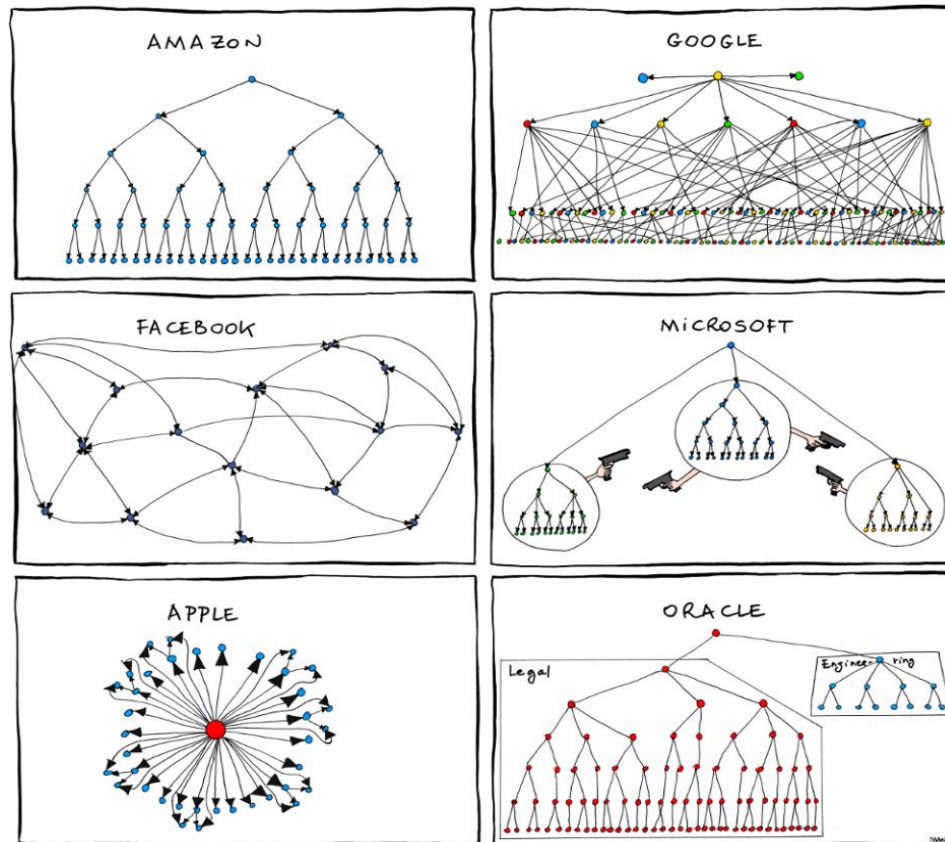


University College Maastricht
Academic Year 2017-2018

Course Manual
ORGANIZATION THEORY
SSC2008



1.1 Introduction

This course explores *organization* –a noun– and *organizing*– a verb. More specifically this course is about (a) increasing survival chances, (b) finding added value, and gaining (c) competitive advantage as well as (d) sustainability for (business) organizations. In these efforts, the focus is not so much on products and services, but on **organization design, culture and learning**.

Organizational design is the way the work in the organization is split up into individual tasks and roles, into teams, departments and divisions, and subsequently integrated again via various *coordination mechanisms* and *design parameters*. *Coordination mechanisms* include: direct supervision of employees, standardization of work processes, standardization of employee skills, standardization of outputs, and mutual adjustment between employees. *Design parameters* include, amongst others, job specialization, training-on-the-job, unit grouping, but also, one can argue, cultural norms and values.

Organization culture refers to the ways that basic assumptions, behavioral norms and values, artifacts and symbols help organizations in their struggle to find external adaptation and internal integration.

Organizational learning refers to the processes of discovery of new knowledge at the individual, team, and organizational level, and capturing knowledge in organizational repositories such as procedures, systems, and culture.

Object focus of the course

Although the focus of our course is on business organizations, there is also ample room for including other types of organizations, such as political organizations, NGOs, schools, social movements, crowd funding for non-commercial activities, labor unions, and (supra)national institutions. You are invited to come up with insights and examples from 'not-for-profit' organizations in the tutorial discussions as well as your midterm paper.

Introduction to organizations

Indeed, organizations abound in the world around us. They influence and structure our life more than we may generally be aware of. From the very start of one's life it is formal organizations that monitor your pre-birth development, that literally help you to enter this world, provide clothes, advice, food, and medical care. Once

registered at the town hall, all kinds of public organizations take action to plan and sustain your existence in an organized society in order to make sure you get child benefits, vaccinations and that you will in time be summoned to school, perhaps the army, to pay taxes or to vote in the elections. Private organizations start bombarding your parents with offers for diapers, toys, trolleys, financial saving plans and books, often creating clientele for years to come. The newborn may be baptized or otherwise inaugurated in a religious organization providing meaning, comfort, consolation and support (possibly even after life!). Later in life we enter a multitude of formal organizations like schools, sports and leisure clubs, student associations, political parties, work organizations, and interest groups. Even if we are not a member, the impact of the surrounding organized world on our ideas, choices, life styles and activities is considerable. Finally, organizations are likely to educate our children, pay our pensions and support, care for and bury us in the last phase of our life.

