I. TEXTS


II. SOURCES OF OTHER READINGS (Journals and Periodicals)

Additional assigned readings/handouts from the instructor; Academy of Business Journal; Academy of Management Journal; Academy of Management Review; Administrative Science Quarterly; Advanced Management Journal; American Academy of Business; Cambridge; Business Horizons; Harvard Business Review; Journal of Applied Psychology; Sloan Management Review; Organizational Dynamics; Research in Organizational Behavior; Strategic Management Journal; Applied Business Review; Journal of Applied Business Research; etc.

III. COURSE DESCRIPTION

Worldwide competition and increasing environmental munificence, complexity and dynamism are having a dramatic effect on how organizations are structured and managed. Learning how to allocate resources is increasing the need for managers as generalists, to develop skills and competencies in planning, organizing, motivating and controlling a broad spectrum of organizational activities. Organizations are structuring their activities and workforces into teams capable of developing innovative solutions to complex problems, headed by team leaders. Thus the need for professional general managers will continue to remain strong into the future.
This course sets the fundamental knowledge base for students. It provides students with an overview of theories and practical applications in dealing with various organizational challenges.

IV. OBJECTIVES

This course has two primary objectives "Knowledge" part and "Practical" part. The "knowledge" part will focus on the theories and concepts in organization theory and behavior. The "practical" part will include case analysis, web-reports, research on corporations, and an actual design project for an effective organization. When you successfully complete this course, you will have developed and/or enhanced various organizational skills.

More specifically, at the completion of this course the student will be able to:

- Assess individual’s personality and ability, work values, attitudes, moods and emotions, perception, attribution, as well as workplace diversity.
- Evaluate alternative ways to motivate and reward employees and make effective decisions.
- Evaluate group and team behavior and assess its impact on performance.
- Communicate effectively at the individual, group, and the organizational level.
- Diagnose power and manage conflict and stress.
- Identify leadership styles and determine its effectiveness within the organization.
- Structure a high performance organization and be able to explain the various influences on its structure.
- Assess the culture and the ethical behavior of your newly designed organization.
- Evaluate alternative methods to managing change in your newly designed organization.

V. LEARNING METHODOLOGY

The learning methodology used in this course consists of reading the textbooks; lectures; assigned articles and other assigned readings; class participation and group discussions; group exercises and cases for analysis; and group project and presentation.

To enhance student learning, this class is configured in such a way that bilateral communications between class participants and the instructor are maximized. Case studies, self-assessment, simulations, and other experiential learning techniques will be used throughout the course.

Blackboard is used extensively in this course. All the course materials (including lectures, power point presentations, and group project instructions and examples) will be posted on Blackboard. Blackboard facilitates more effective communication about assignments and other class activities.

A. Participation

Participation in all course activities is an integral part of this course. It is critical to the success of this course that all students read the material for each week and that each
individual participate in the class discussions and exercises. Students will be evaluated on both their active participation and on their contribution to the learning of others.

B. Individual Assignments/Homework
Individual assignments and homework are required throughout the term of this course. Assignment/homework is due by noon-time Friday. Students are encouraged to submit such assignments during the week. No late assignment will be accepted unless approved by instructor. All assignments are to be posted on the “Discussion” section of the Blackboard.

Important: Each student is expected to review additional related reading materials on the same subject topic and reference these sources on his/her papers.

C. Group Project and An Online Group Presentation
This group project, final paper, and presentation are in lieu of a final exam. Your Group is to design an effective organization following the following guidelines:

1. Group Formation
   At the first class (on-line) meeting, you will form a team of up to five (5) students to conduct this required group project. Group projects will be coordinated with the instructor for online presentations (Blackboard PowerPoint and Report Posting) on Week 8, Week 9, or Week 10.

2. The Project
   See attached case titled “Mount Cedar Technologies, Inc.: A Case Study in Designing a High Performance Organization”.

3. Group Report
   For the purpose of this group project, you need to answer the case questions via applying the knowledge gained in this course. Please use the chapters assigned for this course to support your suggestions.
   To support your views and enhance your report, you must include outside references such as books, journals, newspaper, internet information, or a direct interview as resources for your project/research (in case of an interview, include your interview questions as an appendix in your report).
   Write a 20-25 page report (12 point font, double-spaced and followed the APA’s writing style- only one report is needed for each group) and do a 20-30 minute’s PowerPoint presentation of your project. Grade is based partially on peer evaluation.

