UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

**Cambridge International Diploma in Management
Higher Professional Level**

Scheme of Work

4261
Organisational Behaviour and Change Management
Optional Module

UNIVERSITY *of* **CAMBRIDGE**
International Examinations

MODULE NUMBER (OPTIONAL) 4261: ORGANISATIONAL BEHAVIOUR AND CHANGE MANAGEMENT

BRIEF INTRODUCTION AND MODULE OUTLINE
This optional module considers how the cultures and values of an organisation evolve and the complex relationship between an organisation, the inevitable changes it faces over time and its cultures and values.
It is important that candidates understand the concept of the organisational paradigm and paradigm shift, and the way in which the paradigm both defines and determines the way in which the organisation operates. These can be difficult concepts to understand and time needs to be devoted to exploring organisational structure, culture and values and how they impact upon the activities and strategic management of the organisation.

The skills and knowledge addressed in the module underpin many of the aspects of management that are considered independently in other modules and are particularly relevant to strategic management. The way in which the organisation behaves in the face of inevitable strategic change and the potential for its structure and the prevailing paradigm to help or hinder this change is an important aspect of this module.

Research into the structure, mission and value statements of organisations, staff and customer perception and market position can all provide valuable information about culture and values.
There are a range of interesting and informative models and typologies available to help to classify and describe structures, cultures and value systems e.g. Harrison and Handy, Deal and Kennedy. These should be introduced, and using their research, candidates should be encouraged to try and describe or analyse their own organisation's structure and culture.

Throughout the module candidates will find it helpful to reflect upon their own organisations but there also needs to be a wider consideration and understanding of multinational and global companies where a range of national and cultural values may co-exist.

It should be noted that particular care must be taken in planning and teaching this module. The subject matter can be difficult to comprehend and emotive. Furthermore, perceptions of culture and values and their place and significance in the organisation may vary between candidates

Assessment Objectives:

1. Describe culture and values as this applies to organisations
2. Describe how cultural background shapes the values, attitudes and behaviours of organizations
3. Analyse culture and values in organisations
4. Identify risks to culture and values
5. Make recommendations for improving organisational culture and values

RECOMMENDED PRIOR KNOWLEDGE
No prior knowledge is required, however, before tackling this module candidates should be encouraged to critically review the structure, culture and values of their own organisation.

Background reading would also help to promote understanding of this complex subject and for some sessions it may be useful to ask candidates to research or read up in advance on a particular topic.

Charles Handy's, Understanding Organisations and in particular the chapter, 'On the culture of organisations' provides a good introduction to the subject area.
G Johnson and K Scholes, Exploring Corporate Strategy (Text and Cases version) and J L Thompson, Strategic Management (4th Ed.) also include some excellent material at an appropriate level.

SUGGESTED TEACHING ORDER / SUMMARY SCHEME OF WORK
The module sits fairly comfortably at any point in the Programme. However, it could be an interesting and useful follow on from Strategic Management and would allow candidates to explore in more detail the behavioural implications of strategic management.

The Organisational Behaviour and Change Management module is made up of 5 assessment objectives. These look at the structure, culture and values of an organisation and how these have evolved, the risks for the culture and values, and recommendations for improving them. There is a lot of scope for varying the order and way in which this module is taught as there is considerable overlap between the Units and with other modules.

The column headed **Explanation of Competence Criteria** is designed to give an indication of the main content to be covered and should help with this planning detail

UNITS / ASSESSMENT OBJECTIVES: SUGGESTED ORDER

1	Define and describe culture and values of organisations
2	Describe how cultural background shapes the values, attitudes and behaviours of organisations
3	Analyse culture and values in organisations These Units require candidates to research and describe the development of organisational structure, culture and values. This involves analysing mission, vision and value statements as well as people's perception and understanding of these. The issue of cultural importance within a multi-cultural organisation should also be explored.
4	Identify risks to culture and values This Unit considers internal and external factors that may put at risk the prevailing culture and values of an organisation. It looks at how inevitable changes to an organisation and the way in which it behaves bring about changes in its culture and values. For example, a change in the service it provides may necessitate a change in the remuneration and reward strategy. This may bring about a change in people's attitudes and values about the respective worth of various jobs, rewards, payment and even loyalty.
5	Make recommendations for improving organisational culture and values This Unit focuses on the complex relationship between change and organisational culture and values. It revisits some of the points raised earlier in the module regarding how culture and values evolve over time and about the factors that may put culture and values at risk. It also looks at the very important and complex consideration that has to be given to culture and values when planning and managing the strategic change process. Many of these issues may already have been covered in the Strategic Management module.