Apart from all the formal organized activities, life is also replete with the influence of *informal* collectivities to which you belong either by choice or not. Examples are your family, friendship groups, brand communities, and the social class to which you belong. Your membership of these collectivities can profoundly enhance or constrain your options for development and advancement in life.

Humans can be regarded as 'social animals': they have evolved biologically but also socially and culturally. Socio-biologists argue that it is humans' ability for symbolic communication (language) that has given them a tremendous comparative advantage in evolution by the possibility this offers to effectively communicate the cumulative knowledge of preceding generations to each new one *at once*. This is why cultural evolution progresses at a much higher speed than biological evolution. Moreover, the knowledge thus transmitted can be used to plan and organize collective behavior in order to express learned behavior and to anticipate and fight off threats. The earliest humans were hunters/gatherers living in organized bands to ensure their survival. It was a revolutionary step in the social evolution of man when these groups started to settle and became farmers, planning and coordinating efforts for the production of their food and security instead of exploiting a certain area and move on. The challenge to plan and coordinate as effective and efficient as possible has since then been a continuing project of mankind. It has yielded nations, armies, guilds, associations, parties, factories and dot-com companies. The results are impressive but two-sided: through the gains in efficiency the organizing process has

produced economic welfare as well as poverty, democracy as well as tyranny and the modern welfare state as well as the organized and meticulously planned killing of millions.

Organization theory is a branch of the social sciences that is particularly interested in why, how and when multiple individuals join efforts to reach a shared goal. Many more or less formal definitions exist as to what exactly constitutes 'an organization', but recurrent elements in any definition seem to be:

- Comprising multiple individuals
- Coordinated action (and reflection)
- Some common purpose and goal(s)
- Enduring existence

Typically, organization scholars have drawn upon a multitude of scientific parent disciplines such as sociology, anthropology, economics, psychology, political science and evolutionary biology. Organization theory is therefore a *multidisciplinary* subject.

1.2 Course goals and objectives

The purpose of teaching organization theory is to provide you with comprehensive knowledge of various organization designs and inter-organizational arrangements that are developed in interaction with their market, cultural, industry and institutional environments, with the aim of preparing you to design and manage organizational systems, cultures, and learning processes. The intention is to help you to develop an awareness of the relevance of organizational structures, cultures and learning processes. We will dig into explanatory theories, models, and empirical findings in the field of organization theory to get an idea of the rich variety of behavior and sense-making on the work floor.

You will work toward the following goals and objectives:

- To create an *awareness* of the relevance of organizational structures, cultures and learning processes and their impact on behavior
- To enhance *knowledge* of various organization designs that are developed in interaction with their market, cultural, industry and institutional environments
- To prepare for future *practice* in designing and managing (international) organizational systems, cultures and learning processes

- To ameliorate *discussion* competence (summarizing, critique, etc.)
- To develop the capacity to *analyze* the strengths and weaknesses of different organizational theories, designs and re-designs, to compare and contrast approaches, and evaluate and assess these different models

The previous goal includes formulating answers to questions such as:

- What *are* organizations?
- *Why* do organizations exist? (Put differently: why do some economic transactions not take place via the market but via the hierarchy of managers-workers relationships?)
- What are the *boundaries* of organizations? (Do suppliers with whom the firm has entered into a contractual relationship belong to that firm or to its environment? Are prosumers part of the organization?)
- How do organizations cope with *external* influences?
- How can organizational be *classified*? (functional form, divisional form, matrix form, etc.)
- How do organizations manage *day-to-day work*?
- How do they create *added value*?
- What is their effect on customers, suppliers, competitors, and *society* at large? And vice versa: how do customers, suppliers, competitors, and society at large affect organizations?
- Why are there so *many types* of organizations?
- What makes an organization *efficient*?
- What makes an organization *effective*?
- How can organizations *combine* efficiency with effectiveness?
- How can you see an organization as a *culture* – a multitude of cultures?
- How can organizations *learn*?
- How can organization become *sustainable*?
- What makes an organization *ethical*?
- Why do some organizations *fail* where others succeed?

3. Structure of the course

The course will start with an introduction lecture by the course coordinator, Mrs. Sonja Zaar (Department of Organization and Strategy, Maastricht University School

of Business and Economics) to get a general feel for the topic. A second lecture will follow later on in the course specifically aimed at organizational design typologies. In addition to these two lectures, two tutorial meetings are scheduled each week for the duration of the course period. In these tutorial meetings we discuss the session topics and suggested readings as well as enjoy a 10-15 minutes' case analysis by one (or two) student(s). Please note however that during this course period there are quite a number of national and Christian days off, which break the twice-a-week tutorial rhythm. As such, keep a close eye on the course calendar to see when meetings take place. The last tutorial meeting of the course will be used for wrap-up and Q&A.

4. Suggested readings

The suggested readings for this course mainly consists of (academic) journal articles available through EBSCO (search.ebscohost.com). There is no mandatory textbook for this course. Below you find a list of suggested articles per group tutorial. To access EBSCO, surf to the Maastricht University Library homepage. Then search for the article and save the PDF. Obviously, Google Scholar is another option to easily find readings.

