

UNIVERSITY OF PENNSYLVANIA

THE WHARTON SCHOOL

DEPARTMENT OF MANAGEMENT

Spring 2013

Instructor: Jitendra V. Singh
Office: 2207 SH-DH
Telephone: (215) 898-6605
E-mail: *singhj@wharton.upenn.edu*
Office Hours: MW 10:30am-12 noon or by appointment

Course: MGMT 773, Managing Organizational Change

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

Location: JMHH F60

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 is available online on Study.net and can be purchased by you from Wharton Reprographics if you want hard copies. 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. However, if you expect to miss more than three

classes during the term, I would urge you to reconsider your decision to take this course. 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 (20% for draft of term paper; 35% for final term paper; 10% for in-class 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 Failure of Organizational Change at Sony Corporation (2005-2012)
- ◆ Qwik and Hasty Change at Netflix
- ◆ Exploring Change at National Geographic Society
- ◆ Google's Acquisition of Motorola Mobility
- ◆ Duke Buys Progress: The Twenty Minute CEO
- ◆ Grupo Bancolombia
- ◆ Nokia-The Burning Platform: Change Leadership in a Crisis
- ◆ Organizational Changes Brewing at Starbucks: Howard Schultz's Return
- ◆ Joel Klein's Transformation of the New York City Public School System
- ◆ Change In Crisis: Siam Cement Group's Fight for Survival
- ◆ Organizational Change at Harper Collins Publishers
- ◆ Baltimore Clayworks: Assessing a Time of Change
- ◆ Leading the Deal From Hell: Bank of America and Merrill Lynch
- ◆ Creating the American Lung Association: From TB to Clean Air
- ◆ FedEx Buys Kinko's, Copies UPS
- ◆ Turbulence at HP
- ◆ AOL Time Warner: A Merger Gone Wrong
- ◆ Merger of United and Continental Airlines
- ◆ Implementing Change In the US Military: The Repeal of "Don't Ask, Don't Tell"
- ◆ The Rise and Fall of Michelle Rhee: Managing Organizational Change within Education
- ◆ International Finance Corporation 2013: A Study In Change Management
- ◆ Organizational Change at Estee Lauder

- ◆ The Nielsen Company's Change Journey: Realizing the Vision of Integrated, Simple and Open
- ◆ Kraft's Acquisition of Cadbury
- ◆ Zappos
- ◆ Samsung Electronics: Continuous Organizational Change
- ◆ Managing Organizational Change in a Political Context: The New Indonesia Alliance Political Party
- ◆ Procter & Gamble's Acquisition of Gillette
- ◆ The Royal Bank of Scotland: Making Change Happen
- ◆ 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
- ◆ 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
- ◆ Turnaround of Xerox Corporation (2000-2005)
- ◆ The Turnaround of Tyco: How Ed Breen Saved a Company on the Brink
- ◆ 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 three person project teams (the final team size will depend on final course enrollments), such that there are no more than eight project teams overall. A *sign-up sheet for teams will be available on Canvas*.

By Wednesday, January 23rd, 2013 I would like every project group to provide me with names of their project team members.

By Wednesday, February 6th, 2013 I would like to have all project teams provide me with a one page project outline. If needed, I will be available to discuss project topics and provide suggestions before this.

By Wednesday, March 20th, 2013 I would like you to upload to *Canvas* a draft of your project report. I will provide you feedback on your draft report. This draft is to be in PowerPoint presentation form, but with sufficient detail to enable reading it as a coherent document. I am also open to draft reports as Word documents.

The final project reports will be due by 1:30pm on Monday, April 22nd, 2013, the last day of class for our course, and you should upload it to *Canvas*.

During the last two class sessions, on April 17th and 22nd, each project team will also present the key findings of their change projects to the other class members. I will make sign-up sheets available on *Canvas* closer to the date for the sequence of the presentations.

The final project report should be about 25 pages long inclusive of all exhibits or appendices. One format that has worked 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 as needed.

READING ASSIGNMENTS

PART 1: LEADING CHANGE

Session 1 - 9th January 2013: 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 - 14th January 2013: Leading Change I

Readings:

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

Case:

Morgan Stanley: Becoming a "One-Firm Firm"

Session 3 - 16th January 2013: Your Own Change Leadership Journey

Readings:

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

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

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 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?

