Instructor's Resource

Introduction to Cases and Exercises in Organization Development & Change

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Notes on Teaching with Case Studies

In business schools, the use of case studies to teach students the practical application of theoretical concepts is "ubiquitous" (Jain, 2005, p. 77) and has been called a "definitive and foundational technology in business education" (Rippin et al., 2002, p. 429). More than 50 years ago, in fact, Ulrich (1951) argued the advantages of the case study method in business school as a mechanism for teaching practical approaches to solving real problems, noting that:

> The objective is to develop student capacity to deal with specific problems of human relations in an infinitely complex and continually changing environment. This capacity involves both intellectual and emotional maturity….Most students come to the Business School accustomed to dealing with theories, principles, rules, and other logical or quasi-logical equipment. But they have not developed a capacity to see specific problems clearly. (pp. 25-26)

Historically, the use of case studies in business schools dates back to the late nineteenth century (Rippin et al., 2002), an unsurprising historical fact when we consider that much of business education is, at its foundation, a practical enterprise. For the manager/practitioner, theoretical concepts must be applied at work. In this respect, case studies serve an important role. Thus, professors note, "case studies can unite the development of theory with the teaching of it" (Christensen & Carlile, 2009, p. 240). In the classroom, case studies engage students with real problems that can provide complex situations for the application of theoretical concepts (Ellet, 2007).

Consider a subject such as organizational change, which is a topic of interest to both practitioners and academics alike. In an era of increased globalization, with changes in the nature of work, emerging technologies, and a changing workforce, it has been noted that the ability for organizations to change is perhaps the defining competency of successful organizations today (Anderson, 2010; Lawler & Worley, 2006). The use of case studies for courses in organization development and change is not only

pedagogically appropriate for helping students make decisions about how to manage in a complex environment, it also makes for interesting and engaging class sessions.

About the book

The case studies and exercises presented in the book have been written specifically for students studying organization development and change. The text is structured in three sections. The first section presents cases about the organization development process: entry and contracting with clients, gathering data, giving feedback, encountering client resistance, selecting interventions, and sustaining change. The second section addresses interventions in more detail by presenting cases in organization-wide, team, and individual interventions. In this section, cases describe practitioner and client challenges in areas such as organization design and restructuring, leadership coaching, role analysis in teams, and more. The third section presents exercises, simulations, and assessments that students can use on their own or that instructors can use as in-class activities. These activities enhance the students' theoretical learning with practical and experiential exercises that make the course material come alive through realistic scenarios that managers and organizational change practitioners regularly experience. Each section is introduced by a brief summary of the issues contained in the cases, the OD process, and tips for case study analysis.

Feedback about the book is welcomed, and the editor and authors would be especially interested in your examples and stories showing how you use the text in your course. Please feel free to contact the editor at Donald.Anderson@du.edu.

References

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Cases and Exercises in Organization Development & Change

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PART I: CASES IN THE ORGANIZATION DEVELOPMENT PROCESS

PART II: CASES IN ORGANIZATION DEVELOPMENT INTERVENTIONS

Case 1

Contracting for Success: Scoping Large Organizational Change Efforts

Laurie K. Cure and Marilyn Schock

Case Summary- Valley Medical Center

The case outlines the challenges of a new hospital CEO as he seeks to address significant strategic and operational issues for Valley Medical Center (VMC). As the fifth CEO in less than 24 months, Robert faces declining volumes, low employee morale, and less than optimal patient satisfaction scores. A competitor facility is entering the market and physician and employee relations are strained. As a result, leadership is struggling during this pivotal stage in its life cycle. The combination of these issues has created an elevated sense of urgency for organizational development support.

The case begins with Robert as he seeks to engage a consultant, Karen. He is requiring assistance in navigating and prioritizing the critical issues he faces. Karen and Robert tour the hospital and meet various individuals who help to her in understanding the organizational challenges. Robert has created five strategic priorities for the facility; strong employee engagement, high patient satisfaction, quality patient care, being physician friendly and achieving financial strength. Throughout the case, each of these priorities are explored providing the reader with a brief organizational assessment and summary of potential concerns. This provides an important foundation for the Organizational Development (OD) recommendations sought.

Summary of Teaching Points

Whole organizational interventions can be challenging for organizational development (OD) practitioners and business leaders. Moving from interventions that seek to address and isolate root cause issues, whole system interventions allow for changes to organizational culture and design in order to integrate and align strategic business needs (Mozenter, 2002). Assuming a systems perspective often involves managing complex issues and implementing interventions that address the larger organization (Arena, 2003). In considering this from the perspective of leadership culture, and change management, it is clear that, "the solutions that will evolve from the whole system will be very different than the solutions that will evolve from an individual or small group" (Arena, 2003, p. 81).

