

## Strategic Organizational Change (38:533:685)

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### Course Overview

Companies are increasingly confronted with changes in their environment (e.g., new legislation, increased competition, changing demographics, and evolving technology) that profoundly affect how they do business. The ability to manage change effectively is critical for a company's survival, as external forces continue to disrupt long-standing business models. More importantly, companies must innovate and proactively shape the competitive landscape if they are to prosper in the future. Strategic planning processes are now using the VUCA Model (i.e., volatility, uncertainty, complexity and ambiguity) to address future challenges and HR must reinvent itself to contribute to this effort.

Human Resource (HR) leaders must help companies anticipate and adapt to change, implement organizational improvement initiatives and work to develop organizational strategic agility. Dave Ulrich's research concerning HR competencies has identified "Culture and Change Champion" as one of the key roles for HR Professionals. Unfortunately, organizational change programs fail at alarming rates and few companies are truly agile. The reason often involves the company's inability to change its organizational architecture and culture to match the changing strategic goals. Making organizations more strategically agile is a sustainable source of competitive advantage and the ultimate goal of HR Leaders.

### The Course

The course will focus on strategic HR practices and organizational development tools and techniques to provide a methodology to improve a company's organizational capability, competitive advantage and quality of work life. Using lectures, case studies, exercises and two projects, students will learn to plan, execute and evaluate organizational change programs. Specifically, the class will provide a practical approach to determine what an organization needs to change (i.e., diagnostic model) and a structured process for actual organizational change (i.e., change model). The role of the change leader and the role of HR as a change agent will be emphasized.

**Note:** the content of this class is aligned with two other MHRM classes: HR Strategy II: Business & Competitive Advantage and HR Strategy III: Measurement Issues. Further, this class provides a foundation in strategic organizational change that provides the context for the more tactical, applied content in the **HR Consulting Skills** class, which focuses on the role of the Strategic HR Business Partner.

1/22	<b>The Challenge of Change</b> <ul style="list-style-type: none"> <li>➤ The 5 reasons for studying change</li> <li>➤ The major external drivers of change</li> <li>➤ The special challenge of disruptors</li> <li>➤ Internal drivers of change</li> </ul>	<b>Kotter: <i>Leading change</i></b> <b>Burkett: <i>Case for change capability</i></b>
1/29	<b>The Challenge of Change</b> <ul style="list-style-type: none"> <li>➤ Winners vs losers</li> <li>➤ Why change efforts fail</li> <li>➤ Types of change</li> <li>➤ Strategic Agility</li> <li>➤ HR's role in change</li> </ul>	<b>Nadler: <i>Reshaping the entire Enterprise</i></b> <b>Ulrich: <i>Culture &amp; change champion</i></b>
2/5	<b>Organizational Diagnosis</b> <ul style="list-style-type: none"> <li>➤ Understand diagnostic frameworks</li> <li>➤ Strategic vs tactical diagnosis</li> <li>➤ How to conduct a diagnosis</li> <li>➤ Organizational Development issues</li> </ul>	<b>Nadler: <i>Where to start</i></b>
2/12	<b>Organizational Assessment</b> <ul style="list-style-type: none"> <li>➤ Defining organizational success metrics</li> <li>➤ Balanced Scorecard</li> <li>➤ Stakeholder analysis</li> <li>➤ Organization Diagnostic models</li> <li>➤ Nadler Congruence &amp; STAR Model</li> </ul>	<b><i>Fundamentals of org. design</i></b>
2/19	<b>Individual Change Models</b> <ul style="list-style-type: none"> <li>➤ Reactions to change</li> <li>➤ Why people resist change</li> <li>➤ Psychological change models</li> <li>➤ Ensuring commitment to change</li> </ul>	<b>Nadler: <i>Winning hearts &amp; minds</i></b>
2/26	<b>Organizational Change Models</b> <ul style="list-style-type: none"> <li>➤ Lewin, Kotter, Nadler models</li> <li>➤ McCune process model</li> <li>➤ The role of the change leader</li> <li>➤ HR's role in change</li> </ul>	<b><i>Conceptual models of change-Integrated models</i></b>
3/5	<b>EXAM I</b>	
3/12	<b>PRESENTATIONS</b>	
3/19	<b>SPRING BREAK</b>	

3/26	<b>Implementing Change</b> <ul style="list-style-type: none"> <li>➤ Management vs. leadership</li> <li>➤ Characteristics of effective leaders</li> <li>➤ The importance of values</li> <li>➤ Measuring leader success</li> <li>➤ Teachable Change Point of View (TCPOV)</li> <li>➤ What change leaders do (change model)</li> </ul>	<b>Nadler- <i>Leading the charge</i></b> <b>Kotter-<i>What leaders really do</i></b>
4/2	<b>Power &amp; Politics</b> <ul style="list-style-type: none"> <li>➤ Understanding organizational power</li> <li>➤ Internal &amp; external power disruptors</li> <li>➤ The challenge of politics</li> <li>➤ Managing the political landscape</li> </ul>	<b>Nadler- <i>Waging the great campaign</i></b>
4/9	<b>Innovation &amp; Culture</b> <ul style="list-style-type: none"> <li>➤ The importance of culture</li> <li>➤ Cultural artifacts</li> <li>➤ Advantages &amp; disadvantages of culture</li> <li>➤ Changing organizational culture</li> </ul>	<b>Nadler-<i>When worlds collide</i></b>
4/16	<b>Innovation &amp; Culture</b> <ul style="list-style-type: none"> <li>➤ Creativity vs innovation</li> <li>➤ Barriers to innovation</li> <li>➤ Exploration vs exploitation</li> <li>➤ Innovation catalysts</li> </ul>	<b><i>Star Model-Organizing for innovation</i></b>
4/23	<b>Structural Change</b> <ul style="list-style-type: none"> <li>➤ Classical Organizational theory</li> <li>➤ Scientific Management</li> <li>➤ Job Characteristics/Sociotechnical</li> <li>➤ Reengineering, Work-out, Lean 6-sigma,</li> <li>➤ Holacracy, Strategic Agility</li> </ul>	<b>Joyce- <i>Structural change</i></b> <b>McKinsey-<i>Next frontiers for lean</i></b> <b>Holacracy</b>
4/30	<b>PRESENTATIONS</b>	
5/7	<b>EXAM II</b>	