Interesting high-quality academic journals in OT

The standard list of top (business) organization studies journals comprises such journals as:

[Academy of Management Journal](#); [Academy of Management Review](#); [Administrative Science Quarterly](#); [Asia Pacific Journal of Management](#); [British Journal of Management](#); [California Management Review](#); [European Management Journal](#); [Harvard Business Review](#); [Human Relations](#); [International Studies of Management & Organization](#); [Journal of Management](#); [Journal of Management Inquiry](#); [Journal of Management Studies](#); [Management International Review](#); [Management Science](#); [Organization Science](#); [Organization Studies](#); [Strategic Management Journal](#)

You may also want to consult Nicolay Worren's blog on organizational (re)design

<http://www.organizationdesign.net>

Some classic general monographies in OT

Adler, Paul S. (ed.), 2009. *The Oxford Handbook of Sociology and Organization Studies. Classical Foundations*, Oxford: Oxford UP

- Aldrich, H.E. 1999. *Organizations and Environments*, Prentice- Hall, Englewood Cliffs, New Jersey.
- Clegg, S.R., Hardy, C. and Nord, C. (Eds.) 1996. *Handbook of Organizational Studies*, London: Sage
- Clegg, S., Courpasson, D., Phillips, N., 2006. *Power and organizations*, London: Sage
- Gabriel, Y. 2000. *Storytelling in Organizations*. Oxford: Oxford University Press
- Hatch, M.J. 1997. *Organization Theory: Modern, Symbolic, and Postmodern Perspectives*. New York, NY: Oxford University Press
- Scott, W. R. and Gerald F. Davis 2007. *Organizations and Organizing: Rational, Natural, and Open Systems*, Englewood Cliffs, NJ: Prentice-Hall.
- Morgan, G. 2006. *Images of Organizations*, Beverly Hills: Sage
- Weick, K.E. 1995. *Sensemaking in Organizations*. Newbury Park, CA: SAGE
- Westwood, R. and S. Clegg, 2003. *Debating Organizations: Point – Counterpoint in Organization Studies*. Blackwell Publishing.

5. Formal requirements and assignments; communication

The tutorial sessions will be based on the PBL logic, with an emphasis on post-discussions. Furthermore, in every tutorial one (if need be two) student(s) give(s) a 10-15 minutes' case presentation with which the topic of the day is illustrated. "Case" refers to a wide range of examples: organization cases (business or otherwise), but also cases at the (lower) level of the department, group/team, triad/dyad, and even the individual. Moving in the opposite direction (towards a higher level of aggregation), you can think of the industry level, national level, and supranational level.

Failure to attend tutorials means that you can't sufficiently benefit from discussion and analysis of the readings, nor that you have been able to give input to the group process. In order to compensate for this, an additional assignment is set for all students failing to attend at least eight of the ten tutorial meetings. Missing the tutorial in which you have to give your case analysis, will result in a 0 (zero) for that element of the final grade – unless you have suffered provable hardship, after which a solution is sought. In case of absence, please be so kind to notify your tutor upfront by email.

Students can speak to the course coordinator/tutor before/during/after group tutorials and by appointment. Please note: email messages must originate from

student e-mail accounts. Announcements are posted on ELeUM as required. Lecture slides are posted on the website as well. You are expected to check the course website for announcements and your university e-mail account on a regular basis. Information distributed via these channels is considered successfully conveyed.

6. Assessment: evaluation and examination

The formal requirements will be graded by your tutor on a scale of 0-10. The *relative weights* assigned to each requirement are as follows:

1. <i>Active participation in the discussions</i>	20%
2. <i>Case presentation in one of the tutorials</i>	20%
3. <i>Take home midterm paper</i>	20%
4. <i>Final written essay exam</i>	40%
<hr/>	
<i>Total</i>	<i>100%</i>

The resulting composite final mark should be at least a 5.5 in order to pass.

The take home **midterm paper** is an individually written essay with a maximum of 1.500 words (excluding abstract, references list, and possible appendices) in which you apply OT theories, concepts and/or philosophies to analyze design, cultural and learning trends in one organizational field (aka industry, or sector) amongst a list of four:

1. **Media** (Print media; broadcast media; digital media; outdoor media, etc.)
2. **Creative industries** (e.g. Music, museums, publishing, film, architecture, crafts)
3. **NGOs** (Charitable orientation; service orientation; participatory orientation; empowering orientation)
4. **Education** (At all levels, in all forms)

In developing your arguments, you can also seek inspiration in other approaches to organizational analysis as the ones we have been dealing with in the tutorials so far.

One might think of critical, gender, ethnographic, discourse or narrative approaches. You can discuss the choice of literatures with your tutor, if you feel like.

Here, at least, are some suggestions regarding **alternative OT-approaches**:

- Alvesson, M and Willmott, H (eds) (2003) *Studying Management Critically*. London: Sage
- Denissen, A.M. (2010) The right tools for the job: Constructing gender meanings and identities in the male-dominated building trades. *Human Relations* 63(7): 1051–1069
- Van Maanen, J. (2011). Ethnography as work: some rules of engagement. *Journal of Management Studies*, 48 (1), 218–234
- Oswick, C., Keenoy, T., and Grant, D. (2000). Discourse, organizations and organizing: Concepts, objects, subjects. *Human Relations* 53(9): 1115–1123.
- Watson, T.J. (2011). Ethnography, Reality, and Truth: The Vital Need for Studies of 'How Things Work' in Organizations and Management." *Journal of Management Studies*, 48 (1), 202–217
- Keenoy, T., Oswick, C., and Grant D. (1997) Organizational discourses: Text and context. *Organization*, 4(2): 147–157
- Alvesson M., and Karreman D. (2000). Varieties of discourse: On the study of organizations through discourse analysis. *Human Relations* 53(9): 1125–1149

A more fundamental critique of neo-liberalist organization can be found here:

De Cock, C., & S. Böhm (2007). Liberalist Fantasies: Žižek and the Impossibility of the Open Society, *Organization*, 14: 815-836

You have to hand in your midterm paper as a soft copy in Word format via Safe Assignment on EleUM and by email to your tutor. In addition to a grade for this midterm paper, you also receive constructive feedback on your paper to use as input for your final written exam. The deadline for submission of the midterm paper is: MONDAY, MAY 7, 23:00 HOURS.