The case seeks to demonstrate the complexity of significant organizational change. From an organizational development perspective, students are asked to consider various elements of an organizational assessment and determine which are important to address and prioritize through a contracting process. The International Development Research Center (Lusthaus, Adrein, Anderson, Carden, Montalvan, 2002) has published a book which presents four areas for consideration by OD practitioners as they consider organizational issues. These aspects become pertinent in reviewing and analyzing the case and are presented below.

The first area of consideration is organizational performance. This incorporates aspects of organizational effectiveness and financial viability (Lusthaus, et.al., 2002). These are critical issues for VMC. Their performance in key areas such as employee engagement, retention and patient satisfaction are poor. In addition, while financial outcomes have historically been strong, their financial performance is at risk with declining market share and increased competition. These components are important for an OD consultant as they consider the urgency of the situation and the recommendations at hand. It will be important for students to recognize these issues as foundational to the case, particularly in light of contracting and organizational change.

Piggybacking on organizational performance is the need to know and understand how various internal and external environmental issues are affecting the facility. Certainly, the case reflects significant competitive threats, but it also hints at some internal decisions around the viability of the organization over the long term. Students should be able to recognize the various strengths and vulnerabilities within the organization as they seek solutions and recommendations. In addition, it is important that they can identify key stakeholders and address issues with each of these groups in their recommendations.

Third is organizational capacity which asks consultants to consider how resources within the company are used to impact performance (Lusthaus, et.al., 2002). This includes leadership, organizational structure, process efforts, and human resources issues. For Valley Medical Center, leadership is an area requiring attention. Aspects of development and accountability were brought forward and recommendations in these areas will support success. In addition, VMC might consider structure challenges and whether they have the appropriate structure to address issues between departments. A great area for discussion in this realm is to pose the question: how is the organization using its resources to perform effectively?

Additional areas of student assessment in this dimension include considerations of leadership theory and motivational theory, both of which impact the challenges being experienced by VMC. Change management strategies also surface as the CEO seeks to implement new priorities and a new focus. In considering these components, students should recognize methods and models for leading change including creating a sense of urgency, shaping a vision, mobilizing commitment and making change last.

Finally, areas of organizational motivation, including culture, company history, mission, and reward structures require analysis (Lusthaus, et.al., 2002). This arena considers the various motivating factors that drive people within the company to perform. One of the most significant issues for VMC is culture and the conscious development of a new culture. Robert's team has experienced significant leadership changes and he has established a new vision and direction. With five different CEO's over a two year time frame, Robert's focus is one of many that the leaders and staff have needed to embrace over a short period of time. While he is highly inspirational and exhibits commitment, he will need to engage key stakeholders in this vision by developing relationships of trust and seeking their involvement. He will also need to be strategic in defining and developing the new culture, thereby working with the strengths of the current culture and deliberately building new cultural elements to address his challenges.

Possible Elements of Question Responses

Question 1 from Case Study:

In considering the case above, where does Valley Medical Center have strengths? Where do they have challenges?

Organizational performance is poor in many of their priority focus areas. If the facility is to remain viable, they must address their global strategic challenges and execute plans which will improve market share and create enhanced physician partnerships. This will support program and volume growth. Strong community support is an advantage in this arena. While these issues are not always seen as traditional "organizational development" issues, they are critical to assess when managing whole scale change and contracting effectively for services.

In terms of organizational capacity, the CEO, Robert, brings strong strategic leadership and has made difficult decisions in regards to his senior leadership team. Robert's vision is clear and he models behavior by engaging patients, staff and physicians. He is an inspirational leader who has brought focus and accountability through the five priorities and the facilities ground rules.

However, many of the facility challenges lie in this dimension as well. Rapid turnover in CEO's and other senior leadership roles has created insecurity amongst staff and physicians. Threats to retention and problems with employee morale and engagement were serious concerns for leaders at VMC. In addition, the external environment creates a recruitment challenge with a competitor entering the market and overall shortages of healthcare workers in the industry. One of the greatest challenges from the human resources perspective aligned to culture changes. VMC is in a position where they need to recruit and retain high quality employees which fit their new and emerging culture. This requires enhanced leadership skills and the ability to support accountability and actively address employee disengagement. It will also require VMC to clearly

consider their emerging culture and create hiring selection processes and criteria to support employee-organization fit.

The last significant area builds on organizational motivation and culture. VMC has a rich history and strong community loyalty. They have a culture which is family oriented, committed, genuinely caring, and compassionate. These items provide a strong foundation for the organization. However, with all the changes being experienced both within the facility and in the market, levels of fear are high. The staff, leaders and physicians have not operated in a highly competitive market and there is a strong sense of complacency. In addition, prior to Robert's arrival, there was limited focus and lack of accountability.

