

This syllabus reflects the nature of the course when it was most recently taught.
All syllabi are subject to change by the instructor.

91-809
Organizational Change
Mini 2, Fall

Professor Denise M. Rousseau
Carnegie Mellon University

Course Website: <http://courseinfo.web.cmu.edu/courses/F04-91-809/>

Basic Focus

This course focuses on processes of organizational change. The goals are to provide frameworks and tools for effectively introducing and sustaining organizational change. Topics include initiation, implementation, and institutionalization of change in various organizational contexts. The course is organized around readings, cases, lectures, videos, discussions, and speakers.

Objectives

1. To understand the challenges and complexities of changes in complex organizations.
2. To acquire frameworks for diagnosing organizational states, analyzing organizational change strategies, and implementing and institutionalizing change.
3. To utilize these frameworks in evaluating and planning change.
4. To build a systematic inventory of successful and unsuccessful change activities.
5. To understand change from the perspective of the person initiating change, the person receiving change, and the broader social context.

Evaluation

You will be evaluated on the following basis:

Log write-ups	30%
Class participation	25% (attendance/new business/asking questions)
Group project	45% (subject to group evaluation of individual ----- contributions)
	100%

Course Materials

1. Package of cases and readings
2. In-course handouts

Reading Log

From the readings assigned, you will write a reading log on five of them. You may select any of the readings. You will receive six points for each successfully completed one-page summary of your thoughts and insights.

- If you agree with the reading, tell us with what and why. If you dispute the author, indicate how and why.
- What practical applications does the reading have?

Previous students have benefited from using the reading logs to retain a permanent record of the useful ideas from the readings.

Group Project

The purpose of this project is to apply the concepts and frameworks to understand organizational change. Therefore, you need to identify a change situation where you can obtain access. You need to be able to collect information on topics such as:

1. What was the organizational context?
2. Why was the change initiated?
3. Who was involved in the change?
4. What was the objective and/or vision for the change?
5. How was it implemented?
6. What happened in terms of the effectiveness of the change, and why?
7. What recommendation would you make given the specific change context?

The paper should not be longer than 15 pages. **A one-page proposal is due on November 8.** It should identify the problem situation and group members. **The paper is due on December 6.** When this project is turned in, you are required to submit an evaluation of the contribution each member (including yourself) has made to the project.

Behavioral Norms

- (1) Individual Participation: You are expected to come prepared to ask questions that add to your understanding of the course materials as well as that of your fellow students.
- (2) "New Business": Each class will begin with a poll of new business items. These are brief ("sound bite") reports on events (in the news--front page, business, or sports section; Heinz; your personal experiences) pertinent to organizational change. I expect each class member will make at least one contribution to New Business during the mini term.
- (3) Readings: You are expected to read all the materials and in your reading, you should continually ask yourself the following two questions:
 - (a) Do I understand the theory and/or principles of this material?
 - (b) So what? What are its implications? How would I apply this as a manager?

You are asked to actively participate by raising these questions as well as others during our class time.

All assigned readings should be completed prior to the class for which they are specified. Readings will be briefly reviewed to check for understanding at the beginning of each class. Be prepared to answer questions regarding the readings and more importantly to ask them.

Class 1 The Challenge of Change

Purpose An introduction to the complexities and issues in managing organizational change.

Opening Class Assignment

I want to open class by talking about some of your personal experiences with organizational change. Identify some organizational change activity.

- What was the change about?
- Was the change successful or unsuccessful?
- What did you learn from this experience?

Case: Riverview Hospital

1. What are the major problems at the end of this brief case?
2. What is a good approach to analyze these problems?
3. Present your analysis of the problems.
4. What is your action plan?
5. What are the basic reasons for resistance to change?
6. What are some approaches for dealing with this resistance?

Reading Assignment

Nadler and Tushman: "Organizational Frame Bending: Principles for Managing Reorientation

"Organizational Alignment: The 7-S Model"

Class Task

Be prepared to present briefly your personal case about organizational change.

Sock 'em exercise

Class 2 Envisioning Change

Purpose To understand the role of vision in organizational change and to practice developing vision.

Case Assignment

1. Asda (A)

This case describes the history of the Asda Group, its problems, and introduces Archie Norman, the new chief executive.

Assignment Questions

- A. What were the problems that Archie Norman and Asda faced?
- B. You've decided to use the first 10 minutes of the meeting with the top management team to introduce yourself and your vision. Be prepared to give that speech. (Role play)
- C. What questions and concerns would you anticipate at the meeting?
- D. What results would you realistically hope for from this meeting?
- E. What initial changes should Norman make? When? In what order?

2. Texocom and Falcon

These two cases illustrate successful and unsuccessful examples of the envisioning process.

Assignment Questions

- A. What are the similarities and dissimilarities between Texocom and Falcon in "translating a vision into reality?"
- B. From the information given in both cases, identify the strengths and weaknesses of the approaches used in each firm.
- C. What are some of the critical lessons in "translating a vision into reality?"

Reading Assignment

Jick: "The Vision Thing"

Kegan and Lahey: "The Real Reason People Won't Change"

Rousseau: "Psychological Contract: The Tie That Motivates"

Class Task

In your role as Chief Executive of Asda, prepare a speech. Be prepared to give that speech in class. (**Outlines of the speech will be turned in.**) Prepare an analysis of the cases.

