

UNIVERSITY OF PENNSYLVANIA

THE WHARTON SCHOOL

DEPARTMENT OF MANAGEMENT

Spring 2010

Instructor: Jitendra V. Singh
Office: 2207 SH-DH
Telephone: (215) 898-6605
Office Hours: MW 3:00pm-4:00pm or by appointment

Course: MGMT 773, Managing Organizational Change

Class Times: MW 1:30pm-3:00pm

Location: JMHH F90

COURSE DESCRIPTION

A pervasive challenge for all organizations and their managers is how to initiate, implement and sustain major change. If anything, contemporary business environments make the ongoing need for organizational change even more critical than earlier. Indeed, organizational change efforts are the lifeblood of management consulting and engage top management attention as well. Thus, this course is especially useful for students who plan careers in private equity, management consulting or general management, whether in line or staff positions, even though students interested in entrepreneurship, strategy, and human resources will also benefit from the course content.

The course has two main objectives:

- 1) Provide students with a theoretical knowledge base relevant to problems in managing organizational change.
- 2) Provide students with opportunities to apply this theoretical knowledge base in both classroom and real life work settings, with a view to improve the management of organizational change.

The first objective is achieved through readings in selected areas relevant to managing organizational change. The second objective is achieved through frequent case discussions and a group term paper on an applied problem in managing

organizational change. This applied problem should preferably be in a familiar setting or, at a minimum, in an organization in which the group is interested.

The course content focuses on the leadership and implementation of organizational change in a large variety of settings including merger, acquisition, growth, renewal, transformation, reengineering, turnaround, spin-off, downsizing, global integration, outsourcing, cultural change, and e-business, among others. In every setting, the managerial challenge is to manage the process as effectively as possible.

There are two primary modules in the course content. The first module introduces the challenge of bringing about change in organizations, and, as an introduction to the problems of managing change, examines the process of leading change at several firms. The second module, in many ways the main body of the course, discusses in detail several different change strategies and their associated managerial challenges, including the management of discontinuous change. I will also invite a few visitors from a few selected organizations that are undergoing change or provide change management advice as speakers in class. I will announce this as details get finalized.

Throughout the course, the objective will be to prepare managers, or their consultants and advisers, to meet the challenges of organizational change successfully. This is likely to be a constant theme throughout your managerial careers.

READING MATERIAL

A bulk pack of reading materials and cases can be purchased by you from Wharton Reprintgraphics and will be available online. I will distribute any additional materials, as appropriate, in class.

GRADING

The overall course grade will be based upon the following:

(1) Class Participation (35%)

Based on current enrollments, it appears that the moderate size of the class will enable us to design a quite personalized learning experience, with plenty of air time for every student.

An integral part of the course grade will evaluate the quality of the input each student makes during class discussions. All students are expected to prepare in advance all the readings and cases for each class. *I expect you to attend every class.* If there is a serious schedule conflict, please take my permission before the fact. Participation is strongly encouraged and the

onus is on each student to get his or her views aired. However, *I will reserve the right to call upon any student at any time.*

(2) Group Term Paper (55% for term paper; 10% for presentation)

The key objective of the term paper is to help participants study a real life situation in an organization of their choice using the ideas from the course. Although the choice of specific project topic is left up to the participants, there is a minimum criterion of overlap with at least one of the topics covered in the course. In the past, topics have usually involved an ongoing or recently concluded change effort at a firm of the students' choice. I would urge you to discuss your ideas for a paper topic with me at the earliest.