Another area of concern is staff getting stuck in the mindset of doing things the way they always been done. VMC's outcomes demonstrate the need for change and improvement and it will be important to try new methods for achieving results. Adding to this challenge is the fact that teams are not acting in a cohesive way; everyone is operating in their own best interest. As VMC seeks to provide the best quality patient experience, they will need to enhance interdisciplinary teamwork.

Question 2 from Case Study:

What are the critical success factors for Valley Medical Center. As an OD practitioner. What recommendations would you make to support Robert in achieving his goals?

Critical success factors for the organization:

  High levels of employee engagement.

  High quality patient care and satisfaction.

  Strong patient and physician relationships.

  Financial viability through a strategic focus.

Recommendations:

Culture assessment and development- a formal plan needs to be developed and created to ensure leadership is deliberate in creating a culture that will build on their strengths, but also move them to be more market, patient and employee focused.

Structures need to be implemented which will ensure appropriate involvement by key stakeholders (physician, leaders, staff)

Key stakeholders need to be engaged in the creation of the vision, strategy and core decision making processes.

The organization might consider a workforce development plan in order to address recruitment, retention and selection issues.

Leadership development needs to occur in order to ensure leaders have the competency and skills to move the organization forward. This could include classroom learning, coaching, development assignments, and mentoring or other development activities.

VMC should consider undergoing an organizational redesign process which will align with their assessment of culture. As they consider their challenges, many might be the result of inappropriate or outdated structures within the organization.

VMC needs to enhance team decision making and prioritize opportunities.

VMC should implement change management processes which involve key stakeholders more directly and effectively.

Question 3 from Case Study:

Valley Medical Center is experiencing a great deal of change. What is the best way for them to manage change at their facility? What recommendations would you make to help them more effectively handle the change they are experiencing?

Change management requires establishing a sense of urgency for the team around the given changes. It also involves establishing vision and commitment. Kotter (1996) and Palmer (2004) outline several stages of change which are critical for success. While their exact stages differ slightly, several factors are in common. Leaders must create a reason for change. They must step forward and lead the change efforts. This involves mobilizing resources, being visible, creating work teams, charters and delineating responsibility. Additionally, leaders must develop and communicate the vision for change and develop specific strategies for execution of the change. At this stage, it is necessary to engage stakeholders in the process, allowing them to be part of the solution. Leaders must also gain overarching commitment from stakeholders and begin to remove barriers so others can carry the vision forward. Finally, change must be anchored, hardwired and incorporated into organizational processes and culture.

For Valley Medical Center, leadership must begin to engage others in the change process. Leaders, employees and physicians must begin to become part of the change occurring and contribute to change efforts in order to ensure buy-in. Creating teams and unit councils who can serve as advisors and implementers would assist VMC in achieving goals around change. In considering change, Bridges (2003) defines the difference between change and transition. While change is situational, transition is psychological. Often, it is the psychological transitions are the most difficult for individuals to manage. Providing opportunities for stakeholders to grieve the past and manage endings while effectively embracing beginnings is important. OD consultants

often offer expertise in this arena by facilitating sessions which formally allow individuals to navigate change and transition.

Question 4 from Case Study:

How can VMC develop their leaders to meet the challenges they are experiencing?

Leadership development involves equipping leaders with skills that support their capacity to lead within the organizational environment. This can occur from a multitude of perspectives. Classroom learning is an option whereby leaders engage in courses which teach leadership skills. More importantly, leaders need experiential opportunities to grow. Leadership coaching and feedback can be essential elements of development. It can offer the space for leaders to explore, enhance self awareness and practice necessary skills in a safe place.

Additional Readings

See reference list below in addition to the following:

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Case Epilogue

Valley Medical Center has begun to thrive. Robert remained CEO for the organization for over 3 years and then moved to another facility within the company. A fellow member of his senior leadership team was well positioned to assume leadership and became CEO upon his departure.

Currently, the facility is seeing increased volumes, despite the competition in the market, and has continued strong financial performance. Quality of care remains strong and patient satisfaction ranks in the top 10% of all hospitals nationwide. Employee engagement in is the 85th percentile with a waiting list for several key clinical positions. Several OD strategies were utilized to ensure continued viability and success of the organization.

The facility engaged in an organizational redesign process and involved many leaders and staff in reviewing structure and determining how best to organization resources. This created more effective, formal relationships and supported interdisciplinary work. In addition, in order to drive decision making from the bottom up and support change initiatives, each unit created a team council with representation from their unit and other areas. These teams serve as decision making bodies and involved front line staff in critical decisions.

Several leadership development strategies were also put in place includes classes, executive coaching and group development work amongst teams. This enhanced skills and promoted effectiveness in accountability.

A balanced scorecard was also used to track and monitor key metrics and ensure targets were being achieved. Teams were created around areas of opportunity and support was granted to ensure targets were met.

This case is based on an actual organization and real organizational experiences. It has been written for learning purposes and, as such, names, facts and situations have been changed to protect the privacy of individuals and the organization.

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