



**The Government of the Russian Federation**

**The Federal State Autonomous Institution of Higher Education  
"National Research University - Higher School of Economics"**

Faculty of Business and Management

**Course Title** Strategic Organizational Design

Area of studies 38.04.02 "Management" Master level  
Master program "Strategic Management and Corporate Governance"

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## **1 Course Summary**

Why some organizational forms are more popular at one point in time, and why are some organizational forms more suitable than others? This course addresses classic and contemporary principles for organizational design, focusing practical application of existing knowledge as well as critical reflection on how business ideas, stakeholder interests, fashion and theoretical perspectives influence what we experience as proper or at least suitable organizational design. The course begins by providing a comprehensive overview of alternative approaches to organizational design starting from classic writings of 1970s up to the Cambridge University Press’ textbook of 2015. The course continues by examining the real-life cases on both foreign and Russian organizations. For Russian organizations a full range of real documents is provided that describe the formal and informal sides of organizational processes. Subsequently, the course turns its focus to the historical and stakeholder dependency on favored design choices – hence reducing the possibility to find one rational and objective design solution. The course culminates in mastering and using simulation software (Organizational Consultant version 9.1) to assist students to analyze setting various types of real-life organizations. Here emphasis is placed on developing a holistic understanding on how to take advantage of the design of an organization while at the same time being aware of and dealing with the allied disadvantages.

## **2 Area of Application and Regulatory References**

This Course Program establishes minimum requirements for skills and knowledge of the student and determines the content and the forms of educational activities and reporting.

The Course Program is designed for lectures, teaching assistants for Master Program 38.04.02 “Management”, Program “Strategic Management and Corporate Governance”, Course “Strategic Organizational Design”

The Course Program has been developed in accordance with:

- National curriculum standard FGOS
- Education Program “Strategic Management and Corporate Governance”
- University Academic Plan of the Education Program 38.04.02

### 3 Course Goals

The general goal of the course is to prepare graduates for effective performance of the managerial role of design and managing of workplaces, working teams, departments and organizations. Therefore, aims of the course are:

- To present an overview of the “classical” and modern theories of organizational design.
- To equip students with the knowledge of the major parameters of organizational design in companies of different strategic types.
- To provide students with instruments to diagnose strategic and major organizational characteristics of an organization, to discover situational and contingency misfits.
- To expose students to approaches, specific methods and “tricks” for design of well-structured and effective jobs, working teams, departments and organizations.

### 4 Students' Competencies to be developed by the Course

The student is supposed to:

- Know major theories of organizational design.
- Be able to do undertake strategic diagnosis of the firm and to develop major internal documents (job descriptions, department charters, internal policy manuals).
- Gain skills of qualitative and quantitative analysis of organizational parameters, experience of computer-assisted modeling and design of OD programs.

The Course develops the following competencies:

Competencies	NC/NR U-HSE Code	Descriptors - the learning outcomes (the indicators of achievement)	Teaching forms and methods of that contribute to the development of a competence
Universal	OK-4 /CK-M5	Capable to make managerial decisions, to assess their consequences and to bear responsibility for the outcomes	<ul style="list-style-type: none"> <li>• Preparation of managerial decisions pertaining to job descriptions, positions structure, managerial hierarchy and supporting internal documents.</li> <li>• Public defense of the</li> </ul>



Competencies	NC/NR U-HSE Code	Descriptors - the learning outcomes (the indicators of achievement)	Teaching forms and methods of that contribute to the development of a competence
			proposed decisions. <ul style="list-style-type: none"><li>• Training of psychological robustness and management of stress as severe critics of proposed decisions by the lecturer, his/her assistants and students playing the roles of bosses, colleagues and direct subordinate is envisaged.</li></ul>
Managerial	OK-6/CK-M7	Capable to organize and to manage multi-faced and multi-sided communications	<ul style="list-style-type: none"><li>• Participation in preparation of collective presentations</li><li>• Playing the role of a sole speaker of the research team by each of students</li></ul>
Managerial	ПК-4/	Capable to assess the current strategic type of a firm Capable to discover strategic (situational and contingency) misfits (unbalanced situations between environment, strategy, technology, organizational structure, organizational climate, leadership style etc.) Capable to propose OD projects that reduce strategic misfits	<ul style="list-style-type: none"><li>• Mastering the computer assisted simulation software Organizational Consultant 9,1</li><li>• Использование программного комплекса стратегической организационной диагностики Organizational Consultant 9.1 для итеративного моделирования российских компаний</li><li>• Validation and visualiza-</li></ul>