4. Group Project Grading
   Fifty (50%) of your grade on this Group Project is based on peer evaluation and the other fifty (50%) is based on the quality of the report as determined by the instructor. All members of the group will receive the same grade unless an unusual situation occurred (please refer to item 5-General Notes).

5. General Notes
   Any disputes within the team including a poor performance by any team member must be discussed with the instructor as soon as it arises. The instructor will arbitrate any dispute.
VI. ACADEMIC HONESTY AND AVOIDING PLAGIARISM

A. As specified in the University of La Verne CATALOG, “Each student is responsible for performing academic tasks in such a way that honesty is not in question. Unless an exception is specifically defined by an instructor, students are expected to maintain the following standards of integrity:

B. All tests, term papers, oral and written assignments, recitations, and all other academic efforts are to be the work of the student presenting the material.

C. Any use of wording, ideas, or findings of other persons, writers, or researchers requires the explicit citation of the source; use of the exact wording requires a “quotation” format. Deliberately supplying material to a student for purposes of plagiarism is also culpable…” When academic honesty is in question, the following may occur:

1. A faculty member who has clear evidence that academic honesty has been violated may take appropriate disciplinary action. Appropriate disciplinary action may include, but is not limited to, requiring the student to rewrite a paper or retake a test, giving the student an F on the assignment and/or in the course, and/or recommending expulsion. If the action includes giving a course grade of NCR or F and/or a recommendation for expulsion because of academic dishonesty, the faculty member must report the action to the Department Chair and/or Academic Dean (or to the Campus/Program Director for off-campus situations).

2. If a faculty member has reason to suspect academic dishonesty (even after having seen requested additional or revised work when appropriate) and the student denies the allegation, the faculty member may refer the matter to the Provost (through the Campus/Program Director for off-campus situations). Following due process an Academic Judicial Board may be formed to investigate the matter and make a recommendation to the Provost about whether academic honesty has been violated. The Vice President will then take appropriate action which may include, but is not limited to, academic probation, suspension, or expulsion. In this process students may be asked to produce earlier drafts of their work and/or original notes and resources, other samples of writing, or documents deemed appropriate or necessary by the Board.

3. Grades of F or NCR received in courses due to academic dishonesty will be filed with appropriate documentation for future reference in the office of the Provost by the Department Chair, Academic Dean, or Campus/Program Director. Students receiving an F or NCR as a result of academic dishonesty will be sent a letter from the Provost noting that a second offense will result in expulsion.

4. Expulsion for academic dishonesty will be noted on the student’s transcript by the words “Expelled for Academic Dishonesty.”

Please see the section titled RESPONSIBILITIES in the University’s of La Verne 2010-2011 Catalogue.
VII. EXPECTATIONS OF STUDENTS

Students will be required to:
- Attend all classes (Online)
- Read all assigned material prior to the class
- Complete all assignments by the deadline stated
- Present a case study
- Participate in online class discussion (i.e. Blackboard), offer observations from the readings or personal experiences, express different point of view with reading material or comments made on Blackboard
- Prepare the individual term paper and an interview assignment by the deadline, following the approved University of La Verne academic research paper format, and with correct grammar and spelling

VIII. PERFORMANCE REQUIREMENTS AND WEIGHT AS PERCENT OF FINAL GRADE:

A. Individual Assignments (including cases and home work)................................. 30%
B. Group Project and a Summary Report Presentation........................................ 40%
C. Participation (including in-class discussions, class activities, and in-class exercises) ........................................................... 30%

Grading Scale: A= 95-100; A- = 90 – 94; B+ = 87 – 89; B = 84 – 86; B- = 80 – 83;
C+= 77 – 79; C= 74 – 76; B-= 70 – 73; below 70 is failing

IX. DISCLAIMER

The professor reserves the right to make correction, changes, and other alterations to the syllabus, course requirements, and other elements contained herein. Such changes will be communicated to the students either in a regular class session or other appropriate means (e.g., email; Blackboard; etc.). All matters pertaining to student rights and responsibilities as outlined in the University catalog are adopted herein.
X. COURSE SCHEDULE:

1. Week 1  COURSE INTRODUCTION
Introduction to Organizational Behavior (George and Jones-Chapter 1).
Thinking about Organizations (Hall and Tolbert- chapter 1).
Formation of Groups for final project.

