

Reading Review – Chapters 8 & 10

CHAPTER 8

- I. Two Levels of Culture
 - a. Invisible
 - i. Core Culture: Values, beliefs, assumptions.
 - ii. Widely shared values
 - iii. Rarely discussed
 - b. Visible
 - i. Symbols, Stories, Heroes
 - ii. Rites & Rituals
- II. Importance of Culture
 - a. Gives identity
 - b. Facilitates collective commitment
 - c. Promotes social-system stability
 - d. Shapes behavior by helping employees make sense of their surroundings.
- III. Three Types
 - a. For-Profit
 - b. Non-Profit
 - c. Mutual Benefit (political parties, farm cooperatives, labor unions, trade associations)
- IV. Organization Chart
 - a. Vertical hierarchy of Authority
 - b. Horizontal specialization (different tasks)
- V. Major Elements
 - a. Edgar Schein: 4 elements
 - i. Common Purpose
 - ii. Coordinated Effort
 - iii. Division of Labor
 - iv. Hierarchy of Authority
 - b. Additional Elements from the Book
 - i. Span of Control
 - 1. Narrow (tall): Manager has fewer people reporting
 - 2. Wide: flat
 - 3. Historically 5 – 7 subordinates ideal
 - ii. Authority, Responsibility, Delegation
 - 1. Line Position vs. Staff Position
 - 2. Line managers have people reporting
 - 3. Staff position: provide advice, recommendations, research to line managers.
 - iii. Centralized vs. Decentralized
 - 1. Centralized: Decisions made by higher-level managers, less duplication of work. Easier to control procedures.
 - 2. Decentralized: Middle level and supervisory managers make decisions. Managers solve their own problems (flexible, efficient)
- VI. Structures
 - a. Simple: One layer below top management
 - b. Functional: Grouped by occupational speciality
 - c. Divisional
 - i. Product Divisions: (AOL Time-Warner: movies, cable, magazines)
 - ii. Customer Divisions: (Ford: car dealers, trucking companies)
 - iii. Geographic Divisions: (Federal Reserve, IRS)
 - d. Conglomerate: Grouped around similar areas of business
 - e. Hybrid: Functional and Divisional structures in different parts of the organization
 - f. Matrix: Functional and Divisional combined in a grid.

- g. Team-Based: Improve horizontal relations, no functional barriers
- h. Network: Central core linked to outside firms by computer.
- VII. Factors in Contingency Design
 - a. What's the best method under these circumstances?
 - b. The Environment (I)
 - i. Mechanistic Organizations
 - 1. Rigid, uniform. Close supervision.
 - 2. Formal communication, many rules, taller structure, specialized tasks.
 - ii. Organic Organizations
 - 1. Decentralized authority, fewer rules.
 - 2. Employees cooperate and react quickly to the unexpected.
 - c. The Environment (II)
 - i. Differentiation: More subunits, more specialization, less communication
 - ii. Integration: Work together
 - d. Size: Larger size yields more mechanistic organizations.
 - e. Technology
 - i. Small Batch (custom made): informal / flexible
 - ii. Large Batch (assembly line): more specialization
 - iii. Continuous Process (machines): less rigid / formal
 - f. Life Cycle
 - i. Birth: Non-Bureaucratic. No written rules, small supporting staff.
 - ii. Youth: Pre-Bureaucratic. Some division of labor, setting of rules.
 - iii. Midlife: Bureaucratic. Staffs of specialists.
 - iv. Maturity: Very Bureaucratic. Mechanistic.
- VIII. Why would an organization resist learning?
 - a. Believe competition is better than collaboration ("look good rather than do good")
 - b. Fragmentation results in specialized fiefdoms.
 - c. People won't take risks unless encouraged.