The **final written exam** will comprise open essay questions based on the course topics; however, your space for answering these open questions is limited to a certain number of lines. Open essay questions allow for showing your factual and analytical understanding of theories, concepts and/or philosophies, as well as your integrative and critical capabilities in this field.

Place and date of the inspection hour will be indicated on the exam form. Students who fail the midterm paper and/or final written exam will be offered a resit (second and last chance) in the same academic year. If you have to retake the midterm paper or final written exam only, the other partial grades (participation, case presentation, and midterm OR written exam) will stay valid.

With regard to all partial grades as well as the final course grade, we use the Dutch grading system: 0 (lowest) to 10 (highest). If you do not participate in the written exam you will receive a "NG" (= No Grade). Participation is an overall grade given by the tutor based on observation of the student's activity over the duration of the course.

7. Course staff

The course coordinator is Mrs. Sonja Zaar MBA, Lecturer and Researcher on Leadership, Learning, and Development at the Department of Organization and Strategy (O&S) at Maastricht University School of Business and Economics (SBE). Her teaching involves courses related to leadership development, strategy, organizational behavior, and learning sciences for bachelor, master, MBA, and executive students. Her research focuses on the interplay between leadership and learning with emphasis on the cognitive and emotional/motivational aspects of leadership development as well as the experiences that trigger learning and development. In addition to her work at Maastricht University, Sonja is a speaker at corporate and network events and the owner of a small firm specializing in leadership coaching, learning and development for individuals, teams, and organizations.

Course coordinator details	
Course coordinator	Mrs. Sonja Zaar MBA
Email	s.zaar@maastrichtuniversity.nl
Secretariat of O&S	A2.16, SBE main building, Tongersestraat 53
Office hours	By appointment only (via e-mail)

8. Meetings and tasks

Course overview:

WEEK	SESSION	MEETING
15	1	Opening lecture
15	2	Group tutorial 1
16	3	Group tutorial 2
16	4	Group tutorial 3
17	5	Lecture 'Structure in Fives'
17	6	Group tutorial 4
19	7	Group tutorial 5
19	8	Group tutorial 6
20	9	Group tutorial 7
21	10	Group tutorial 8
22	11	Group tutorial 9
22	12	Group tutorial 10

Meeting details:

SESSION 1: OPENING LECTURE **INTRODUCTION TO ORGANIZATION THEORY**

In the opening lecture, the course coordinator will give an overview of organization theories, and how they have been applied – thereby also giving a bird's eye view of the course topics. Please read the course manual as preparation for this meeting.

SESSION 2: GROUP TUTORIAL 1

MEET & GREET & DRAW

During the first tutorial meeting we meet and greet, clarify the working procedures, allocate the short case presentations, and have an exploratory discussion on organization (design) theory, via a drawing exercise, and its practical value for organizing activities.

Getting to know each other:

This session starts with a presentation round. The aim of this round is that you present yourself to the entire group in terms of such personal aspects as family and educational background, work experience, interests, travels, art. In doing so, you might want to say something about the different organizations you have 'encountered' in your different life aspects, so far. Evidently, you are also invited to express your expectations of the course, etc.

Drawing exercise:

Next, you are invited to draw on the white board a picture of an organization – e.g. an organization you would like to start up, or to work for, or to analyze from a scientific or consultant perspective. Your visualization is unrestricted. Feel free to use your imagination! But in doing so, please think which element(s) of organization design you wish to emphasize. When we say *elements* we can think of the following design elements:

- Departments and teams
- Responsibilities
- Reporting relationships
- Advisory relationships
- Individual tasks
- Work processes
- Information streams
- Informal relations
- Learning processes
- Governance issues, e.g. the impact of non-executive owners
- Etc., etc.

Furthermore, you may want to consider the *aesthetics* and *marketability* of your phantasy organizational chart. Does it please the eye? Will others understand it? Will they be convinced? Or could there be a more elegant and persuasive way to visualize what you have in mind?

Another question that can be posed after the drawing exercise is: as *whom* have you made the drawing? As a student of organization theory? Perhaps as the founder of the organization or as an (imaginary) employee? Would your drawing have looked differently when you would have seen yourself primarily as a user, as a costumer, or as a beneficiary of what the organization makes, delivers, protects, promotes, or fights for?

SESSION 3: GROUP TUTORIAL 2

TIME FOR DESIGN THINKING – ALSO IN (BUSINESS) ORGANIZATIONS

Design is fashionable. Wherever you go you are confronted with the words 'design', 'designer' and 'designed'. Design is seen as a way of approaching the world – of mastering the world, of expressing the world. Various design approaches might also be beneficial when creating, structuring, or restructuring a (business) organization.