2. Week 2  INDIVIDUALS IN ORGANIZATIONS
Individual Differences: Personality and Ability (George and Jones-Chapter 2).
Work Values, Attitudes, and Moods and Emotions (George and Jones-Chapter 3).
Perception, Attribution, and the Management of Diversity (George and Jones-Chapter 4).

3. Week 3  INDIVIDUALS IN ORGANIZATIONS-continued
Learning and Creativity (George and Jones-Chapter 5).
The Nature of Work Motivation (George and Jones-Chapter 6).
Creating a Motivating Work Setting (George and Jones-Chapter 7).

4. Week 4  INDIVIDUALS IN ORGANIZATIONS-continued
Pay, Careers, and Changing Employment Relationships (George and Jones-Chapter 8).
Managing Stress and Work-Life Balance (George and Jones-Chapter 9).

5. Week 5  ORGANIZATIONAL PROCESSES
Organizational Design and Structure (George and Jones-Chapter 16 and Ghazzawi-Blackboard).
Organizational Structure: Key Dimensions and Explanations (Hall and Tolbert-chapters 2 & 3. See also Ghazzawi’s Blackboard).

6. Week 6  ORGANIZATIONAL PROCESSES-Continued
Managing Organizational Environments: Conceptions (Hall and Tolbert-chapter 8 and Ghazzawi-Blackboard).
Managing Organizational Environments: General Paradigms (Hall and Tolbert-chapter 9 and Ghazzawi-Blackboard).

7. Week 7  ORGANIZATIONAL PROCESSES-Continued
Organizational Culture and Ethical Behavior (George and Jones-Chapter 17).
Organizational Change and Development (George and Jones-Chapter 18).
Change (Hall and Tolbert-chapter 10).
8. Week 8  **GROUP AND TEAM PROCESSES**
The Nature of Work Groups and Teams (George and Jones-Chapter 10).
Effective Work Groups and Teams (George and Jones-Chapter 11).
Group # 1 project’s report and presentation due.

9. Week 9  **GROUP AND TEAM PROCESSES**-continued
Leaders and Leadership (George and Jones-Chapter 12).
Leadership (Hall and Tolbert-chapter 5).
Power, Politics, Conflict, and Negotiations (George and Jones-Chapter 13).
Power and Power Outcomes (Hall and Tolbert-chapter 4).
Group # 2 & group 3 project’s report and presentation due.

10. Week 10  **GROUP AND TEAM PROCESSES**-continued
Communication in Organizations (George and Jones-Chapter 14).
Communication (Hall and Tolbert-chapter 7).
Decision Making and Organizational Learning (George and Jones-Chapter 15).
Individual papers and presentations due (assigned students only).
Group # 4 & group 5 project’s report and presentation due.

XI.  **RECOMMENDED WRITING STANDARDS:**

The standards for in-class writing (quizzes, tests, in-class drafts) will cover the same essentials as the standards for out-of-class writing, but they will be evaluated more leniently, taking into account pressure of time. Please adhere to research writing standards (APA).

Content: 50%
Completed all parts of assignment
Developed thoughtfully with appropriate support for ideas
Synthesized/evaluated appropriate materials
Original/appropriate approach-clear thesis
Organization: 25%
Logical plan
Appropriate order of ideas
Appropriate beginning and conclusion
Appropriate cohesion/progression of ideas/transitions
Form/Mechanics/Surface: 25%
Correct language control
No grammatical or sentence errors
No spelling/punctuation/capitalization errors
Correct idiom/word usage

CASE DESCRIPTION

In today’s global economy, organizations are faced with many challenges including motivating and rewarding employees; communicating and making effective decisions; evaluating group and team behavior; assessing their organizational structure and determining its effectiveness, assessing its leadership and determining its effectiveness; and evaluating alternative methods to managing change in the newly designed organization. Successful managers must learn the importance of creating functional and effective structures, processes, and understanding and managing the human side of the organization as this will enable people to effectively work together to achieve agreed upon goals. Therefore this term-long group case study, designed to cover multiple aspects of Organizational Behavior and Theory and Organization Design, will give you an opportunity to design an effective organization.