Competencies	NC/NR U-HSE Code	Descriptors - the learning outcomes (the indicators of achievement)	Teaching forms and methods of that contribute to the development of a competence
			tion of the solution found using computer-assisted simulation

## 5 How the Course Fits in with the Curriculum

The Course is a part of a Cyclical Syllabus as well as a cycle of Courses providing Master Program 38.04.02 "Management.

For Specialization "Strategic Management and Corporate Governance" the present Course is Obligatory.

The Course is to be based on the acquisition of the following Courses (at the bachelor level):

- General management
- Organization theory
- Organizational behavior

The Course requires the following students' competencies and knowledge:

- Major approaches to organizational studies
- Group and organization-wide processes
- Decision-making styles

The main provisions of the Course should be used for further studies of the following Courses:

- Models of strategic changes in corporations
- System of Balanced Scorecard
- Theory and practices of management consulting

## 6 Course Schedule<sup>1</sup>

		Total	Lectures	Seminars
1	General principles of organizational design	8	4	4
2	Modern theory of strategic organizational design	8	4	4
3	Organizational structures and processes of a corporation	8	4	4
4	Integrated strategic organizational diagnosis	28	8	20
	Total:	56	20	36

## 7 Forms and Types of Testing

1	Topic	Learning Tasks	Readings	Assessment
	General principles of organizational design	<ul style="list-style-type: none"> <li>To read and analyze the requested reading.</li> <li>To make an individual oral presentation (5-10 minutes) "What is your assessment of the progress of the organization design theory over the last 30 years?"</li> </ul>	<ul style="list-style-type: none"> <li><i>Requested reading for Module 1</i></li> </ul>	Entry into Journal of Class Participation about the Oral presentation (Names of students, quality of presentation)
	Modern theory of strategic organizational design	<ul style="list-style-type: none"> <li>To read and analyze the requested reading</li> </ul>	<ul style="list-style-type: none"> <li><i>Requested reading for Module 1</i></li> </ul>	Oral and written group presentation

<sup>1</sup> It is not feasible to make a detailed weekly plan as the speed of advancement differs significantly between the groups of students and also between academic years depending on the level of audience.

		<ul style="list-style-type: none"> <li>To make group oral and written presentations on each of 12 major parameters of strategic organizational design using as examples data on Russian companies (preferably from the same line of business)</li> </ul>		Entry into Journal of Class Participation about the Oral and Written presentation (Names of participants of each presentation, quality of presentation)
	Organizational structure and processes of a corporation	<ul style="list-style-type: none"> <li>To read and analyze the requested reading</li> <li>To make group oral and written presentations (5) presenting yourselves as manager of the corresponding level of managerial hierarchy in Staples</li> </ul>	<i>Requested reading for Module 3</i>	Entry into Journal of Class Participation about the Oral and Witten presentation (Names of students, quality of presentation)
	Integrated strategic organizational diagnosis	To run a series of computer simulations with the help of course teaching assistant	<ul style="list-style-type: none"> <li><i>Requested reading for Module 4</i></li> </ul>	Outcomes of training computer simulations
<b>Major exam</b>				

## 7.1 Grading Criteria

### *Individual participation and individual oral presentations*

As the course is based on discussion of problems with no unique optimal solution, each student must participate in general discussion during seminars. Discussion includes:

- Individual oral presentations.
- Answers to the Professor's questions addressed to the general audience.
- Answers to the Professor's questions addressed to a particular students.

- Students' questions to the professor.
- Mutual discussion between several students.

