

DRAFT / University of Michigan Business School

Navigating Change

MO 603b (Sections 451; 002), Fall 2005

Class Time: Wednesday, 6:30pm –9:30pm
Nov. 3-Dec. 8

Class Location: Michigan Room

Instructor: Professor Gretchen Spreitzer

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Office Hours: Wednesdays, before class at 5:30 pm, or by appointment

Coursetools Website:

<https://ctools.umich.edu/portal/group/??>

This course develops the skills you will need for leading change. Change is a basic ingredient of life. Recommending, planning, managing, enacting, surviving and evaluating personal and organizational change are challenges that concern everyone. If the ability to execute timely change differentiates successful individuals – and successful organizations – from also-rans, then taking this course will give you an important competitive advantage as a leader.

In this course, we will analyze the forces that drive organizations to change, examine impediments to change, and survey a range of approaches for making organizational change more effective. MO603 develops your understanding of change processes and provides you with practical skills for managing and leading change.

Change occurs in many forms from minor transitions to major transformations and upheavals. Effectively managing change involves different activities depending on the scope of change and the organization's readiness for it. Special attention will be given to managing disruptions from transitions and the inevitable losses that radical change brings. The work is substantial from the start, and the pace is fast.

Prerequisites

MO 501 or MO 503, Human Behavior in Organizations.

Components of the Course and My Expectations

1. **Individual Participation:** You are expected to come prepared to ask questions that add to your understanding of the course materials as well as to the knowledge base of your fellow students.
 - a. Be courteous. Come on time and do not leave early. Do not interrupt or engage in private conversations while others are speaking. It is also disrespectful to your classmates to read the newspaper or surf the web during class.
 - b. Have an opinion and respect others' rights to hold opinions and beliefs that differ from your own. There are many different possible lenses through which to interpret the material in this class.
 - c. Allow everyone the chance to talk. If you have a lot to say, try to hold back a bit. If you are hesitant to speak, look for opportunities to contribute to the discussion.
 - d. Class participation will be evaluated throughout the entire course. Specifically, each person will be evaluated on a nightly basis for his or her contribution to the class discussion of cases, readings, and related exercises. The criteria used to determine the participation grade will be relevance, substance, lack of redundancy, and persuasiveness. Students who are not in class will receive no credit toward their participation grade for that day. I may also ask your classmates about the extent to which you have contributed to their learning during the semester.

2. **Readings:** There is no textbook for this course, but I have created a set of course materials composed of high quality readings. I have selected the core readings to be accessible and practical, but also academically sound. Other course materials include case studies, videos, and in-class exercises. My expectation is that you will read all of the course materials carefully, reflect on them thoughtfully, address the assignments, and be ready to share your answers and perspectives in class. As you complete 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 the implications? How would I apply this as a change agent?During certain classes, I will also distribute handouts that elaborate the issues we will be discussing – another important reason not to miss class.

3. **Individual change analysis paper:** Write a three to four double-spaced page analysis of organizational change from the ExperienceChange simulation. First, present a description of your experience with the change simulation. How might your approach have been shaped by your own Competing Values Leadership Competency? Second, briefly assess the effectiveness of your overall change approach. What worked and

what did not work? Why? What would you do differently if you were able to start over from the beginning? Finally, discuss how your team dynamics either helped or hindered your performance on the simulation. What are the implications for how you work most effectively with teams in the future?

4. **Group change project:** The nature and details of this project will be discussed in its own handout. The purpose of this assignment will be to develop a training module on some aspect of organizational change. It will include both a class presentation accompanied by a five page handout.
5. **Lessons learned:** This is a chance to reflect on the course and what you have learned and can take away to use throughout your careers. List ten lessons you have learned from this course that you want to remember to apply in either your personal or work life (2 double-spaced pages) and justify each point. The quality of each justification is worth one point each. I will compile the insights of all of your classmates and give each of you a “book” of lessons learned that you could carry with you on your journeys. Please email this to me by 12/14 so I can create the book electronically and send to all of you before the end of the semester.