The author developed the case for class discussion rather than to illustrate either effective or ineffective handling of the situation. The names including the organization have been disguised.

The case, instructor’s manual, and synopsis were anonymously peer reviewed and accepted by the Western Casewriters’ Association for its annual meeting, March 27, 2008, Oakland, CA.

CASE SYNOPSIS

Mount Cedar Technologies, Inc. was founded in Los Angeles, California in 1995. It began as an importer and distributor of computer accessories, but by 2000 had evolved into an IT infrastructure integrator specializing in hardware and software products, storage and security solutions, and technical services to Enterprise, Small and Medium

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The author developed the case for class discussion rather than to illustrate either effective or ineffective handling of the situation. All rights are reserved to the author. Contact person: Issam Ghazzawi of the University of La Verne, 1950 Third Ave, La Verne, CA 91750, ighazzawi@ulv.edu, Telephone: 909-593-3511.
Businesses, and to Government, Educational, and Medical institutions. Its employees grew rapidly from 6 in 1995 to more than 170 employees in 2006.

The company lacked an organizational structure to improve its operations’ effectiveness. Additionally, there were complaints from employees who did not feel equitably treated, resulting in the loss of talented employees. Department managers acknowledged that they were very busy reacting to problems and customer issues, allowing them little time to coordinate and listen to their employees.

Decision making was highly decentralized. This resulted in the loss of possible gains to be obtained from cooperation among other managers. The silo effect that resulted from this structure meant that departments were making decisions based on what was best for them.

While John Curtis (CEO) had been instrumental in growing the organization, his present leadership style had become increasingly problematic to many including upper management. He liked to surprise people by showing up un-invited to meetings and all employees and managers were expected to provide off the cuff answers to questions he would throw at them during these visits.

Managers were asked to focus mostly on financial measures. The culture was described by many people as a task oriented one that did not encourage risk taking or empowerment. Additionally, the organization was lagging in the areas of training and the advancement of women and minorities. Finally, upper management wanted to grow its business by adding new product offerings.

INTRODUCTION

Sam Farris was hired as the new Vice President of Mount Cedar Technologies, Inc. in December 1998 to work closely with the company’s top executives to oversee daily operations, support sales and technical logistics, to be part of the top management team, and to determine, along with other executives, the future strategic direction of the company. During a coffee break, he shared the following advice with his senior management team (John Curtis, President and CEO; Bob Holt, Vice President of Finance and Human Resources; and Frank Mathew, Vice President of Sales): “Re-visit your organization and take it to the next level! You have great people, great customers, and great products. You need to build an effective, sustainable business, and be a regional leader in what you do.”

ORGANIZATIONAL HISTORY AND BACKGROUND

Located in Los Angeles, California; Mount Cedar Technologies, Inc. (hereafter referred to as “Cedar Tech”) was founded in August 1995 by John Curtis and Frank Mathew who were classmates and friends. Both graduated in May 1990 with a bachelor’s degree in Management Information Systems from a Seattle area university. Both John and Frank relocated to Southern California right after graduation, and worked for a major technology solutions provider in the city of Los Angeles before starting their own company. Cedar Tech was jointly owned by John with a 51% share and by Frank with a 49% share. More than 80% of Cedar Tech’s business comes from customers within the state of California. Less than 20% of business comes from other states.
Cedar Tech was originally an importer and distributor of computer cables, audio/video cables, surge protectors, and a host of computer accessories. In the fall of 1998, Cedar Tech added new products to its offering when it became a provider of third party technology, including hardware, software, and services to corporate customers. Its new product offerings included computer and networking accessories, computers, peripherals, printers, displays, printer consumables, and software. Its services included installing hardware and peripherals into systems. It provided standard and custom hardware configuration for personal computers (PCs), notebooks, printers, and servers. Services included the installation of memory, hard drives, digital video editing, network cards, modems, video cards, and other peripherals. Software services included the installation and configuration of software in systems based on customers’ requirements.