This means not only the quantity, but the quality of discussion. The quality includes, among other things:

- Deep and assertive analysis of the problem (related problems).
- Ability to use productively the course's materials and your own experience and common sense.
- Ability to sharpen and to enhance the discussion, including the willingness to propose or to support unpopular opinions, use of logic and arguments in defending your position.
- Professionalism of your behavior (preparedness, quality of oral speech, respect to the teacher and to your colleagues and to their input to the common work).

### ***Participation in group oral and collective presentations***

Besides individual presentations, you will take part in group work. Group will be assembled accordingly to your own wishes and preferences. Only the minimal and maximal size of the group is specified. Group tasks are:

- Short presentation of the studied topic;
- Selection of illustrations (company stories) from the current business press, annual reports etc.
- Written presentation of the results of the work (5-7 slides).
- Public defense (20-30 minutes).

Each group member receives a uniform grade for the presentation. In the opinion of the group members diverges, "dissidents" may create an alternative presentation and defend it through public defense with mandatory indication of causes and reasons of divergences of opinions.

### ***Participation in collective projects***

Collective projects are creation of a complete set of documents (job descriptions, staff list, departments charters, policy guidelines). It is expected to develop 4 sets of documents for the same organization presenting it a different strategic type (reactor-defender-analyzer-prospector). Project is developed by the group of 8-15 persons. Presentation of the project takes 30-35 minutes, all class participants should receive copies of the documents developed by the group.





### ***Final individual essay (final exam)***

Final individual issue will be an analysis of a Russian organization using Organizational Consultant software. The choice of an organization belongs to the student. Essay comprises:

- 1) Questionnaire of organizational diagnostics with detailed commentaries (proofs of every question);
- 2) Output report generated by Organizational Consultant software
- 3) Short Russian text that explains the results, recommendations and their possible interpretations.
- 4) Data about the company analyzed.

Essays are presented simultaneously in printed and electronic forms.

Assessment of the essay is done by the following criteria:

- Timing of the presenting;
- Assertiveness of the arguments;
- Completeness of the text that describes the diagnostics results.

## **8 The Course Content**

### ***Module 1. Introduction to Organizational Design***

Requested reading for Module 1.

#### Book:

Паркинсон С. Н. Законы Паркинсона: Сборник: Пер. с англ. / Сост. и авт. предисл. В.С. Муравьев. – М.: Прогресс, 1989 (Parkinson's Laws)

#### Article:

Mintzberg, H. (1981) Organization Design: Fashion or Fit». Harvard Business Review January – February.

Martin, R. (2008), Capital vs. Talent: The Battle Rages On. Rotman Magazine Fall, p. 4-9

#### Cases/Teaching Notes:

Lorsch, Jay W. (1987), Note on Organization Design. Harvard Business School Product № 9-476-094 Rev. January 30.

Davis, J. (2001) The Organization Design of Owner-Managed Companies. Harvard Business School Product № 9-800-024 Rev. February 22.

### ***Individual tasks for Module 1.***

- To read and analyze the requested reading.



- To make an individual oral presentation (5-10 minutes) "What is your assessment of the progress of the organization design theory over the last 30 years?"

## ***Topic 2. Modern theory of strategic organizational design***

### **Requested reading for Module 2.**

#### Book:

Burton, R., DeSanctis, G., Obel B. (2011) *Organizational Design*. 2<sup>nd</sup> ed. Cambridge: Cambridge University Press.

### ***Group task for Module 2.***

- To read and analyze the requested reading.
- To make group oral and written presentations on each of 12 major parameters of strategic organizational design using as examples data on Russian companies (preferably from the same line of business)

## ***Module 3. Organizational structure and processes of a corporation***

### **Requested reading for Module 3.**

#### Article:

Goold, M. and A. Campbell (2002), *Do You Have a Well-Designed Organization?* Harvard Business Review Reprint R0203K.

#### Cases:

Garvin, David A. and Lynne C. Levesque (2006), *Management Levels at Staples (A) – (E)*. Harvard Business School Products № 9-307-037 – 9-307-042 August 11.

Verity J., Barrett G. (2009), *Creating Value at the Corporate Centre: The Centrica Group 1997 – 2006*. Cass Business School. City University London. ECCH 309-208-1.