LIST OF RESOURCES
There is a wealth of accessible and readable material about organisational behaviour, structure, culture and values. Most management and strategic management textbooks at Higher Professional and MBA level will include relevant sections and there are also many dedicated websites.

The following texts, from the booklist in the Higher Professional Level syllabus booklet, are particularly helpful at this level:
A Huczynnski and D Buchanan, *Organisational Behaviour: An Introductory Text* (2003) ISBN 0273682229
G Johnson and K Scholes, *Exploring Corporate Strategy: Text and Cases with Business Dictionary* (2003) ISBN 0582843294

L J Mullins, *Management and Organisational Behaviour* (2004) ISBN 0273688766
C Handy, *Understanding Organisations* (1993) ISBN 0140156038
G Hofstede, *Cultures and Organisations* (1997) ISBN 0070293074

For this and other modules which focus on the management and the behaviour of the organisation at a strategic level Thompson, *Strategic Management: Awareness and Change* (4th Ed.) (ISBN 1861525877) is recommended.

Charles Handy's, *Understanding Organisations* and in particular the chapter 'On the culture of organisations' provides a good introduction to the subject area.

From a teaching perspective, *MBA Management Models* by Sue Harding and Trevor Long (ISBN 0566081377) is an excellent summary of management models.

There is also a wealth of readable and interesting case studies from organisations that have tried to bring about changes in their culture or introduced far reaching structural changes, and managerial case studies written specifically to explore various aspects of organisational behaviour and change management.
Many of these are available on line, for example, through The Times 100 website or the CMI.
G Johnson and K Scholes, Exploring Corporate Strategy (Text and Cases version) is also a good source of case study material.

UNIT 1: Describe culture and values as this applies to organisations
UNIT 2: Describe how cultural background shapes the values, attitudes and behaviours of organisations
UNIT 3: Analyse culture and values in organisations.

Recommended prior knowledge: No prior knowledge is required. However before tackling this module candidates should be encouraged to critically review the structure, culture and values of their own organisation

Background reading would also help to promote understanding of this complex subject and for some sessions it may be useful to ask candidates to research or read up in advance on a particular topic.

There is a wealth of accessible and readable material about organisational behaviour, structure, culture and values. Most management and strategic management textbooks at Higher Professional and MBA level will include relevant sections and there are also many dedicated websites.

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Charles Handy's, *Understanding Organisations* and in particular the chapter 'On the culture of organisations' provides a good introduction to the subject area.

Outline: Units 1, 2 and 3. These Units require candidates to research and describe the development of the organisations structure, culture and values. This involves analysing mission statements, visions and value statements as well as people's perception and understanding of these. The issue of cultural importance within a multi-cultural organisation should also be explored.

There is considerable overlap between the competence criteria for these Units. The criteria have been presented in a particular order as a guide to one method of delivery but overall, a holistic approach is recommended.

SUGGESTED TEACHING ACTIVITIES - INTRODUCTION

Module introduction and Units 1, 2 and 3: All criteria

Before getting involved in the detail of these Units it is important to check candidates understanding of organisational behaviours, structure, culture and values.

It is important that candidates understand the concept of the organisational paradigm and paradigm shift, and the way in which the paradigm both defines and determines the way in which the organisation operates.

These can be difficult concepts to understand and time needs to be devoted to exploring these and how they impact upon the activities and strategic management of the organisation.

G Johnson and K Scholes, Exploring Corporate Strategy (Text and Cases version) and J L Thompson, Strategic Management (4th Ed.) - and other strategic management texts – include some excellent models which can help candidates to understand these issues.

The cultural web (Johnson and Scholes) is a very good starting point and can be used to help define the paradigm and identify the factors that influence it.

Having introduced the strategic dimension to organisational behaviour and change, more detailed input needs to be given on organisation, structure and culture so that candidates can effectively research these aspects.

Organisation:
Discuss what an organisation is; *… social arrangements for the controlled performance of collective goals -* and the features of them   (Buchanan and Huczynski 1991 include some good material), explain why they exist - synergy, division of labour etc.

Discuss the features of organisations and the way in which organisations have developed over time
e.g. in response to the globalisation of markets or the development of technology

Structure :
With reference to their own organisations ask candidates to think about the different types of structure and the determinants of structure.
It can be helpful to show copies of organisational structure charts and ask candidates to describe them. For example:

- Are they tall or flat?
- Centralised or decentralised?
- What is the span of control?
- Structured by function, product, process, customer, geographical area served?
- What patterns of authority and relationships are shown – line, functional, lateral?