CHAPTER 10

- I. Types of Change
 - a. Reactive: Respond to surprise, perhaps some mistakes
 - b. Proactive: In anticipation of possible problems.
- II. Forces of Change
 - a. Outside
 - i. Demographics.
 - ii. Market
 - iii. Technological
 - iv. Social & Political
 - b. Inside
 - i. Employee Problems
 - ii. Managers' Behavior
- III. Areas Where Change is Often Needed
 - a. People
 - i. Perceptions (eg: feel underpaid)
 - ii. Attitudes
 - iii. Performance (what incentives will work)
 - iv. Skills (alter/improve)
 - b. Technology
 - i. Structure (eg: acquisitions)
 - ii. Strategy (market requirements)
- IV. Fear of Change

- a. Degree to Which Employees Fear Change
 - i. Adaptive Change (least threatening) Reintroduce familiar practice
 - ii. Innovative Change (somewhat threatening) New to the organization.
 - iii. Radically Innovative Change (most threatening): New to the industry.
 - b. Lewin's Change Model
 - i. Unfreezing: Create motivation to change
 - ii. Changing: Give employees tools for change.
 - iii. Refreezing: Make the new ways normal.
 - c. Kotter's Steps for Leading O Organizational Change
 - i. Unfreezing
 - 1. Establish sense of urgency
 - 2. Create guiding coalition (spanning functions and levels)
 - 3. Develop visions and strategy to guide process
 - 4. Communicate the Vision
 - ii. Changing
 - 1. Empower broad-based action
 - 2. Generate short-term "wins" (goals)
 - 3. Use the momentum to create more change
 - iii. Refreezing
 - 1. Anchor new approaches in the culture (takes years!)
- V. Organizational Development
 - a. Set of techniques for implementing planned change to make people and organizations more effective.
 - b. Uses
 - i. Managing Conflict
 - ii. Revitalizing Organizations
 - iii. Adapting to Mergers
 - c. Characteristics
 - i. Aims for fundamental change, not temporary fixes
 - ii. Process-Oriented, not Content-Oriented
 - iii. Value-Loaded (carries certain values / biases rooted in psychology)
 - d. How it Works
 - i. Diagnosis (find the problem)
 - ii. Intervention (fix the problem)
 - iii. Evaluation (evaluate the quality of the fix)
 - e. Effectiveness
 - i. Five factors in particular make these programs work.
 - ii. Readiness for Change
 - iii. Management Support
 - iv. Expectations (not unrealistic) and Awareness
 - v. Access to Resources and Collaboration
 - vi. Multiple Interventions (not just one)
- VI. Promoting Innovation
 - a. Types
 - i. Product (change in appearance or performance) vs Process (way a product is conceived, manufactured, disseminated)
 - ii. Incremental (modify existing products) vs. Radical (replace existing products)
 - b. Characteristics
 - i. Uncertainty
 - ii. Knowledge-Intensive. Only those close to the innovation know the details.
 - iii. Potentially Controversial
 - iv. Complex. May cross organizational boundaries.
 - c. Factors Encouraging Innovation
 - i. Culture: Must be prepared to *celebrate* failure
 - ii. Availability of Resources
 - iii. Rewards

- d. Steps to Foster Innovation
 - i. Recognize Problems and Opportunities
 - ii. Communicate to Gain Allies
 - iii. Overcome employee resistance. Empower and reward to achieve progress

HANDOUTS

- I. The Threat of Pigeons and Other Fundamentals
 - a. People tend to build principles around what they *think* is responsible for their (or their organization's) success.
 - b. Some people accept or reject ideas based on whether or not they conflict with their existing beliefs.
- II. The Perils of Culture Conflict
 - a. Every culture has things that are valued for some cultural significance rather than outright usefulness. Corporate culture is no different.
 - b. Identify traits that employees have in common to get an understanding of culture.
 - c. Steps to Take
 - i. List the ten values that best characterize your ideal workplace and the ten least characteristic.
 - ii. Hypothesize about a particular company's culture
 - iii. Don't stereotype based on industry
 - iv. Observe the physical environment at the company
 - v. Interview coworkers (peers and at other levels)
- III. S-7 Model of Organizational Design
 - a. Strategy
 - b. Structure
 - c. Systems
 - d. Style
 - e. Staff
 - f. Skills
 - g. Superordinate Goals / Shared Vision