In the Harvard Business Review, Jon Kolko, founder and director of the Austin Center for Design, a progressive educational institution teaching interaction design and social entrepreneurship, claims that design thinking comes of age – put differently: design thinking conquers the world, including the world of business organizations. In companies, design thinking comprises amongst others:

- empathy with users
- a discipline of prototyping
- tolerance for failure

One of the influential figures in design thinking is Jim Brown, CEO and president of IDEO. (<https://www.ideo.com/people/tim-brown>). In an clip in an 2008 HBR article, called Design Thinking, he explains his view on how it can transform the way one develops products, services, processes—and even strategy. Tim Brown's blog: <http://designthinking.ideo.com>.

However, others argue that design thinking in businesses is just new wine in old sacks: a few established ideas from the management literature (e.g. "tap into your employees' creativity") and a few established ideas from the marketing literature (e.g. "involve the costumer"), and that's it. There is a fierce debate going on in the Design Thinking group on LinkedIn. You can follow the discussions, and partake in it, if you join the group: <https://www.linkedin.com/groups/37821>

Moving a bit closer to design as the structuring of organizational activities, Liedtka and Mintzberg (2006) distinguish four types of design approaches, which might be useful in the (re)design of (business) organizations as well. Some of these approaches seem to be in line with the current trend toward co-creation: organizations involving costumers and other external parties in developing, making, and selling products, services, and experiences.

In the second lecture we will zoom in on design as the structuring of organizational activities, roles and units *per se* – arguably the main topic of our course. In designing an organization's constituting elements, aspects of labor division (who does what?) and authority (who reports to whom?) are usually privileged.

Suggested readings:

Primary:

Kolko, J., 2015. Design thinking comes of age. *Harvard Business Review*, September 66–71 <https://hbr.org/2015/09/design-thinking-comes-of-age>

Brown, T., 2008. Design Thinking. *Harvard Business Review*, August 84–65

Liedtka, J. & Mintzberg, H. 2006. Time for Design. *Design Management Review*, 17(2): 10-18
<http://onlinelibrary.wiley.com/doi/10.1111/j.1948-7169.2006.tb00034.x/pdf>

Secondary:

Beckman, S.L., & Barry, M. 2007. Innovation as a Learning Process: Embedding Design Thinking. *California Management Review*, 50(1): 25-56.

Dorst, K., & Cross, N. 2001. Creativity in the Design Process: Co-Evolution of Problem-Solution. *Design Studies*, 22(5): 425-437.

Michlewski, K. 2008. Uncovering Design Attitude: Inside the Culture of Designers. *Organization Studies*, 29(3): 373-392.

Porter, M.E., & Heppelmann, J.E. 2014. How Smart, Connected Products Are Transforming Competition. *Harvard Business Review*, 92(11): 64-88.

http://ssir.org/articles/entry/design_thinking_for_social_innovation

Who is John Kolko? https://en.wikipedia.org/wiki/Jon_Kolko

SESSION 4: GROUP TUTORIAL 3

ORGANIZING ACROSS BORDERS

The traditional tendency for business organizations is to branch out in various divisions as a result of growing scale and diversification. See Mintzberg's divisional form. This tendency goes hand in hand with these companies going international. New products and services call for new markets, and most 'market' lies on the other side of the national borders. Reversely, companies starting adapting their structure towards divisions so as to be able to cope internally with their internationalization strategy. Put differently: growth often leads to internationalization and internationalization often requires increasing organizational complexity. A chicken-and-egg story.

The structure of the multinational corporation (MNC) has been studied intensively. Perhaps the most important study is Bartlett and Ghoshals' 1989 book *Managing Across Borders: The Transnational Solution*. The work revolves around the tensions between integration (centralized decision-making at headquarters to profit from unity) and responsiveness (being close to local markets of the subsidiaries). This has led to the I(ntegration)-R(esponsiveness) grid. The *transnational firm* is seen by Bartlett and Goshal as the company that manages to combine the best of both worlds: integration and responsiveness, thus. The choices made with regard to I and R impact the MNCs' organizational structures.

Subsequent research has emphasized the vital aspect of *knowledge exchanges and streams* between MNC's headquarters and subsidiaries, and between subsidiaries directly – bypassing the HQ. Also has subsequent research zoomed in on specific aspects of the company's daily operations, such as the management of Human Resources. HRM can be centralized (in other words standardized) to HQ expectations or localized to local labor markets and demographics. But a third factor –

standardization towards global best practices – has gained prominence over the last years.

So far about the traditional international growth scenarios for large scale business. Nowadays one can start a multinational venture without much effort in terms of organizing the traditional production factors of capital, labor and capital goods (buildings, machines, etc.). In a sense, creating a Facebook group for UCM alumni is also a multinational. A 'born global' firm is a business organization that, from its inception, seeks to gain significant competitive advantage from the use of resources and the sale of outputs in multiple countries. Think of Skype, Google, Amazon, Logitech, Cochlear. But 'born globals' also must cope – or will cope soon – with issues of integration and differentiation. That is why Bartlett and Ghoshals' IR grid still is relevant today even though, as some argue, huge diversified companies are on the wane.