Grading

Your grade will be based upon:

Individual participation:	20%
Individual change paper (due 11/30)	25%
Group change project	45%
Team building (due 11/9)	(5%)
Handout (due 12/7)	(20%)
Presentation (12/7)	(20%)
Lessons Learned (due electronically 12/14)	10%
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Total	100%

Other Class Policies

1. Assignments are due on the date scheduled. As in the business world, work has to be received on time to matter. If you are late on an assignment, your grade on that assignment will be reduced by 20% for each day it is late.
2. All written work must be typed.
3. If you have a disability that requires special accommodation, please let me know ASAP.
4. Plagiarism and cheating will not be tolerated regardless of any other performance considerations. Students who compromise the integrity of the academic process are subject to disciplinary action on the part of the university and school.

My Commitment for the Course

1. I am committed to making this course a valuable learning experience for you. This class will be both difficult and rewarding. I expect this to be an exciting course and a good learning experience for us all. After the first few meetings of the course, we will spend part of a class session to evaluate our progress, and I will make any necessary changes to keep us on track. However, I welcome your feedback regarding the class at any time in the seven weeks.
2. Please feel free at any time to ask questions and raise questions or concerns you have, however large or small. It is easiest to reach me by email or during office hours, but I am always happy to set up an appointment with you.
3. Given that this is a discussion-based course, it is important that I learn your names early in the course. I will also ask you to use name cards in class so that other students will know your name.

**BIOGRAPHICAL SKETCH FOR:
GRETCHEN M. SPREITZER**

Gretchen Spreitzer is a Professor of Management and Organizations at the Stephen M. Ross School of Business and a faculty affiliate of the Center For Effective Organizations (CEO) at the University of Southern California. She joined the Michigan faculty in 2001 after spending nine years on the faculty at the University of Southern California Marshall School of Business.

Her research focuses on employee empowerment and leadership development, particularly within a context of organizational change and decline. Her most recent research is examining how organizations can enable thriving. This is part of a new movement in the field of organizational behavior, known as Positive Organizational Scholarship (www.bus.umich.edu/positive).

Based on extensive field research, she has authored many articles on contemporary issues in organizational behavior in leading journals such as the Academy of Management Journal, the Academy of Management Review, Administrative Science Quarterly, and the Journal of Applied Psychology. She is the co-author of four books: The Leader's Change Handbook: An Essential Guide to Setting Direction and Taking Action (1999) with Jay Conger and Edward Lawler, The Future of Leadership: Speaking to the Next Generation (2001) with Warren Bennis and Thomas Cummings, A Company of Leaders: Five Disciplines for Unleashing the Power in Your Workforce (2001) with Robert Quinn, Leadership with Kimberly Perttula. Gretchen has been awarded the Western Academy of Management's Ascendant Scholar award for early career contributions.

Gretchen is currently teaching electives on Leading Organizational Change for MBAs and BBAs, and the Multidisciplinary Action Project (MAP) Program. She also is a core faculty member in the Management of Managers (MOM) and Management II Executive Education Programs at Michigan.

Gretchen organizes the Management and Organizations department weekly brown bag series. She is a section editor of the Journal of Management Inquiry and also serves on the editorial boards of Organization Science, the Journal of Organizational Behavior, and Organizational Dynamics. She has been elected to leadership positions in several professional organizations including the Academy of Management (where she serves on the executive board of the Organization Development and Change Division) and the Western Academy of Management (where she served on their executive board).

Prior to her doctoral education, Gretchen worked with the management consulting group at Price Waterhouse's Government Services Office and with Partners for Livable Places, a not-for-profit urban planning firm in Washington, D.C. She has a Bachelor of Science in Systems Analysis from Miami University (in Ohio) and completed her doctoral work at the University of Michigan. She lives in Ann Arbor with her husband and two daughters (ages 5 and 7).