This is a good point to discuss the consequences of an inappropriate structure.
e.g. delayed decision making caused by an over extended hierarchy; poor delegation of decision making which makes people feel that their worth is not recognised - and demotivates them.
It may be appropriate at this point to include some conceptual terminology such as "functional", "matrix", "bureaucratic" etc.

Culture:
Discuss some of the more popular definitions of culture and the characteristics which describe it - Schein, Ouchi and Johnson, Robbins etc

Introduce or revisit the cultural web and ask candidates to apply it to their own organisation.

Explain the notion of corporate culture and how it manifests itself in the form of values, norms, organisational climate and management style (mechanistic / organic)
Hofstede's Onion Diagram is excellent for helping candidates to research organisational culture and think about how the history and background of the organisation can determine its structure.

Typologies of culture could be discussed here – or introduced later to help candidates to analyse their research findings.

To pull together these different aspects of organisational characteristics, behaviour and change it can be helpful to look at case studies of organisations that are renowned for having characteristically distinctive cultures or value systems and debate the way in which these determine the activities and behaviour of the organisation – and its employees and stakeholders.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
2.1	Identify the history of the organisation and its development	• what is the history of the organisation? • how did it develop to get to the position it is in today?	Researching the structure, mission and value statements of organisations, staff and customer perception and market position will provide valuable information and help candidates get a feel for this aspect of management.
2.2	Describe the cultural background of the organisation	• what cultures and value systems exist within the organisation? • which are prominent? • how do they affect the way people think and behave?	Candidates need to gain an understanding of different types of structure and culture and their co-existence within one organisation. To achieve this, select suitable organisations and ask candidates to research the history of the organisation, its structure and culture etc. To do this effectively, candidates will need to draw on the information that they were given at the start of the module about types of structure, culture and values etc. It is suggested that most of the classification and analysis is carried out when they have completed their research.
1.3	Define the organisational structure	• what is the structure of the organisation? • how could it be described?	Link back to Hofstede's Onion and encourage candidates to think about what their research findings tell them about the organisations culture and value systems. e.g. Is there a separate eating area/dining room for senior staff – does this tell you anything about the structure, culture, values? e.g. What sort of things are celebrated in the staff newsletter – business news, or marriages, births etc – what does this tell you? e.g. Is there a written down or expected dress code – how does this vary throughout the organisation – why?
1.1	Analyse the mission, vision and value statements of the organisation	• what are the mission, vision and value statements? • how are these communicated and understood by people?	Care needs to be taken to ensure that generalisations are not made about the way in which people behave and there is a danger of stereotyping particular cultures. However, candidates need to appreciate the determinants and manifestations of culture and how they can affect the effectiveness of the organisation. • a blame culture may discourage people from taking risks and may stifle enterprise and initiative which may hinder the organisations development • a culture which celebrates success and shows an interest in the individual may enhance motivation and productivity

1.2	Identify peoples understanding of the mission, vision and value statements	• what do they tell you about the organisation? • how are they reflected in behaviour and culture?	Useful links could be made to Human Resource Planning and Managing People – motivation, job design etc. When candidates have completed their research, they should make notes to describe the organisation and briefly analyse it. To help structure this the competence criteria or questions poised in the second column could be issued as a guide or list of questions / think points to be addressed.
1.4	draw conclusions about the culture and values of the organisation	• how would you describe the culture and values? • is there more then one culture in the organisation?	If not already done, a more detailed analysis of structure and culture could be carried out, with reference to some of the more popular typologies:
2.3	identify the links between cultural background and the values, attitudes and behaviours of the organisation.	• how are cultural differences and diversity reflected in the organisation? • how are individual cultures and values reflected in corporate culture and behaviour?	e.g. Harrison and Handy (1993); Deal and Kennedy (1982) Links could also be made to other models relating to organisational behaviour, management and cultural style. e.g. Blake and Mouton's managerial grid, Hackman and Oldham's Job Characteristics model.

UNIT 3: Analyse culture and values in organisations
UNIT 4: Identify risks to culture and values

Outline: These Units consider internal and external factors that may put at risk the prevailing culture and values of an organisation. It looks at how inevitable changes to an organisation and the way in which it behaves bring about changes in its culture and values.
For example, a change in the service it provides may necessitate a change in its remuneration and reward strategy, this may bring about a change in people's attitudes and values about the respective worth of various jobs, rewards, payment and even loyalty
These units develop on the work done in Units 1 and 2 above.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
			<u>All criteria:</u> This Unit develops the understanding gained in Units 1 and 2 to look in more detail at the link between change and organisational behaviour and culture.