Suggested readings:

Primary:

Gupta, A. K., and V. Govindarajan, 2000. Knowledge flows within multinational corporations, *Strategic Management Journal*, 21: 473–496

Pudelko, M., and A.W. Harzing, 2008. The Golden Triangle for MNCs: Standardization towards headquarters practices, standardization towards global best practices and localization, *Organizational Dynamics*, 37(4): 394–404

Secondary:

Bartlett, C. A. and Ghoshal, S. 2004. Transnational Management: Text, Cases, and Readings in Cross border Management (4th ed.), Boston: Irwin/McGraw Hill

Kogut, B. & Zander, U. 2003. Knowledge of the firm and the evolutionary theory of the multinational corporation. *Journal of International Business Studies*, 34, 516–529.

Almeida, P. & Phene, A. 2004. Subsidiaries and knowledge creation: The influence of the MNC and host country on innovation. *Strategic Management Journal*, 25, 847–8

SESSION 5: LECTURE 'STRUCTURE IN FIVES': ORGANIZATIONAL DESIGN: THE CONFIGURATION APPROACH

We will now focus on 'design' in organization studies as most people know it. This means: Organization design as organization structure. How to create formal organizational structures? In the early decades of organization studies (e.g. in Frederick Taylors' *Scientific Management*), say between 1900 and 1960, the emphasis was exclusively on internal efficiency. How to structure the organization (mostly the factory and the office) so as to be able to produce as cost-efficient as possible?

Later, in the 1960s, the insight arrived that organizations operate in an environment, like fish swim in water. Organizational structures have to fit the characteristics of the markets and of other types of environment (political, demographic, social etc.). In-between environment and structure, there came

strategy. How, then, to find a company design that aligns with corporate strategy and goals? The old adagio was: "structure follows strategy" (Chandler). But we have come to realize that strategy just as much follows design/structure. Strategy is constrained by design/structure, but also enabled by design/structure.

Modern standard organizational design theory is summarized by Henry Mintzberg, in his classical study "The structuring of organizations". At the time of publication, the book provided a synthesis of all ideas about design, leading up to the so-called 'configuration approach'. Mintzberg looks at external fit – alignment between the organizational design and the company environment – as well as at internal fit – alignment between the various elements of an organizational design.

His famous typology of organizational designs may be seen as quite theoretical, but once one has mastered his classification, s/he has an instrument with which s/he can analyze organizations of all sorts. In subsequent years, organization design has further developed in various directions. But the central challenges of all organizing activities can still be related back to Mintzberg's model.

Once one knows how to draw an organigram à la Mintzberg – which is already something of a departure from the traditional way organigrams look like –, it is maybe time to kick away the ladder that helped us to climb up to this level. However helpful the traditional organizational chart) may be in analyzing an organization, it also poses limitations on the intricate realities of organization design. The 'burn your org chart' clip is meant to show such limitations. Mintzberg – the same one! – and Van der Heyden present an alternative to organizational charts: organigraphs! According to the authors, they show you "How Companies Really Work".

Suggested readings:

Primary:

Mintzberg, H., 1980. Structure in 5's: A Synthesis of the Research on Organization Design, *Management Science*, 26(3): 322-341

Mintzberg, H. & L. van der Heyden, 1999. Organigraphs: Drawing How Companies Really Work. *Harvard Business Review*, September-October: 87-94

<http://harvardmacy.org/Upload/pdf/Mintzberg%20article.pdf>

Secondary:

Clip 'burn your org chart':

<http://www.cbsnews.com/video/watch/?id=10348209n?tag=bnetdomain>

Mintzberg, H. 1992. *Structure in fives: Designing effective organizations*. Upper Saddle River, NJ: Prentice Hall

Miles, R. E., Snow, C. C., Meyer, A. D., & Coleman, H. J. 2011. *Organizational strategy, structure, and process*. Palo Alto, CA: Stanford University Press

SESSION 6: GROUP TUTORIAL 4

ADDING NORMS, VALUES, AND SYMBOLS TO THE COORDINATION MECHANISMS: CULTURAL DESIGN

When one thinks of organization design it is usually tasks, roles, groups/teams, authority relations and the grouping of organizational units that come to mind. However, it can – and is – argued that organizations can also be designed through the coordination mechanisms of norms and values – in short: through organizational culture. Norms and values may also structure behavior (in some desired direction).

The concept of 'Organizational culture' can look back on a spectacular career spanning some thirty years. Organizational culture was – and is – seen as a cure-all for all organizational inertia, lack of coherence and lack of purpose. Companies like Google are seen as Walhalla's when it comes to a unique. Strong culture which, more than anything else, gives a competitive advantage.

Strong cultures, however, are also being critiqued for being, deep down, nothing else that means of oppressing employees. In fact, the whole notion of organizational culture – or 'corporate culture' as it is better known – has been widely criticized since its advance in the 1980s. Corporate culture is a management instrument to create docile followers of the higher echelon perspective and to suppress dissent and alternative ideas that may originate from the work floor, so the critique goes. But the very same concept of 'culture' also opens the door for counteraction, possibly leading to change of vision and practice.

Suggested readings:

Primary:

Hatch, M.J., 1993. The dynamics of organizational culture. *Academy of Management Review*, 18(4): 657-693.