### **Group tasks for Module 3.**

- To read and analyze the requested reading
- To make group oral and written presentations (5) presenting yourselves as manager of the corresponding level of managerial hierarchy in Staples

#### **Module 4. Integrated strategic organizational diagnosis**

##### **Requested reading for Module 4.**

###### Article:

Gurkov, I. and A. Settles (2011), Managing organizational stretch to overcome the uncertainty of the Great Recession of 2008. *International Journal of Organizational Analysis*, 19, 4, 317-330.

Saidov, Z. (2014) How Russian Companies Are Coping with a Turbulent Environment: Insights into the Dynamics of Strategic Fit, *Journal of East-West Business*, 20, 4, 225-242

###### Additional materials:

Анкета ORGCON 9\_0.doc - Анкета программного обеспечения Organizational Consultant 9.0 (перевод Гуркова И.Б., 2011 г.)

## **9 Educational Technologies**

The course aims to bring students closer to the real practices of Russian organizations, where ugly bosses give unclear order in impolite manner with unrealistic deadlines and absence of resources; where colleagues are not supportive while subordinates are not motivated.

Subsequently the course will use some element of "stress ignition":

- "Cold call" – the lecture may be interrupted at any moment by a question of the lecturer either addressed to the whole audience or addressed to a particular student. No answer for the second type question is mandatory recorded in the Journal of Class Participation. The first student who provides good answer to the question of the first type is also recorded the Journal of Class Participation.
- Harsh critique of individual and collective presentation
- Collective responsibility – all "non-dissident" members of a group share the same grade – все члены проектной группы получают единую оценку.
- Gradual increase of the amount of the requested reading from Module 1 to Module 4.

Computer-assisted simulations are an integrated part of the course.

During the course students meet top corporate executives who recently management major reorganizations of their corporations.

## 10 Grading Procedures

The course is based on a rather complicated method of grading.

The basic grading looks as follow:

**Final score** = 10% -- class attendance (if a student misses more than 4 classes during the course he/she must repeat the course)

10% -- individual presentations

20% -- collective presentations

20% - collective project

40% -- final (exam) essay (first attempt)

35% - final (exam) essay (second attempt)

Members of a voluntary editorial group (1-3 persons), that will be formed from the beginning of the course and will be responsible for editing board plans of the lectures and further making PowerPoint presentations for distribution among the students will receive one additional point for the final grade.

As all the students receive their final grades, students who received 8 or 9 may, if they wish, to add one point for the final grade by taking an additional assignment. The assignments are different for the students who aspire towards 9 and who are aspiring towards 10.

Student who will receive unsatisfactory grades for the whole course may repeat the exam presenting a new final essay based on a completely new company. In this case the new essay will have the lower weight (35%) in the final score.

The Diploma Certificate contains the Course final grade, which is calculated by the following formula:

$$O_{Course} = 0.1 \cdot O_{attendance} + 0.1 \cdot O_{individual\ presentations} + 0.2 \cdot O_{collective\ presentations} + 0.2 \cdot O_{collective\ project} + 0.4 \cdot O_{final\ essay} + e \text{ (free error)}$$



## 11 Teaching Methods and Information Provision

### 11.1 Core Textbook

Burton, R., DeSanctis, G., Obel B. (2011) *Organizational Design*. 2<sup>nd</sup> ed. Cambridge: Cambridge University Press.

### 11.2 Required Reading

#### Books:

Паркинсон С. Н. Законы Паркинсона: Сборник: Пер. с англ. / Сост. и авт. предисл. В.С. Муравьев. – М.: Прогресс, 1989.

Bowen, P. (Ed.) (2001), *A Matter of Design: Job design theory and application to the voluntary sector*. Volunteer Canada.

#### Book chapter:

Hackman, J. R. (1987), *The Design of Work Teams*. In Lorsch, J. (Ed.), *Handbook of organizational behavior*. Englewood Cliffs, NJ: Prentice-Hall. p. 315-342.