Cedar Tech evolved again in March of 2000 when it acquired Denta Solutions of Los Angeles, a small solutions provider, specializing in IT storage. This acquisition provided Cedar Tech with 11 certified storage engineers and 2 project managers. In the company general meeting after the buyout, Frank had the following to say to employees: “…there can be little doubt that the most significant contributions to playing in the IT solutions arena was the acquisition of Denta Solutions” Frank noted as he talked to the employees in the company general meeting after the buyout of Denta completed in late March of 2000.

Today, Cedar Tech’s business profile reads “as an IT infrastructure integrator specializing in IT hardware and software products, IT storage and security solutions, and IT services to Enterprise; Small and Medium Businesses (SMB); and to Government (state and local), Educational (K-12 and higher education), and Medical institutions (GEM)”.

**Cedar Tech KEY BUSINESS PRACTICES**

Cedar Tech’s main business activities revolve around the following key business components:

**Enterprise Storage**

The company designs, implements, and manages storage infrastructure to customers’ requirements and objectives. All of Cedar Tech engineers are trained and certified by storage vendors including HP, IBM, Network Appliance, Qlogic, Sun, and VMware.

**Security Services**

Cedar Tech provides its customers with security services. Such services include applications security, vulnerabilities and attacks; security needs assessment services, secure content management, intrusion management, and remote access security. Its security engineers are certified by the industry’s top-tier vendors including: Cisco systems, McAfee, SonicWall, Symantec, and Trend Micro.
Services and Help Desk

Cedar Tech provide a host of IT services to customers including customized service support plans (CSP), hardware and software installation, operating systems upgrade and downgrade, rack frame construction, Windows operating system server installation, network server setup, image load/transfer, phone service support, dispatch services, 7/24 call center, on-site desktop services for software and hardware, needs analysis, network cabling, and warranty repair depot for HP, Lenovo, Lexmark, and Toshiba. All of Cedar Tech’s technicians are A + and vendor certified.

Business to Business “B2B” On-line IT Products Fulfillment

Through partnership with top IT industry distributors, including Ingram Micro, Tech Data, Synnex, Avnet, and Bell Microproducts, Cedar Tech is able to provide its corporate, government, educational, and medical customers with more than 100,000 products from top brands. Cedar Tech provides on-line ordering, order tracking, and products sourcing for the industry’s top vendor brands including but not limited to: Apple, Cisco, Computer Associates, HP, IBM, Intel, Kingston, Logitech, McAfee, Microsoft, Sun, and Symantec. It is important to note here that gross profit margin on products fulfillment varies from one product to another but is usually low.

Software Licensing

Cedar Tech added its software licensing group in mid June 2003 to help customers with their volume software licensing requirements. Its qualified and vendors’ certified software advisors helped customers choose the best licensing program for their business, facilitated and worked out the details of the licensing agreement, and kept track of customers’ software assets. One important service of the Software licensing group is to ensure that customers will never go out of compliance when contracts are near expiration or up for renewal. Software advisors hold industry-standard certifications and are required to stay current with program changes and enhancements through continuous top-tier vendor trainings. On this focus/key business practice, Frank commented that:

*We experienced a great deal of success with our customers, and we have seen our customers demanding new technologies that were within our reach. This demand and our success with what we have done eventually inspired us to revisit our offerings and turn our business into what it is right now.*

At the beginning of 2001, John, Frank, Bob, and Sam set objectives, directions, and goals to help grow this very young organization. Adding more third party vendors and new customers were the core of their objectives. Additionally, the new directions were to divide organizational responsibility four ways: John was to focus on the overall organizational leadership and management, Bob on the financial and human resources core, Frank on the customers (sales), and Sam on the operations, logistics, and vendor relations. While one of Cedar Tech’s first goals was to double the organization’s sales and profits on an annual basis, its second goal was to attract, hire (through a phase-in strategy based on need), and retain good sales, technical, and other professional personnel. While they all believed that the organization was far from its full potential,
they agreed to coordinate work on daily basis and meet on a weekly basis if nothing urgent required immediate attention.