<http://www.jstor.org/stable/258594?seq=3>

Kim, Jihoon, 2013. 7 Secrets of Google's Epic Organizational culture (blog):

<https://www.officevibe.com/blog/7-secrets-of-googles-%20epic-organizational-culture>

You can find numerous articles that are critical of the corporate culture movement in critical OT journals such as *Organization*, *Journal of Organizational Change Management*, and *Culture and Organization*. Also some more mainstream journals are open for publishing critical studies, such as *Organization Studies* and *Human relations*.

Secondary:

Schein, E.H. 1996. Culture: The missing concept in organizational studies. *Administrative Science Quarterly*, 41:229-240

Trice, H.M. & Beyer, J.M. 1993. *The Cultures of Work Organizations*. Englewood Cliffs, New Jersey: Prentice-Hall.

Martin, J. and Siehl, C. 1983. Organizational culture and counterculture: An uneasy symbiosis. *Organizational Dynamics*, 122: 52-65.

Alvesson, M and Willmott, H (eds) 2003. *Studying Management Critically*. London: Sage

Parker, M. 2002. *Against Management: Organisation in the Age of Managerialism*. Oxford: Polity

The website of the Critical Management Studies (CMS) Division of the Academy of Management: <http://cms.aom.org/>

SESSION 7: GROUP TUTORIAL 5

COMBINATIONS OF DESIGN CONFIGURATIONS: IS HYBRIDITY THE MAGIC WORD?

Taylorism and bureaucracy have structured operations of day-to-day work and impacted workplace behavior enormously. Later, corporate culture 'joined the club' of providers of means for the integration and orchestration of work, as we have seen in the previous session. Thus, next to rules and regulations, norms and values also were utilized to steer the day-to-day work in the desired direction. Both Taylorism/bureaucracy and corporate culture have been criticized as instruments of managerialism.

But one can also find organizations in which 'bureaucracy' and 'culture' were deployed to help creating more democratic and communal enterprises. A famous case in point is the design experiment at Oticon Hearing Aid Company. This experiment is well-known under the name 'Spaghetti organization'. The decentralization move which was the expression of prioritizing employee voice and creativity over hierarchical bureaucracy, soon was confronted with major problems, unfortunately.

Mintzberg himself has always emphasized that his configurations are ideal types à la Weber: you will not find any of these configurations in pure form in reality. Real-life organizations are always hybrids.

Suggested readings:

Primary:

Foss, N. J., 2003. Selective intervention and internal hybrids: Interpreting and learning from the rise and decline of the Oticon Spaghetti organization. *Organization Science*, 14(3): 331-349

<http://orgsci.journal.informs.org/content/14/3/331.full.pdf>

A short reflection on the spaghetti organization by a former advertising agency employee: <http://strictlyboardroom.blogspot.nl/2011/03/spaghetti-organizations-oticons.html>

Secondary:

The Oticon website: <http://www.oticon.com/>

Basic facts about Oticon today: <http://www.oticon.com/about/our-group/facts/about-oticon.aspx>

Tertiary:

The original source on Taylorism:

Taylor, F.W. 1911. *The Principles of Scientific Management* on Gutenorg.org: <http://www.gutenberg.org/ebooks/6435>

On bureaucracy:

Weber, M. 1946. Bureaucracy. In: *From Max Weber*, eds. Hans Gerth and C. Wright Mills, New York: Oxford University Press, pp. 196-244.

SESSION 8: GROUP TUTORIAL 6

AMBIDEXTERITY: BALANCING EXPLORATION AND EXPLOITATION

It is a comfortable idea to have money in your pocket today, and to know that you have a steady flow of income. But this doesn't necessarily mean that you will be in the same position in the near - let alone far away - future. Organizations, too, see the need to exploit what they are good at today, so as to generate a steady flow of income, but at the same time to also explore future possibilities so as to be alive tomorrow, and prosper. Might this be achieved via 'organizational ambidexterity': the capability to manage the contradictory challenges of exploration and exploitation? Furthermore, where, in their networks, can managers and professionals find ideas for the one or the other?

Suggested readings:

Primary:

O'Reilly III, C. A. & Tushman, M.L. (2004). The ambidextrous organization. *Harvard Business Review*, 82, pp 72-81

Birkinshaw, J. & Gibson, C. (2004). Building ambidexterity into an organization. *MIT Sloan Management Review*, 45 (4), pp 47-55

Mom, T.J., van den Bosch, F. & Volberda, H.W. (2007). Investigating managers' exploration and exploitation activities. The influence of top-down, bottom-up and horizontal knowledge inflows. *Journal of Management Studies*, 44, pp 910-931

Secondary:

Secondary:

Andriopoulos, C., & Lewis, M.W. (2009). Exploitation-Exploration Tensions and Organizational Ambidexterity: Managing Paradoxes of Innovation. *Organization Science*, 20 (4), 696-717.

SESSION 9: GROUP TUTORIAL 7

COPING WITH EXTERNAL INFLUENCES ON DESIGN REVISITED: THE IMPACT OF INSTITUTIONS: ISOMORPHISM AND (DEALING WITH) MULTIPLE INSTITUTIONAL LOGICS

We have met, in previous sessions, internal and external factors that impact an organization's design. Internal factors include job specialization, training, unit grouping, but also norms and values. External factors are, amongst others, the dynamism in the market and the complexity of task environments, as well as national and industry cultures.