3.1	describe the links between changes in organisational structure and its culture and values	• what is the relationship / link between organisational structure, organisational behaviour and culture and values? • how do they influence and affect each other?	<u>3.1. and 3.2</u> Candidates need to have a clear understanding of the factors that determine culture and how changes in organisational structure and behaviour impact upon culture and values. The role of ethics should also be covered. It is likely that the research and analysis carried out for Units 1 and 2 will have developed this understanding
3.2	relate culture and values to organisational behaviour	• how might changes in the organisation put at risk the prevailing culture and values?	
4.1	identify issues that affect organisational behaviour	• what factors and issues might bring about the need for a change in organisational behaviour?	Candidates need to adopt a strategic view of the organisation and think about the internal and external factors that might trigger change and therefore affect organisational behaviour and the culture and values associated with a particular way of behaving.
4.2	Analyse issues for possible impact	• internal and external issues • forces for and against change	There are obvious links between this Unit and the many of the issues covered in the Strategic change module. If this has been studied it will be sufficient to remind candidates of the significance of triggers and forces

| 4.3 | Identify resistance to change and the potential impact of change on cultures and values | • emotional responses
• resource limitations
• personalities
• power blocks | for change – and to contextualise this learning.

Preparing a PESTLE model for the organisation they studied in units 1 and 2 may be a useful way to re-visit this subject

This may also be an appropriate point to introduce the concept of life phases of organisations and / or products and to ask candidates to identify the issues which they are most likely to have to address at each stage of development.

It is appropriate now to explore the whole concept of change and how people react to these. In addition to the people responses (positive and negative), other limitations should be considered. These will include resource limitations, work processes, systems, customer agreements etc. The "knock on" effect of making changes to one area on other aspects of the organisation should be fully explored. In turn these should be considered in terms of their impact on culture, values and the behaviours at corporate, department and individual levels. |

UNIT 5: Make recommendations for improving organisational culture and values

Outline: This Unit focuses on the complex relationship between change and organisational culture and values. It revisits some of the points raised earlier in the module regarding how culture and values evolve over time (Units 1, 2 and 3) and about the factors which may put culture and values at risk (Unit 4). It also looks at the very important and complex consideration that has to be given to culture and values when planning and managing the strategic change process.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
5.1	Describe how organisations develop	• how do organisations develop? • how do their structure, behaviour, culture and values evolve?	See Units1 and 2 This will have been covered in the introduction and Units 1 and 2

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
5.2	Describe the features of a learning organisation	• what are the features of a learning organisation? • how do organisations learn and how do they apply this learning?	Explain the concept of the learning organisation. Ask candidates to produce a checklist of the features they would look for if trying to decide whether an organisation could be classified as a learning organisation. e.g. • Learning and business strategy are closely linked • The organisation consciously learns from business opportunities and threats • There are processes for defining, creating, capturing, sharing and acting on knowledge There is some excellent text book material by A. Mumford (1989) and also a lot of research by Uniparts in-house university (HRD forum) which can be accessed on-line. Useful reference can also be made to the need to link management development as well as organisational development to business strategy i.e. to adopt a unified approach to management development L J Mullins, Management and Organisational Behaviour includes some interesting material on OD.

			Conclude with a discussion of why, given the speed and inevitability of change in the wider market , all organisations need to become good at learning
5.3	Identify options for changes to culture and values	• there is rarely only one path to take • what are the options? • what are benefits and drawbacks of each option? • which option(s) is the most appropriate?	At this point the candidate should learn how to draw together the learning so far and identify changes that need to take place, the possible options for change and how to analyse these for suitability (some of these have been covered in the Strategic Management module).
5.4	Identify areas of change and devise a plan for managing these	• in what ways might the organisation change? • why might change be resisted? • how might this resistance be manifested? • how does change affect cultures and values? • how can the organisation learn from previous experiences? • devise a plan to manage, monitor and evaluate this change process	In devising a plan for implementation, issues associated with managing resistance and barriers need to be considered. The plan should also indicate important time scales, responsibilities for managing the change activities, how the change will be monitored and evaluated. It is also important to encourage the candidates to indicate desired outcomes from proposed changes.