*******Your Change Leadership Journey Due Today: on Canvas*******

Please upload a one page document to Canvas summarizing your change leadership journey to a folder by that name. While this document will not be graded, it will help you to organize your own thoughts prior to the class, and also give me a flavor of the mix of change related experiences available in the group.

Session 4 - 23rd January 2013: Leading Change II

*******Project Team Names Due Today: on Canvas*******

Readings:

Are You Change-Ready? Preparing for Organizational Change

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

Case:

Merck: Conflict and Change

PART 2: CHANGE STRATEGIES

Session 5 - 28th January 2013: Managing Cultural Change

Readings:

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

Case:

Putnam Investments: Rebuilding the Culture

Session 6 - 30th January 2013: Managing a Merger

Readings:

Rebuilding After the Merger: Dealing with Survivor Sickness

Case:

The DaimlerChrysler Merger (A) & (B)

Session 7 - 4th February 2013: Managing a New Organizational Form

Readings:

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 8 - 6th February 2013: Managing Corporate Transformation I

******One Page Project Outlines Due Today: on Canvas******

Readings:

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

Case:

IBM Corporation Turnaround

Session 9 - 11th February 2013: Managing Corporate Transformation II

Readings:

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

Case:

Gordon Bethune at Continental Airlines

Session 10 - 13th February 2013: 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 Speaker: Dr. Jim Dougherty, former Deputy Physician in Chief, Memorial Sloan Kettering Cancer Center, and Venture Capitalist, Arcus Ventures, New York

Session 11 - 18th February 2013: Managing Growth

Readings:

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

Case:

Research in Motion: Managing Explosive Growth

Session 12 - 20th February 2013: 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 13 - 25th February 2013: Building the Customer Centric Organization I

Readings:

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

Case:

Cisco Systems: Building and Sustaining a Customer-Centric Culture

**Session 14 - 27th February 2013: Organizational Change Narratives II
Managing Business Process Outsourcing**

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.

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

Guest Speaker: Prof. Saikat Chaudhuri, Department of Management, Wharton School

*******Spring Break: 2nd-10th March 2013*******

Session 15 -11th March 2013: Managing an Acquisition

Readings:

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

Case:

Polycom Inc.: Visualizing Culture

Session 16 - 13th March 2013: Organizational Change Narratives III

Readings:

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

Case:

Cognizant Technology Solutions

*Guest Speaker: Curt Girod, Vice President, Banking and Financial Services,
Cognizant*

Session 17 -18th March 2013: Change Lessons From a Technology Genius: Steve Jobs and Apple

Readings:

Part 1 of the CBS 60 Minutes interview on 10/23/2011:

<http://www.cbsnews.com/video/watch/?id=7385688n&tag=contentMain;contentAux>

Part 2 of the CBS 60 Minutes interview on 10/23/2011:

<http://www.cbsnews.com/video/watch/?id=7385684n&tag=contentMain;contentAux>

Text and video of Steve Jobs' commencement speech at Stanford Business School:

<http://news.stanford.edu/news/2005/june15/jobs-061505.html>

<http://www.youtube.com/watch?v=D1R-jKKp3NA>

Other background material from 60 Minutes:

http://www.cbsnews.com/8301-18560_162-20124391/steve-jobs-revelations-from-a-tech-giant/?tag=contentMain;cbsCarousel

Biographical background stories on Steve Jobs:

http://www.businessweek.com/magazine/the-beginning-19551985-10062011.html?campaign_id=rss_topStories

http://www.businessweek.com/magazine/the-wilderness-19851997-10062011.html?campaign_id=rss_topStories

http://www.businessweek.com/magazine/the-return-19972011-10062011.html?campaign_id=rss_topStories

http://www.businessweek.com/magazine/eric-schmidt-on-steve-jobs-10062011.html?campaign_id=rss_topStories

Session 18 -20th March 2013: Managing Radical Organizational Change I

******Project Report Draft Due today: on Canvas******

Readings:

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

Case:

Charles Schwab & Co. Inc. (A) in 1999

Session 19 -25th March 2013: Managing Corporate Transformation III

Readings:

Samuel J. Palmisano, 2006. "The Globally Integrated Enterprise." *Foreign Affairs*, May-June.

