

UNIVERSITY OF ILLINOIS
School of Labor and Employment Relations

LER 523

Organizational Fundamentals for HR/IR Professionals

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Class time: Wednesdays 8:00am-10:50am Armory 134

Course Website: On Compass

Course Overview:

We all have spent a good part of our lives in formal and informal organizations such as schools, businesses, or religious organizations. Most of you will spend a great deal of your adult lives in organizations working with other people, often in positions that require you to possess a solid understanding of an organization's dynamic context. As a result, recruiters, scholars, and practitioners stress that you can benefit from acquiring formal knowledge of myriad issues involved in the operation of an organization. The key goal of this class is to help you to acquire this knowledge.

This course is designed to increase your effectiveness and skill in analyzing, managing and understanding organizations and organizational processes. To do so, it will take a number of theories about organizations and use them to help increase your understanding of the organizational context. Since the potential scope of topics is enormous, we will necessarily be selective in moving through the material. In particular, we will focus on a number of important themes such as organization design and structure; strategy; decision-making; and culture. In addition, in order to prepare you for the various transformations that you will experience in your careers and workplaces, we will examine many of these topics in the context of organizational change.

An objective of this course is to expose you to basic ideas about key organizational topics—as well as a number of applications of these ideas—in order to give you a framework for organizing your own past experience as well as guide additional learning and reading that you will be doing after you leave the course. The topics we will cover do not offer you a recipe of what to do in all situations, but rather give you a set of skills and different ways of thinking that can help you address novel problems that you will face throughout your lives.

Reading List

Required Text:

Scott, W. Richard and Gerald F. Davis. 2007. *Organizations and Organizing: Rational, Natural, and Open System Perspectives*. Routledge. New York.

Required Cases: available online at

<https://hbsp.harvard.edu/import/594166>

Evaluation, Assignments, and Course Policies:

Evaluation:

Midterm Test (30%)

Concluding Test (30%)

Weekly Response Papers (15%)

Team Presentations (15%)

Individual Participation and Discussion (10%)

Tests:

There will be two exams consisting of essay questions. The items will cover all assigned readings, lectures, and supplemental material. Assigned readings not covered in the class may still be included on exams. The second exam will primarily cover information from the second part of the course, although some of the material will be cumulative in nature. The exam dates, as shown on the attached schedule, are **March 6**, and **May 1**. The tests will be administered during class-time on the course Compass Page.

Weekly Response Papers

Each week you will need to prepare brief written response papers that deal with the week's assigned readings (~ 1 to 1.5 pages). The papers should include **1) a brief (~ 1 paragraph) summary of the main points from the readings and 2) responses to the assigned questions listed under each weeks' heading in the course schedule below**. Response papers should be submitted on the course Compass webpage using the weekly paper submission field. Papers are due prior to the start of class each week. In the event that class is cancelled you should still prepare and submit a response paper. A key purpose for these assignments is for you to demonstrate critical thinking as well as the adequate application of concepts studied. In addition, these short assignments will help you to prepare for discussion, and will allow me to gauge your comprehension of the readings.

Team Presentations

During each class, a team will be given 25-30 minutes to analyze and discuss a case. Your team will need to demonstrate knowledge of new concepts and the specific empirical settings described in the cases. Your presentation should include an overview of the case, attempt to build connections to course material, and generate additional insights about the cases. Do not confine your presentation to a summary of the case. Consider what lessons should we learn from each case and how the class material provides insights into the case specifics. You can also use multiple formats for your presentation including (but not limited to): formal PowerPoint

presentation, class discussion, role-play simulation, video/audio material, etc. Be creative and keep it interesting.

Individual Participation and Discussion

Class discussion and participation provide you with an opportunity to develop communication skills, to present ideas concisely and persuasively, and to respond effectively to the comments of others. While I will lead class discussions, I do not intend to subject you to two and a half hours of intense lecturing each week, but rather encourage you to offer insights and thoughts on the material that is assigned.

Academic Integrity:

The academic standards of the University protect the quality of education and research at this institute. These standards of conduct are detailed in the Code on Campus Affairs.

As a student, you should avoid obtaining (1) answers for any assigned work or examination from any unauthorized source; (2) working with another person or persons on any assignment or examination when not specifically permitted by the instructor; and (3) observing the work of other students during any examination. You should also avoid providing answers for any assigned work or examination when not specifically authorized to do so, as well as informing any person or persons of the contents of any examination prior to the time the examination is given.

The Code of Campus Affairs also discusses plagiarism. A student should neither fail to credit sources used in a work product in any attempt to pass off the work as one's own, nor attempt to receive credit for work performed by another, including papers obtained in whole or in part from individuals or other sources. Any problems of academic integrity on an individual assignment will result in a student receiving a failing grade for the whole course. Conduct yourself in such a manner, at all times, to avoid any suspicion of wrongdoing. Avoid helping anyone else break the rules. Enrollment in this course indicates you have read and accepted the terms of this course outline.

Outline and Schedule of Sessions

Week 1: Introduction to the Course

[January 16]

Topics:

Introduction to the Course; Lenses and Metaphors in Organization Theory

Required Reading:

None

Response Paper Questions:

None

Week 2:

[January 23]

Topics:

The Study of Organizations; Organizations as Rational Systems; Classical Management Theory (Taylor and Ford); Introduction to Strategic Design

Required Reading:

Scott & Davis Chapters 1 & 2

Morgan, Gareth 2006. *Images of Organization*. Thousand Oaks, CA: Sage. Chapter 2
“Mechanization Takes Command: Organizations as Machines

Response Paper Questions:

1. What is “bounded rationality?” How do organizations facilitate decision making for boundedly rational actors?
2. Where can we find some of the principles of Taylor’s scientific management today?
3. What are the primary elements of Ctrip’s scientific approach to management?