**Readings:** All assigned readings are listed on the syllabus by topic and posted on Sakai

**EVALUATION:**

<b>Exam I</b>	<b>35 points</b>
<b>Exam II</b>	<b>35 points</b>
<b>Project I</b>	<b>15 points</b>

## Project II

15 points

### Team Assignment

There are two team assignments that involve the application of course concepts to actual companies. The first project involves writing a case study of a “great company” (e.g., AT&T, Kodak) that has failed. The second project is a case study detailing the actions a change leader took to lead a successful organizational transformation (e.g., IBM, Continental Airlines). Each project requires the use of a structured assessment process to analyze the reasons for the company failure or the actions in the successful turnaround. The first case study involves the application of a **diagnostic model**, while the second case study requires the use of an **organizational change model**. In both cases, organizational metrics will be used to verify the degree of success or failure of the companies and demonstrate the importance of analytics in understanding organizational change.

### Project I: Failure Case Study

Select a very successful publicly traded firm that later failed. Write a brief case study describing why the company failed. Include the following in your paper:

- Brief history of the company & explain its source of competitive advantage
- Describe the forces (external and internal) that challenged the company
- Provide a **timeline** of events and company actions that led to the failure
- Use an appropriate **diagnostic model** to explain why the firm failed
- Provide comprehensive metrics and indicators of company failure
  - Company timeline/metrics
  - Organizational success measures (financial, operations, customer)
  - e.g., Stock price or P/E Ratio compared to industry, market share trend, company reputation, etc.
- Finally, discuss the **lessons learned** from this failure

*Submit: PP with detailed explanation in Notes view and complete references*

### Project I Evaluation Criteria

- Company History/Competitive Advantage
- Change Forces
- Failure timeline
- Diagnostic model
- Metrics
- Lessons learned
- Notes

- References

## **Project II: Success Case Study**

Select a troubled publicly traded firm that was successfully revitalized. Write a brief case study describing how the company recognized the need to change and the actual process of change. Include the following in your paper:

- Brief history of the problems and challenges that the company was facing
- Discuss the **role of the leader**
  - Describe how the leader came to power (career background/how selected, TCPOV)
  - Discuss Power/Politics/Culture issues
  - Describe the specific (sequence) actions taken to effect change
    - Strategy, Talent, Structure, Culture & Rewards
    - Relate the leader actions to a **change model**
- Use a timeline to show comprehensive metrics and indicators of company failure and ultimate successful turnaround
  
- Discuss the **lessons learned** from this change effort

*Submit: PP with detailed explanation in Notes view and complete references*

## **Project II Evaluation Criteria**

- Company Position
- Change leader background, selection & CTPOV
- Change actions timeline
- Change model
- Metrics
- Lessons learned
- Notes
- References

## **Academic Honesty and Code of Conduct**

Students are expected to abide by Rutgers's Academic Integrity Policy and Code of Student Conduct. Acts of cheating, plagiarism, forgery, fabrication or misrepresentation are not tolerated and will be dealt with according to the university policies and procedures. If you have doubts concerning committing a potential act of academic dishonesty, please contact the course instructor for advice. Moreover, you are advised to check the websites of the Office of Academic Integrity at:

<http://academicintegrity.rutgers.edu/> and the Office of Student Conduct at:  
<http://studentconduct.rutgers.edu/>

## **Special Needs and Accommodation**

“Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation:

<https://ods.rutgers.edu/students/documentation-guidelines>. If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the Registration form on the ODS web site at: <https://ods.rutgers.edu/students/registration-form>”. For additional information, please visit the website of the Office of Disability Services at: <https://ods.rutgers.edu/students>.

## **Learning Goals**

- Understand how to diagnose organizational change situations using a structured diagnostic model
- Demonstrate an understanding of relevant psychological and organizational change theories and techniques.
- Develop skill in selecting organizational change initiatives that are feasible and linked to the company's strategy and culture
- Determine appropriate change actions using an appropriate organizational change model

## ***SMLR Learning Objectives***

### **IV) Theoretical Perspectives - Demonstrate an understanding of relevant theories and apply them given the background context of a particular work situation.**

- Demonstrate an understanding of the practical perspectives, theories and concepts in their field of study
- Evaluate and apply theories from social science disciplines to workplace issues

### **V) Understanding Context - Evaluate the context of workplace issues, public policies, and management decisions**

- Analyze the degree to which forms of human difference shape a person's experience of, and perspectives on work

- Analyze a contemporary global issue in their field from a multi-disciplinary perspective
- Analyze issues related to business strategies, organizational structures, and work systems
- Analyze issues of social justice related to work across local and global contexts (LSER)
- Analyze issues related to the selection, motivation, and development of talent in a global context (HRM)

**VI) Application – Demonstrate an understanding of how to apply knowledge necessary for effective work performance**

- Apply concepts and substantive institutional knowledge, to understanding contemporary developments related to work
- Understand the legal, regulatory and ethical issues related to their field
- Develop human resource management functional capabilities used to select, motivate, and develop workers (HRM)
- Understand the internal and external alignment and measurement of human resource practices (HRM)