Some illustrative project titles from earlier offerings of the course are:

- ◆ The Rise, Fall, and Resurrection of Apple Computer
- ◆ InBev: Transforming a Belgian Company Brazilian Style
- ◆ Welcome to the Jungle: E*Trade Financial Corp.
- ◆ Oakland Athletics
- ◆ Can Nissan's Revival last?
- ◆ Creating a Giant: BlackRock, Inc. Acquires Merrill Lynch Investment Managers
- ◆ Changing Times at Ford Motor Company
- ◆ Federated Department Stores: The Acquisition and Integration of May Company
- ◆ Jeffries' Acquisition of Broadview: A Push into New Verticals and the Ensuing Culture Clash
- ◆ Deepa Textiles: 1986-2000
- ◆ Change at Women's World Banking
- ◆ Google China
- ◆ Deere & Company: A New Lane to Change
- ◆ AES Gener: The Chilean Venture
- ◆ AMD: A New Direction. A New Momentum.
- ◆ Vistas of the Future: Engineering Change in Microsoft's Platforms and Services Division
- ◆ Managing Organizational Change at the Spirit Group
- ◆ The Rebirth of Nissan Motor Co. after the acquisition by Renault Group
- ◆ Turnaround of Xerox Corporation (2000-2005)
- ◆ The Turnaround of Tyco: How Ed Breen Saved a Company on the Brink
- ◆ Enhancing the Academic Environment at the Wharton School: A Four Point Plan
- ◆ Disney Acquisition of Pixar: A Return to Roots

- ◆ From Fundraising to Community Impact: United Way of Southeastern Pennsylvania
- ◆ Managing Change at Reebok

I want you to form two to three person project teams, such that there are no more than eight project teams overall. By Monday, January 25th, 2010 I would like every project group to provide me with names of their project team members. By Monday, February 8th, 2010, I would like to have all project teams discuss their project topics with me and provide me with a one page project outline. The final project reports will be due by 1:30pm on Monday, April 26th, 2010 the last day of class for our course. During the last two class sessions, each project team will also present the key findings of their change projects to the other class members.

The final project report should be about 25-30 pages long inclusive of all exhibits or appendices. One format that has works quite well is to write a case study based on field data, then to analyze the case and suggest specific action recommendations. If such a format is used, the (A) case presents the data from the field context, and the (B) case describes the problems, presents the analysis using relevant theory from the course, and suggests specific action recommendations appropriate for the specific setting. I will provide a writing template for this in class.

READING ASSIGNMENTS

PART 1: LEADING CHANGE

Session 1 - 13th January 2010: Introduction

Readings:

Cynthia Morrison Phoel. "Leading Words: How to Use Stories to Change Minds and Ignite Action"

Jeffrey Pfeffer and Robert I. Sutton. "Change or Die? An Evidence-Based Approach to Change Management."

Lecture: Introduction to the Course

Session 2 - 18th January 2010: Your Own Change Leadership Journey

Readings:

Richard Boyatzis and Annie McKee. "Intentional Change: The Leader's Journey to Renewal."

Daniel Goleman; Richard Boyatzis. "Social Intelligence and the Biology of Leadership."

Ronald Heifetz, Alexander Grashow and Marty Linsky. "Diagnose the System: The First Step in Leading Adaptive Change."

Exercise: Your own change leadership journey (*please come prepared to present your views in class*)

Preparation Brief: Reflect upon your own past experience in a specific organizational change management setting. What did you observe and what was your experience? How successful was the change effort? What led to these particular results? What lessons did you learn from this experience?

Session 3 - 20th January 2010: Leading Change I

Readings:

John Kotter, 2002. "The Heart of Change." *The Heart of Change*. Boston: Harvard Business School Press, 1 – 14.

John Kotter, 1995. "Why Transformation Efforts Fail." *Harvard Business Review*, March, 59 – 67.

Case:

Morgan Stanley: Becoming a "One-Firm Firm"

Session 4 - 25th January 2010: Leading Change II

*****Project Team Names Due Today*****

Reading:

Are You Change-Ready? Preparing for Organizational Change

Karen Lehman and Marty Linsky. "Using Conflict as a Catalyst for Change."

Peter Frost and Sandra Robinson, 1999. "The Toxic Handler: Organizational Hero-and Casualty." *Harvard Business Review*, July-August.

Case:

Merck: Conflict and Change

PART 2: CHANGE STRATEGIES

Session 5 - 27th January 2010: Managing Cultural Change

Readings:

Ram Charan, 2006. "Home Depot's Blueprint for Culture Change." *Harvard Business Review*, April, 1 – 10.