Case Study: CTRIP: Scientifically Managing Travel Services

Week 3:

[January 30]

Topics:

Organizations as Natural Systems; Political and Normative Models of Organizations

Required Reading:

Scott & Davis Chapter 3

Kunda, Gideon. 2006. *Engineering Culture: Control and Commitment in a High-Tech Corporation*. Chapter 1

Response Paper Questions:

1. Why might an organizations’ goals change over time?
2. What are the major differences between Theory X and Theory Y? Do you think these theories continue to inform management and HR practices?
3. What is normative control? What are some of the virtues and critical interpretations of normative control?
4. How does Zappos use its culture to build and maintain organizational flexibility?

Case Study: Zappos.com 2009: Clothing, Customer Service, and Company Culture

Week 4:

[February 6]

Topics:

Organizations as Open Systems; Models for Organizational Change

Required Reading:

Scott & Davis Chapters 4.

Ancona et al. 2005. Organizational Change: An Overview

Response Paper Questions:

1. What does it mean to say that an organization is a “loosely coupled” system?
2. What are the key dimensions of organizational change?
3. What challenges does the changing mix of media and platform present for National Geographic?

Case Study: The National Geographic Society (A)

Week 5:

[February 13]

Topics:

Combining Perspectives; Major Schools of Organizational Theory

Required Reading:

Scott & Davis Chapters 5

Response Paper Questions:

1. What is the difference between an organizational field and an organizational population?
2. Choose an organization with which you are familiar and apply Thompson’s levels model. What are the salient levels in the organization you chose? How are the levels distinct?

Case Study: **No Case Study Today**

Week 6:

[February 20]

Topics:

Technology and Structure; Principles of Strategic Design

Required Reading:

Scott & Davis Chapter 6

Ancona et al. 2005. The Strategic Design Lens

Response Paper Questions:

1. What is strategic design? What objectives can be achieved using organizational design?
2. How do information and communication technologies fit into strategic design?
3. Why has John Chambers decided to reorganize in 2001? What are the tradeoffs?

Case Study: Cisco Systems (2001): Building and Sustaining a Customer-Centric Culture

Week 7:

[February 27]

Topics:

Labor and Structure; Organizations as Systems of Control

Required Reading:

Scott & Davis Chapters 7 & 8

Response Paper Questions:

1. Compare and contrast favorable and critical perspectives on internal labor markets.
2. What is a “dominant coalition?” How does a dominant coalition attempt to achieve its goals?
3. What are the key reasons Motorola wanted to shift to a contingent staffing strategy?

Case Study: Contingent Workforce Planning at Motorola, Inc.

Week 8: Mid-Term Exam

[March 6]

Week 9:

[March 13]

Topics:

The Organizational Environment: Transaction Costs and Resource Dependencies

Required Reading:

Scott & Davis Chapter 9

Response Paper Questions:

1. What are transaction costs? How do transaction costs affect organizational structure?
2. What is a resource dependency relationship? How do resource dependencies affect organizational structure?
3. What were the key components of Bill Nichol’s strategy? Which components were most effective and why?

Case Study: Bill Nichol Negotiates with Walmart: Hard Bargains Over Soft Goods (**A & B**)

Week 10:

[March 20] NO CLASS SPRING BREAK

Week 11:

[March 27]

Topics:

The Organizational Environment: Ecological and Institutional Approaches

Required Reading:

Scott & Davis Chapter 10

Interview about Corporate Social Action: <http://hbswk.hbs.edu/item/the-geography-of-corporate-giving>

Using CSR to win the War for Talent

Response Paper Questions:

1. How might an institutional theorist analyze CSR?
2. What are major sources of institutional rules and frameworks?
3. Should Dannon start to pro-actively communicate to consumers about its CSR initiatives, and if so, what benefits and risks would Dannon face?

Case Study: The Dannon Company: Marketing and Corporate Social Responsibility (A)

Week 12:

[April 3]

Topics:

Networks and Organizational Strategy

Required Reading:

Scott & Davis Chapters 11 & 12

Response Paper Questions:

1. What is a structural hole? Why is it beneficial to occupy a structural hole in a network?
2. What is “shareholder value” and how does it relate to organizational performance and strategy?
3. Historically, what have been Apple’s competitive advantages?

Case Study: Apple Inc. in 2012

Week 13:

[April 10]

Topics:

The Rise (and Fall?) of the Corporate Form

Required Readings:

Scott and Davis Chapter 13

Davis 2009. The Rise and Fall of Finance and the End of the Society of Organizations.

Response Paper Questions:

1. What do you think of Davis’ conclusion that large bureaucratic organizations are a declining feature of the U.S. economy?
2. What challenges do you think this shift is likely to pose for human resource managers?
3. What are the key challenges for human resource professionals in taking a more strategic partnership role in firms?

Case Study: Delivering Strategic Human Resource Management

Week 14:

[April 17]

Topics:

Changing Contours of Organizations and Org Theory

Required Reading:

Scott and Davis Chapter 14.

Response Paper Questions:

1. Scott and Davis point out that organizational theory has been largely myopic in its focus on western societies. What lessons from org theory (discussed in the class) do you think deserve additional attention from a cross-cultural/cross-national perspective?
2. What do you think the field of organization theory contributes to the work of HR professionals?

Case Study: None

Week 15:

[April 24]

Course Review and Debriefing

Week 16: Final Exam

[May 1]