Societal institutions constitute important external contingencies on the design of business companies as well. No other external factor has been studied so extensively over the past years as institutions. Institutions can be 'hard', such as the law, the state, supranational regulations, labor unions, financial institutions, or 'soft', such as established manners of looking at things ('institutional logics'). The institutional impact on companies has many effects. The most important impact is that it makes types of business firms in different industries look more *alike*.

Thus, business organizations, but also NGOs and governmental organizations etc. face institutional demands: laws, rules, regulations and societal expectations that have to be met (to some extent) so as to 'stay in business'. Now, you can imagine that an organization is confronted with multiple external stakeholders who all exert their pressure. Very often, such 'institutional logics' conflict, such as the logics of profit-making versus sustainability. Companies have to deal with these conflicting pressures in a variety of ways – also in their design: structure and culture that is. One can think of a whole list of opposing logics with which business organizations have to struggle and, if they are dexterous, can capitalize on.

Suggested readings:

Primary:

Unifying institutional impact comes in three ways: coercive, normative, and mimetic. This is the path-breaking insights DiMaggio and Powell provided already in the early 1980s. This paper is one of the most cited in the field of organization design/theory:

DiMaggio, P., & W. Powell, 1983. The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48: 147-160.

A nice case study on multiple institutional logics:

Battilana, J., & S. Dorado, 2010. Building sustainable hybrid organizations: The case of commercial microfinance organizations, *Academy of Management Journal*, 53(6): 1419-1440.

Secondary:

North, D. C. 1990. *Institutions, institutional change and economic performance*. Cambridge university press.

Greenwood, R., Hinings, C. R., & Whetten, D. 2014. Rethinking institutions and organizations. *Journal of Management Studies*, 51(7), 1206-1220.

Peng, M. W. 2003. Institutional transitions and strategic choices. *Academy of management review*, 28(2), 275-296.

Powell, W. W., & DiMaggio, P. J. (Eds.). 2012. *The new institutionalism in organizational analysis*. University of Chicago Press.

SESSION 10: GROUP TUTORIAL 8

THE LEARNING ORGANIZATION

Being alert on changes in market dynamism, technological advancements, institutional pressures, but also being able to balance exploitative and explorative action requires organizations to be - or to become - learning organizations. Individuals learn, but organizations also learn. And what organizations have learned can be stored in data systems, or in procedures, and work values, etc. etc. Newcomers can then retrieve or copy best practices that have been developed by predecessors or others. Easier said than done, perhaps. Oftentimes learning by organizations does not occur, for various reasons.

Primary:

Garvin, D. A., Edmondson, A. C., & Gino, F. (2008). Is yours a learning organization? *Harvard Business Review*, March 2008. <https://hbr.org/2008/03/is-yours-a-learningorganization>

Gino, F., & Staats, B. (2015). Why organizations don't learn. *Harvard Business Review*, November 2015. <https://hbr.org/2015/11/why-organizations-dont-learn>

Argote, L., & Miron-Spektor, E. (2011). Organizational learning: From experience to knowledge. *Organization Science*, 22, 1123-1137

Crossan, M. M., Lane, H. W., & White, R. E. (1999). An organizational learning framework: From intuition to institution. *The Academy of Management Review*, 24, 522-537.

Secondary:

Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science*, 5, 14-37.

Edmondson, A. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44, 350-383.

Wilson, J. M., Goodman, P. S., & Cronin, M. A. (2007). Group learning. *Academy of Management Review*, 32, 1041-1059.

SESSION 11: GROUP TUTORIAL 9

BEYOND THE HORIZON: NEW DESIGN FORMS

HORIZONTAL, HOLLOW, VIRTUAL AND META-ORGANIZATIONS

In the decades after the configuration approach we have witnessed the advent of many other design types. Present and future organization design realities and options include for instance the horizontal organization, the hollow organization, and the virtual organization. They all challenge received notion of the bounded firm with an emphasis on vertical authority.

Meta-organizations go even further than telework, one could argue. Meta-organizations comprise networks of firms or individuals not bound by authority based on employment relationships, but characterized by a system-level goal. Sounds scary? Consider this: even if the architects of meta-organizations lack formal authority based on an employment contract, they may possess significant informal

authority based on expertise, reputation, status, gatekeeping privileges (whereby they regulate who gets in), or control over key resources or technology.

Suggested readings:

Primary:

Anand, N., & R.L. Daft, 2007. What is the Right Organization Design? *Organizational Dynamics*, 36(4): 329–344.

<http://www.sciencedirect.com/science/article/pii/S009026160700037X>

Gulati, R., Puranam, P. and Tushman, M. 2012. Meta-organization design: Rethinking design in interorganizational and community contexts. *Strategic Management Journal*, 33: 571–586

Secondary:

On organizational boundaries:

Santos F.M., & Eisenhardt, K.M. 2005. Organizational boundaries and theories of organization. *Organization Science*, 16(5): 491–508.

On online communities:

Faraj S, Johnson SL. 2011. Network exchange patterns in online communities. *Organization Science*, 22(5): 1464–1480.

SESSION 12: GROUP TUTORIAL 10

WRAP UP AND Q&A

This session concludes the course. Time will be spent during this session for a wrap-up of the course. Similar to all the other students' 10-15 minutes' presentations in the tutorial meetings, the wrap-up will be prepared and presented in-class by one or two students. The wrap-up presentation will be followed by a wrap-up discussion and a Q&A session on all course matters. Students are encouraged to prepare questions for the Q&A part of this session.