Case:

Leaders Who Make A Difference: Sam Palmisano's Smarter IBM

Video (to be screened during class):

Leaders Who Make A Difference: Sam Palmisano's Smarter IBM: Day 1

Session 20 -27th March 2013: Organizational Change Narratives IV

Readings:

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

IBM- Delivering Performance Through Continuous Transformation (*Canvas*)

The R-O-I of Globally Integrated Operations (*Canvas*)

Guest Speaker: James L. Dolan, Partner, Strategy & Transformation, IBM Corporation

Session 21 -1st April 2013: Leading Change III

Readings:

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

Case:

Comcast New England: A Journey of Organizational Transformation

Session 22 -3rd April 2013: Building the Customer Centric Organization II

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

Case: Corporate Solutions at Jones Lang LaSalle

Session 23 - 8th April 2013: Organizational Change Narratives V

Guest Speaker: Prof. Tom Gerrity, Department of Management, former Dean, The Wharton School

Session 24 - 10th April 2013: Leading Change IV

Readings:

Jeffrey R. Immelt, Vijay Govindarajan, and Chris Trimble. "How GE is Disrupting Itself." *Harvard Business Review*, October 2009

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 25 - 15th April 2013: Review Session & Summing Up

Session 26 - 17th April 2013: Project Reports I

Group Presentations: In Class Project Team Presentations

Session 27 - 22nd April 2013: Project Reports II

********Final Project Reports Due Today before class: on Canvas********

Group Presentations: In Class Project Team Presentations

Table of Contents

1. Leading Words: How to Use Stories to Change Minds and Ignite Action (C0605C)
2. Change or Die? An Evidence-Based Approach to Change Management. (2567BC)
3. The Heart of Change
4. Morgan Stanley: Becoming a "One-Firm Firm"
5. Intentional Change: The Leader's Journey to Renewal (2633BC)
6. Turning an Industry Inside Out: A Conversation with Robert Redford
7. Are You Change-Ready? Preparing for Organizational Change (7126BC)
8. Social Intelligence and the Biology of Leadership. (R0809E)
9. Merck: Conflict and Change (9-805-079)
10. Home Depot's Blueprint for Culture Change (R0604C)
11. Putnam Investments: Rebuilding the Culture (N9-406-009)
12. Rebuilding After the Merger: Dealing with Survivor Sickness
13. The DaimlerChrysler Merger (A) & (B)
14. Saving the Business without Losing the Company
15. The Renault-Nissan Alliance in 2008: Exploiting the Potential of a Novel Organizational Form (SM166)
16. Waking Up IBM: How a Gang of Unlikely Rebels Transformed Big Blue
17. IBM Corporation Turnaround (9-600-098)
18. Using Conflict as a Catalyst for Change (U0804E)
19. Gordon Bethune at Continental Airlines (9-406-073)
20. Change through Persuasion (R0502F)
21. Memorial Sloan Kettering Cancer Center (A), (B), (C) & (D)
22. Leading for Value
23. Research in Motion: Managing Explosive Growth (908M46)
24. Reinvention with Respect: An Interview with Jim Kelly of UPS
25. The Nature Conservancy
26. Tipping Point Leadership
27. Cisco Systems: Building and Sustaining a Customer-Centric Culture (409061)
28. Unbundling the Corporation
29. Organizing for Innovation: When is Virtual Virtuous?
30. Connect and Develop: Inside Procter & Gamble's New Model for Innovation (351X)
31. Leading Change from the Top Line: An Interview with Fred Hassan (R0607C)
32. Polycom Inc.: Visualizing Culture
33. Why Good Companies Go Bad (99410)
34. Cognizant Technology Solutions
35. The Ambidextrous Organization (6581)
36. Charles Schwab & Co. Inc. (A) in 1999 (SM-35A)

37. The Globally Integrated Enterprise
38. Leaders Who Make A Difference: Sam Palmisano's Smarter IBM (9-311-030)
39. Leading Change when Business is Good: An Interview with Samuel J. Palmisano (R0412C)
40. Your Company's Secret Change Agents (R0505D)
41. Comcast New England: A Journey of Organizational Transformation (9-908-405)
42. Creating the Most Frightening Company on Earth: An Interview with Andy Law of St. Luke's
43. Corporate Solutions at Jones Lang LaSalle (409111)
44. How GE is Disrupting Itself (R0910D)
45. How GE Teaches Teams to Lead Change (R0901J)
46. Growth as a Process: An Interview with Jeffrey R. Immelt (R0606C)
47. GE's Two Decade Transformation: Jack Welch's Leadership