Richard T. Pascale and Jerry Sternin, 2005. "Your Company's Secret Change Agents." *Harvard Business Review*, May, 1 – 10.

Case:

Putnam Investments: Rebuilding the Culture

Session 6 - 1st February 2010: Managing a Merger

Readings:

Rebuilding After the Merger: Dealing with Survivor Sickness

Case:

The DaimlerChrysler Merger (A) & (B)

Session 7 - 3rd February 2010: Preparation Time for Term Projects

This is a session for which I do not need you to attend class. I expect you to work with your project team to prepare the plan for your term project. An outline will be due in the next session.

Session 8 - 8th February 2010: Managing a New Organizational Form

*******One Page Project Outlines Due Today*******

Readings:

Paul Strelbel, 1996. "Why do Employees Resist Change?" *Harvard Business Review*, May-June.

Carlos Ghosn, 2002. "Saving the Business without Losing the Company." *Harvard Business Review*, January.

Case:

The Renault-Nissan Alliance in 2008: Exploiting the Potential of a Novel Organizational Form

Session 9 - 10th February 2010: Managing Corporate Transformation I

Readings:

Ronald Heifetz, Alexander Grashow and Marty Linsky. "Qualities of an Adaptive Organization: How Does Your Organization Measure Up?"

Gary Hamel, 2001. "Waking Up IBM: How a Gang of Unlikely Rebels Transformed Big Blue." *Harvard Business Review*, April.

Case:

IBM Corporation Turnaround

Session 10 - 15th February 2010: Managing Corporate Transformation II

Readings:

Michael Hammer, 2004. "Deep Change: How Operational Innovation Can Transform your Company." *Harvard Business Review*, April.

John Hagel III, John Seely Brown and Lang Davison, 2009. "The Big Shift: Measuring the Forces of Change." *Harvard Business Review*, July.

Case:

Gordon Bethune at Continental Airlines

Session 11 - 17th February 2010: Managing Change in Professional Services

Readings:

David A. Garvin and Michael A. Roberto, 2005. "Change through Persuasion." *Harvard Business Review*, February, 1 – 9.

Case:

Memorial Sloan Kettering Cancer Center (A), (B), (C) & (D)

Guest Lecturer (Invited): Dr. Jim Dougherty, former Deputy Physician in Chief, Memorial Sloan Kettering Cancer Center, and Venture Capitalist, Cross Atlantic Partners, New York

Session 12 - 22nd February 2010: Managing Growth

Readings:

Brian Pitman, 2003. "Leading for Value." *Harvard Business Review*, April.

Clayton M. Christensen, Matt Marx and Howard M. Stevenson, 2006. "The Tools of Cooperation and Change." *Harvard Business Review*, October.

Case:

Research in Motion: Managing Explosive Growth

Session 13 - 24th February 2010: Managing Transformation in a Non-Profit Organization

Readings:

Jim Kelly and Julia Kirby. 2002. "Reinvention with Respect: An Interview with Jim Kelly of UPS." *Harvard Business Review*, March.

Case:

The Nature Conservancy

Session 14 - 1st March 2010: Leading Change III

Readings:

Philip M. Rosenzweig, 1994. "National Culture and Management"

Donald N. Sull, 1999. "Why Good Companies Go Bad." *Harvard Business Review*, July-August.

Case:

Infosys Technologies: Global Challenges (A) & (B)

Session 15 - 3rd March 2010: Building the Customer Centric Organization I

Readings:

Jeanie Daniel Duck, 2000. "Managing Change: The Art of Balancing." *Harvard Business Review*, November 15.

Lauren Keller Johnson. "Helping Employees Cope with Change in an Anxious Era."

Case:

Cisco Systems: Building and Sustaining a Customer-Centric Culture

Spring Break: 6th-14th March 2010

Session 16 - 15th March 2010: Globalization of Cisco

Guest Speaker (Invited): Rangu Salgame, President, Niksun, and formerly President, Cisco Systems, India, South Asia and ASEAN

Session 17 - 17th March 2010: Business Process Outsourcing (Global Leader's Perspective)

Readings:

"Leading Change when Business is Good: An Interview with Samuel J. Palmisano." *Harvard Business Review*, December 2004.