**THE STATE OF THE INDUSTRY**

It is no secret in the IT marketplace that PCs alone do not bring enough margins to solution providers. However, offering them as a part of a complete solution is a very critical part of any providers’ revenue. A growing number of IT customers demand that their solution providers offer hardware in addition to whatever solutions they provide. According to VARBusiness State of the Market report, other technologies have shown reliable growth over the years including storage hardware, security software, wireless networking and Voice over Internet Protocol “VOIP”. Such technologies are poised to continue at their present growth rate (Schwartz, 2006). For example, 45% of solution providers surveyed by VARBusiness expected to expand or add wireless focus. Accordingly, wireless and security software were also on the rise as customers were forgoing wired connectivity in favor of wireless ones (Schwartz, 2006). Business software demand was on the rise too. Solutions providers eye Enterprise Resource Planning “ERP”, Customer Relationship Management “CRM”, and other business applications as new areas of business growth (Schwartz, 2006). Additionally, mobility business and custom software application are on the rise too and as they provide high profit margins (Lawinski, 2007).

According to Schwartz of CMP Channel (2006), Cisco systems Inc., were bullish about demand for its technology. Cisco focused on what it saw as demand for Voice over Internet Protocol (VOIP) and had the desire to add more intelligence into customers’ networks. According to Cisco’s officials, it was expected to grow 15-20% for the 2007 fiscal year (October 1-September 30). Cisco intended to call the network a platform for unified communications. As a result, it was expected that customers would increase their Cisco spending over the next 12 months (Schwartz, 2006).

According to VARBusiness magazine, 53% of fast growth solution providers’ revenue came from reselling products versus 47% from services. On the contrary, 47% of the top third solution providers’ revenues came from products versus 53% from services (Boyne, 2007).

In this industry, security was a sector that was in rapid transit. For some solution providers, it was the hottest revenue generator (Clancy, 2007). The average gross margin for network security was 18.4% in the 2007 compared to an average of 19.5% in 2006 (Clancy, 2007).

According to Walsh, the Western region (hereto referred to as “California, Oregon, Washington, Idaho, Wyoming, Hawaii, and Alaska”); although the slowest growing one out of the US seven regions, was the fourth highest revenue generating region (Walsh, 2007). Home to 92 VARBusiness 500 companies that brought $41.9 billion in revenue compared to the mid-Atlantic region, home of 103 solution providers with more than $126.2 billion in gross revenue (Walsh, 2007). It was important to note that the Southern region was the fastest growing one as listed in VARBusiness 500, with 104 solution providers that generated over $63.6 billion in revenue and an increase of 17% over 2005 (Walsh, 2007).
THE STATE OF THE COMPANY

The beginning of the new century was a pivotal one for Cedar Tech. After five years of continuous growth, Cedar Tech had become a major player in its field. The company no longer imported cables and computer accessories as of mid 2000. Instead, it purchased them for resale to its customers from Tech Data Corporation, Ingram Micro, or directly from Belkin or Black Box Network Services.

Top management was excited about its state and optimistic about Cedar Tech's future. Its annual sales revenue grew rapidly from a humble start of $80,000 in 1995 to over $116 million in 2006 as shown in Tables 1 & 2, and Figure 1.

Table 1: ANNUAL SALES REVENUE

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>$ 80,000</td>
</tr>
<tr>
<td>1996</td>
<td>$ 1,250,000</td>
</tr>
<tr>
<td>1997</td>
<td>$ 4,425,000</td>
</tr>
<tr>
<td>1998</td>
<td>$ 6,750,000</td>
</tr>
<tr>
<td>1999</td>
<td>$ 8,650,000</td>
</tr>
<tr>
<td>2000</td>
<td>$ 13,740,000</td>
</tr>
<tr>
<td>2001</td>
<td>$ 15,800,000</td>
</tr>
<tr>
<td>2002</td>
<td>$ 28,650,000</td>
</tr>
<tr>
<td>2003</td>
<td>$ 52,450,000</td>
</tr>
<tr>
<td>2004</td>
<td>$ 78,870,000</td>
</tr>
<tr>
<td>2005</td>
<td>$ 110,260,000</td>
</tr>
<tr>
<td>2006</td>
<td>$ 116,330,000</td>
</tr>
</tbody>
</table>