#### Articles:

Botje, D., I. Zoer, M. M. Ruitenbunrg, M. H.W. Frings-Dresen & J. K. Sluiter (2010): *On-site observations of physical work demands of train conductors and service electricians in the Netherlands*, *Ergonomics*. Vol. 53, No. 8, August 2010, 1016–1023

Campion, M. A. and P. W. Thayer (2001), *Job Design: Approaches, Outcomes, and Trade-offs*. *Organizational Dynamics*. 15, p. 66-78.

Goold, M. and A. Campbell (2002), *Do You Have a Well-Designed Organization?* Harvard Business Review Reprint R0203K.

Gurkov, I. and A. Settles (2011), *Managing organizational stretch to overcome the uncertainty of the Great Recession of 2008*. *International Journal of Organizational Analysis* Vol. 19 No. 4, pp. 317-330.

Martin, R. (2008), *Capital vs. Talent: The Battle Rages On*. *Rotman Magazine* Fall, p. 4-9.

Mintzberg, H. (1981) *Organization Design: Fashion or Fit*». *Harvard Business Review* January – February.



Saidov, Z. (2014) How Russian Companies Are Coping with a Turbulent Environment: Insights into the Dynamics of Strategic Fit, *Journal of East-West Business*, 20, 4, 225-242

Cases/Teaching Notes:

Davis, J. (2001) The Organization Design of Owner-Managed Companies. Harvard Business School Product № 9-800-024 Rev. February 22.

Garvin, David A. and Lynne C. Levesque (2006), Management Levels at Staples (A) – (E). Harvard Business School Products № 9-307-037 – 9-307-042 August 11.

Goldberg, A. GEM Ltd. Moscow: HSE, 2011

Lorsch, Jay W. (1987), Note on Organization Design. Harvard Business School Product № 9-476-094 Rev. January 30.

Verity J., Barrett G. (2009), Creating Value at the Corporate Centre: The Centrica Group 1997 – 2006. Cass Business School. City University London. ECCH 309-208-1.

Анкета ORGCON 9\_0.doc - Анкета программного обеспечения Organizational Consultant 9.0 (перевод Гуркова И.Б., 2011 г.)

### **11.3 Supplementary Reading**

Гурков И.Б. Стратегия и структура корпорации. 2-е изд. М., Дело, 2008.

Burton, R., Obel B. (2004), Strategic Organizational Diagnosis and Design: The Dynamics of Fit. Springer.

### **11.4 Software**

For successful acquisition of the Course the student uses the following software:  
Organizational Consultant, Educational Version 9.1

## **12 Technical Provision**

Computer with a projector and flip-chart.

### **13 Academic Integrity**

14.1 Each student in this course is expected to abide by the Higher School of Economics' Academic Honesty Policy. For this course, collaboration is allowed in the following instances:

- Group presentation on strategic organizational design (Module 2)
- Group presentation on managerial levels in Staples (Module 3).
- Group project on GEM Ltd. (Module 4).

14.2 You are encouraged to study together and to discuss information and concepts covered in lecture and the sections with other students. You can give "consulting" help to or receive "consulting" help from such students. However, this permissible cooperation should never involve one student having possession of a copy of all or part of work done by someone else, in the form of an e-mail, an e-mail attachment file, a diskette, or a hard copy. When copying has occurred both the student who copied work from another student and the student who gave material to be copied will both automatically receive a zero for the assignment. Penalty for violation of this Policy can also be extended to include failure of the course and University disciplinary action.

14.3 During examinations, you must do your own work, but talking or discussion is encouraged during the examinations, you may compare papers or collaborate in other way. At the same time, it is totally forbidden to use other's student assignment (to run computer software with other's data on your own computer or to perform simulation on somebody's other computer). Such actions during the examination will result in failure of the exam, and may lead to failure of the course and University disciplinary action.

### **14 Accommodations for Students with Disabilities**

The Higher School of Economics is committed to ensuring equal academic opportunities and inclusion for students with disabilities based on the principles of independent living, accessible universal design, and diversity. I am available to discuss appropriate academic accommodations that may be required for student with disabilities. Requests for academic accommodations are to be made during the first three weeks of the semester, except for unusual circumstances. Students are encouraged to register with Disability Services Center to verify their eligibility for appropriate accommodations.