Economics of Strategy: Game Theory
- Case Study: Delve into case studies involving game theory applications in business strategies.

#### Week 3: Designing Effective Organizational Structures

- Chapter 11 - Organizational Architecture
- Chapter 12 - Decision Rights: The Level of Empowerment
- Discussion: Discuss the correlation between organizational architecture and operational efficiency.

#### Week 4: Roles and Responsibilities within Organizations

- Chapter 13 - Decision Rights: Bundling Tasks into Jobs and Subunits
- Chapter 14 - Attracting and Retaining Qualified Employees
- Case Study: Evaluate case studies focusing on human resource strategies for attracting and retaining talent.

#### Week 5: Incentives and Performance Evaluations

- Chapter 15 - Incentive Compensation
- Chapter 16 - Individual Performance Evaluation
- Discussion: Analyze the effectiveness of different incentive and performance evaluation systems in achieving organizational goals.

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### **Late submission**

Late submission of assignments will be subject to points deduction (10% everyday) unless by prior arrangement and permission from the instructor.

### **Academic misconduct**

Please follow the guidelines of the university policy. Academic dishonesty or misconduct will not be tolerated and may result in disciplinary action including a grade F for the course.

- The work submitted must be the original work of the student. Original work may include the words and ideas of others, but the source of these words and ideas must be indicated in a manner consistent with an academically recognized form, style, and citation manual.
- Resubmission of work previously presented in another course is prohibited.
- AI generated submissions are prohibited in this course and will be regarded as plagiarism.

### **Accommodation**

- Accommodation for students with disabilities will be provided once approved by the university.
- Missing class activities and late submissions due to religious holidays are acceptable based on the approval by the university.