Table 2: Cedar Tech SALES AND EARNINGS, 2002-2006

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (in millions)</td>
<td>28.65</td>
<td>52.45</td>
<td>78.87</td>
<td>110.26</td>
<td>116.33</td>
</tr>
<tr>
<td>Net earnings (in millions)</td>
<td>2.936</td>
<td>5.822</td>
<td>8.644</td>
<td>13.06</td>
<td>14.541</td>
</tr>
<tr>
<td>Earnings percent of sales</td>
<td>10.25%</td>
<td>11.1%</td>
<td>10.96%</td>
<td>11.85%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>
Over the past ten years, Cedar Tech has been able to add a few strategic customers. Additionally, Cedar Tech employees grew from 6 employees in 1995 to more than 170 employees as of December 2006. See also table 3. As a result, beginning in 2002, and for every subsequent year, Cedar Tech has been listed as a member of the elite 500 known in the technology industry as VAR 500 (Value Added Reseller).

**PART A: THE ORGANIZATION'S STRUCTURE**

The growth of Cedar Tech has been so fast it operated informally with a loose and flexible arrangement of roles. Although this old structure, flexible roles, and informal relationships had worked well in the past, there were signs that problems were arising. Since 2001, the finance and human resources department reported to Bob, the sales department directly reported to Frank, and operations, services, and production reported to Sam as summarized in Table 3. At the end of the calendar year 2006, Cedar Tech had 167 employees and 4 top executives. See also Figure 2.
Table 3: NUMBER OF EMPLOYEES BY AREAS OF MANAGEMENT AS OF DECEMBER 2006.

<table>
<thead>
<tr>
<th>Levels/Areas</th>
<th>Sales</th>
<th>Finance and Human Resources</th>
<th>Operations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• President/CEO (1)</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>• VP (3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Managers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Directors (1)</td>
<td>0</td>
<td>0</td>
<td>Technical 1</td>
</tr>
<tr>
<td>• Managers (11)</td>
<td>4</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>First-line Managers/Sup.</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Employees (155)</td>
<td>Inside sales 26</td>
<td>Accounting 13</td>
<td>Shipping 26</td>
</tr>
<tr>
<td></td>
<td>Software Advisors 6</td>
<td>Rec./Admin. Support 3</td>
<td>Project Managers 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Engineers 14</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Technicians 23</td>
</tr>
<tr>
<td>Total Organization</td>
<td>60</td>
<td>23</td>
<td>87</td>
</tr>
<tr>
<td>(171)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

* Vice President of Operations assumes the top management role for operations; IT services and support; and production
PART B: PEOPLE AND MOTIVATION

For many years, there have been complaints from employees to top management that they did not feel equitably treated, and that has caused several talented individuals to leave. When Sam Farris met with department managers, they acknowledged that they were very busy reacting to problems and other customer issues. These managers were left with little time to strategize, organize, coordinate, or listen to their own employees. Additionally, socialization was unheard of at Cedar Tech. There were no company sponsored social events and no formal recognition for employee’s achievements. In some cases, managers invited their top achievers out for lunch to say thank you for a good job. High rate of absenteeism and voluntary turnover was at an all time high and existed across all departments. In addition, promotion and/or salary increase was not systematic or standardized. It was solely based on the managers’ recommendation and justification to the department’s vice president.

John and his top management team believed that the only way the company could continue to grow and prosper was to create stability and increase the productivity of its people. Top management was determined to create an incentive plan and a formal recognition program to encourage creativity and productivity. Management goals, as presented to employees, were to have highly motivated, highly skilled, entrepreneurial, team players, high performing, and committed individuals at all levels.

PART C: DECISION MAKING AND COMMUNICATIONS

Managers in each of Cedar Technologies’ areas were more or less free to make their own decisions on lots of things. The decision making was highly decentralized. Thus managers in operations operated quite independently from managers in sales and marketing, and differently from any other part of the organization. John Curtis believed that this highly decentralized decision making resulted in the loss of possible gains to be obtained from cooperation among other managers and created redundancy in various functions.

In addition, as business grew, departments and divisions grew too. As departments and divisions grew, communications and information sharing were becoming limited to individuals within departments or divisions. The silo effect that resulted from this structure meant that departments were making decisions based on what was best for their department and not the company as a whole. Top management wanted open communications at all levels. On numerous occasions, John Curtis would have a general meeting with all employees to update them on the progress, success, and directions of Cedar Tech. Given these meetings, he was surprised that only few were aware of company goals and strategy.