Case:

IBM's "On Demand Business" Strategy

Session 18 - 22nd March 2010: Building the Customer Centric Organization II

Readings:

W Chan Kim and Renee A. Mauborgne, 2003. "Tipping Point Leadership." *Harvard Business Review*, April.

Case:

Corporate Solutions at Jones Lang LaSalle

Session 19 - 24th March 2010: Managing Radical Organizational Change I

Readings:

Andy Law and Diane L. Coutu. 2000. "Creating the Most Frightening Company on Earth: An Interview with Andy Law of St. Luke's." *Harvard Business Review*, September 1.

Case:

Torrington Wuxi Bearings: From a State-Owned Enterprise to a Sino-American Joint Venture

Session 20 - 29th March 2010: Managing Radical Organizational Change II

Readings:

Clayton M. Christensen and Michael Overdorf, 2000. "Meeting the Challenge of Disruptive Change." *Harvard Business Review*, March-April.

Charles A. O'Reilly III and Michael L. Tushman, 2004. "The Ambidextrous Organization." *Harvard Business Review*, April.

Case:

Charles Schwab & Co. Inc. in 1999

**Session 21 - 31st March 2010: Organizational Change Narratives I
Managing Business Process Outsourcing (Provider's Perspective)**

Readings:

John Hagel III and Marc Singer. 1999. "Unbundling the Corporation." *Harvard Business Review*, March.

Henry Chesbrough and David J. Teece. 2002. "Organizing for Innovation: When is Virtual Virtuous?" *Harvard Business Review*, August.

Guest Lecturer (Invited): Prof. Ravi Aron, W.H. Carey School of Business, Johns Hopkins University

OR

Guest Lecture (Invited): Tiger Tyagarajan, COO, GENPACT (www.genpact.com), New York, NY

**Session 22 - 5th April 2010: Organizational Change Narratives II
Managing Business Process Outsourcing (Client's Perspective)**

Readings:

Aron, R. and Singh, J.V. (2005). Rightsourcing Services: Make, Migrate or Outsource. *Harvard Business Review*, 83(12), 135-143.

Larry Huston and Nabil Sakkab, 2006. "Connect and Develop: Inside Procter & Gamble's New Model for Innovation." *Harvard Business Review*, March.

Guest Lecturer: Peter Nag, Managing Director, Financial Services Industry, Insignia US, Formerly at Lehman Brothers, Deutsche Bank and Citibank

Session 23 - 7th April 2010: Leading Change V

Readings:

Robert Redford, Bronwyn Fryer, and Debra Meyerson. 2002. "Turning an Industry Inside Out: A Conversation with Robert Redford." *Harvard Business Review*, May.

Case:

Comcast New England: A Journey of Organizational Transformation

Session 24 - 12th April 2010: Managing an Acquisition

Readings:

"Leading Change from the Top Line: An Interview with Fred Hassan." *Harvard Business Review*, July-August.

Larry Hirschhorn, 2002. "Campaigning for Change." *Harvard Business Review*, July 1.

Case:

Polycom Inc.: Visualizing Culture

Session 25 - 14th April 2010: Organizational Change Narratives III

Guest Lecturer (Invited): Bob Herbold, former COO, Microsoft Corporation
Author of "Seduced by Success: How the Best Companies Survive the 9 Traps of Winning."

Session 26 - 16th April 2010: Leading Change VI

Readings:

Steven E. Prokesch. "How GE Teaches Teams to Lead Change." *Harvard Business Review*, January 2009.

"Growth as a Process: An Interview with Jeffrey R. Immelt." *Harvard Business Review*, June 2006.

Case:

GE's Two Decade Transformation: Jack Welch's Leadership

Session 27 - 21st April 2010: Reports from Field Research I

Presentations: In Class Project Team Presentations

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Presentations: In Class Project Team Presentations

MGMT 773

**Managing Organizational Change
Spring 2007**

Prof. Jitendra V. Singh

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