Class 3 Implementing Change

Purpose To understand the process of implementing change -- getting started.

Case Assignment

1. Peter Browning and Continental Whitecap (A)

As the new manager of Continental Can's most successful division, Browning was presented with a difficult mandate -- to revitalize a mature business in the face of serious competitive threats, but without undermining the loyalty and morale of a family style culture.

Assignment Questions

- A. What was Browning's predicament at Whitecap?
- B. What should his change objectives be?
- C. What should his change plan be for Continental Whitecap? How can he get things started?
- D. What should he do, specifically, in dealing with White and Lawson, Stark, and Green? (Role play)

2. Transferring Technology in an International Context: The Case of the Computational Finance Center

The FAST educational technology has been introduced throughout the world. While there was a lot of enthusiasm about adopting this new technology in Mexico, two years after the planning for the introduction of FAST, the system was still not operational.

Assignment Questions

- A. Why was this FAST implementation unsuccessful?
- B. What role did cross-national factors play?
- C. How can we organize our thinking about cross-national factors in an international change effort?

Reading Assignment

Rousseau: "Changing the Deal While Keeping the People"

Goodman and Griffith: "A Process Approach to the Implementation of New Technology"

Class Task

Outline an action plan for Browning. Prepare an analysis of the cases.

One-page group proposal due today.

Class 4 Implementing and Managing Transitions

Purpose To examine challenges in managing transitions from old states to new states

Case Assignment

1. Nigel Andrews and General Plastics (A)

This case examines some of the dilemmas between moving toward a new form of work or reverting to the old form.

Assignment Questions

- A. Why was the issue of rescheduling so important?
- B. If you were Nigel, how would you respond?
- C. What should Nigel and the Steering Committee learn from this incident?

Reading Assignment

Jick: "Implementing Change"

Class Task

Develop plans of action for Nigel and Dennis. Prepare an analysis of the cases.

Class 5 Change Recipients

Purpose To understand change and its impacts from the points of view of the initiator and the recipient.

Case Assignment

1. Rick Miller (A)

As head of RCA's \$2.2 billion consumer electronics division, and possible candidate to become chairman of RCA, Miller was shocked to learn that RCA had been sold to GE. After one year of attempting a turnaround of this troubled division, Miller was again being sold -- this time to Thomson, a French government-owned company.

Assignment Questions

- A. What does it "feel like" to be sold? How has Miller's life and career been affected by the two ownership changes?
- B. How would you have reacted (differently) if you were in his shoes?
- C. What would you do now if you were Miller? What specific things does Miller need to do?
- D. What should he say to his managers in the meeting? (Role play)

2. Plant Closing/Plant Opening

This video captures a plant closing.

Assignment Questions

- A. What obligations do Nabisco workers believe they have to their employer? What obligations do Nabisco workers believe the company has to them? Where do these beliefs in obligations come from? What information do people rely upon in arriving at these beliefs?
- B. What assumptions do workers and managers make when a company seeks to create new forms of labor-management relationships? How was this initiative "read" by workers, the union, the local management?
- C. What was the process by which the plant was closed? What is your evaluation of this process? Develop an alternate plan.

Reading Assignment

Jick: "Note on the Recipients of Change"

Rousseau: "Violating the Psychological Contract" (Ch. 5)

Class Task

Develop an action plan for Miller and a presentation to his managers.

Video Plant Closing

Class 6
Managing and Institutionalization:
Large-Scale Transformations

Purpose

To better understand large-scale organizational change and the challenge of managing change

Case Assignment

Champion International Corp.

This case is about a large-scale transformation at the corporate level.

Assignment Questions

1. What are the major elements in this large-scale transformation? Can you organize these into a framework?
2. What is your progress report on the change to date?
3. What are the critical factors and processes that have sustained this change over a 10-year period?

Reading Assignment

1. Beer, Eisenstat & Spector: "Why Change Programs Don't Produce Change"
2. Goodman & Rousseau: "Organizational Linkages: Organizational Change that Produces Results."

Class Task

Identify the key factors and processes for sustaining change from the readings and case. Prepare an analysis of the case.

Final Paper Due:

Team Evaluation Form

Team Number/Name _____

Your Name _____

Rate each group member (including yourself) using the following scale:

- 1 = poor
- 2 = needs improvement
- 3 = satisfactory
- 4 = very good
- 5 = excellent

After everyone has completed the assessment sheet, share your ratings with one another as a basis for more detailed feedback and discussion. You can do this privately or in the group, depending on your group's preference.

Definitions:

Teamwork: receptive to others' input, works well with others, cooperative, sensitive to group process

Quality of work: knowledgeable about course material, has creative and sound ideas, produces solid written work

Motivation: participates actively, contributes sufficient effort

Reliability: meets deadlines, is prompt, attends meetings

Fulfillment of Group Contract: meets group expectations as outlined by your group contract

Overall Contribution: overall assessment of that individual's contribution to the group.

Group Members (list by name)	Teamwork	Quality of Work	Motivation	Reliability	Fulfillment of Group Contract	Overall Contribution