Class Dates and Content

Wednesday, November 2: Introduction to the course and each other

Reading: Beer, “Leading Change,” HBS
Whetten and Cameron, Leading Positive Change
Cameron & Quinn, Chapter 3, “The Competing Values Model”

Exercise: Introductions and break into teams
Card exercise and introduction to Competing Values
Introduction to Team Project
Instructions for ExperienceChange simulation

Assignment: Team project
Team building assignment

Wednesday, November 9: Processes of Change

Reading: Section 11, Leadership of Change: Directed from the Top or High-Involvement and Participative? In Beer and Nohria on Breaking the Code of Change
Webber, “Learning for A Change,” Fast Company
Hamel, “Waking up IBM: How a gang of unlikely rebels transformed big blue” HBR

Case: Johnsonville Sausage Co. 9-387-103

Questions: What are the key differences between Johnsonville’s “old” philosophy and its “new” philosophy? How did the change occur? What were the key factors in successfully changing JS? Should JS take on the Palmer business? Why or why not? Be ready to discuss the pros and cons of top down versus bottom up change. Come to class with some criteria for when an organization would want to lead change from the top or have it evolve from the bottom-up.

Videos: Johnsonville Foods, EDS

Due: Team Building assignment due. Please email your assignment to me as an attachment no later than this evening.

Wednesday, November 16: Implementing Change and Managing Resistance
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Readings: Mishra, Spreitzer & Mishra, "Preserving employee morale during downsizing," SMR
Kotter, Leading change: Why transformational efforts fail
Breen & Dahle, "Resistance Fighter," Fast Company

Case: McDonnell Douglas

Questions: Why did senior management feel that strong action was necessary? What process did they use to devise and implement the change process?

Debate: Students with UM ids ending in odd numbers will take the perspective of the senior leadership at McDonnell Douglas. Defend the approach you took. Students with UM ids ending in even numbers will take the perspective of others in the case. Make the case for why the approach senior leadership chose was not effective.

Video: Gene Cattabiani at Westinghouse

Exercise: Nail game

In Class

Exercise: Working with your groups, use the information from your readings to come up with a better process for creating the change that was needed at McDonnell Douglas.

Mid-course evaluation at end of class

Wednesday, November 23: No Class Thanksgiving but need to complete the ExperienceChange Simulation

You will need to meet with your team for a three hour time block to complete the simulation sometime before Dec. 1. Please complete the following prework before you meet as a team! You will need web access to the simulation to complete the following:

- 🔦 Interview the Global Tech employees
- 🔦 Read through and understand all of the tactics
- 🔦 Build an implementation plan

You will receive your user name, password, and instructions regarding the simulation from ExperiencePoint. I will receive copies of all communication between the company and our class and will receive statistics regarding your performance (i.e., who has completed it, what you scored, etc.). If you have a problem with any of the technology while completing your prework, contact the ExperiencePoint at support@experiencepoint.com or call them toll free at 1-866-369-9888 (ext. 40).

After you complete the simulation in class, you may replay it as many times as you like to improve your score and your understanding of change. You will have access to the simulation for one month.

Assignment: Individual change analysis paper based on the simulation.

Wednesday, November 30: Leading Change

Req. Reading: Cameron & Quinn, Chapters 4-5 “Constructing an Organizational Profile,” and “Using the Framework to Diagnose and Change Organizations”

Rec. Reading: Burke, Chapter 4, “Organization Development as a Process of Change”

Due: Change analysis paper

In Class

Exercise: Group lessons learned from the ExperienceChange simulation.

Case: The Lincoln Electric Company (9-398-095)

Questions: What has accounted for Lincoln’s enduring success? Map Lincoln on the competing values organizational profile. In 1996, Lincoln made plans to expand the company’s production base to several countries in Asia to take advantage of lower labor costs and to avoid trade barriers. What is different about doing business in Asia than in the U.S.? Map what Lincoln on the competing values organizational profile regarding what it would need to look like as a successful global corporation. If you were a consultant, what would you recommend to Lincoln to help them change so they can successfully expand to Asia?

Video: Lincoln Electric

In Class

Exercise: Mapping culture change at Lincoln Electric.

Wednesday, December 7: Wrap and Final Presentations

Due: Project presentations, paper, and peer evaluations due (Each group will have 10 minutes to present and 5 minutes for Q&A – We’ll be firm on time so all groups get equal time!)

Wednesday, December 14: No Class (given the outside of class simulation you completed earlier in the course)

Due: Lessons Learned turned in electronically