PART D: DOES LEADERSHIP MATTER?

John usually showed up to work at 10 am when he took his cup of coffee and checked his e-mails and phone messages. Afterwards he liked to make his rounds among all departments, no exception. He liked to surprise people by showing up un-invited to their meetings. Employees and managers from various departments were expected to be
questioned by him and know that they needed to answer to him on work progress. On many occasions, when he came back from vacations or business trips, he liked to be updated by every manager on what went on in his/her department during his absence. Many managers believed that these updates and questioning were waste of time and demotivating. His business style had caused a few problems with employees, managers, directors, and even with his top management team. In defending his leadership style, his usual response to the top management was:

_The company did well and we must have been doing the right thing in managing this company. As a President and CEO, I needed to be kept in the loop...all loops and all details. Granted, I’m an organized and disciplined executive who needed to know what went on and help fix problems. What I lack is having a systematic way to enable me to lead this company into the future._

Everyone here believed that John had been instrumental in growing the organization during its start-up. However, his behavior and leadership style has become increasingly disruptive and problematic to many. He and his top management team believed that it was imperative to create a development plan for him and other top leaders.

John and his top team wanted to lead the company into a new structure that supports their new corporate strategy and vision and knew that they needed employees, supervisors, and managers to cooperate enthusiastically in order for the change to succeed. They believed that their employees should have more power than they had. Mr. Farris sighed: “our success is highly dependent on instituting a new approach to management through empowerment”.

**PART E: WHAT CULTURE DO THEY NEED?**

All managers stated that top management appraised their performance solely on profitability and other financial measures. Therefore, these managers were left with no choice but to focus on financial measures in evaluating their subordinates. It was no secret to anyone that the culture at Cedar Tech was task oriented. Additionally, middle managers claimed that they spent lot of time reading and writing memos and creating tighter controls over operations and employees. During a few exit interviews, employees complained about the organization’s culture. It was an inert one as described by few middle level and lower level managers. John Lyttle, one of the departing managers, in his October 2006 exit interview, stated that “this company is super conservative, upper management is cautious, does not encourage risk taking or the empowerment of people.” Many departing employees would have liked to have worked in an organization with greener grass, flowers, birthday cakes, and parties. The remaining employees were becoming cynical of management. New employees were being hired to fit in with the current culture, not the culture that they liked to be in.

The top management team believed that they needed to encourage a flexible and a playful environment out of the belief that it motivates creativity. Additionally, they believed that their ultimate success was dependent on ensuring that the culture supported the organization’s strategy.

Traditionally, all new employees were immediately tied into a task with no formal training or mentor provided. Consequently, it was left up to them to learn the culture and
expectations of Cedar Technologies. Should they not fit into the culture or perform well, their employment was terminated.

PART F: LEARNING, TRAINING, AND DIVERSITY

The organization’s top management believed that the learning organization is a system-wide change program that advocates the reduction of layers and the involvement of everyone in the organization-management and non-management in continuous effort that will lead to positive change and growth in the individual, team, and organization (Brown & Harvey, 2006). Management wanted to grow and nurture its employees. To underline this belief system, a poster hanging in Cedar Tech’s main conference room reads: “Welcome To Our LEARNING ORGANIZATION”. However, the reality of the organization belied the message on the poster in that no learning really existed.

As far as training goes, the organization’s growth had caused some difficulty in ensuring that new employees received adequate training before they started their actual work. Other than a minimal on-the-job training by a supervisor or co-workers, new employees were not provided adequate training, learning and knowledge transfer. That frustrated many employees especially new ones who were left on their own to learn the ropes by trial and error. For the unsuccessful ones, exiting was the way out. As a result, bad habits were being reinforced and the organization’s productivity began to suffer.

In a late December of 2006 dinner meeting of the organization’s top executives, at the local Hilton hotel, John made an interesting statement when he said:

*I am surprised that we operate in the midst of a diverse environment yet we do not represent that diversity inside our organization nor do our managers understand how to deal with a diverse workforce. As we all know, no women and minorities are represented in our top management. Additionally, they are small in number in our middle management.*

This statement initiated a debate over whether initiating diversity training, including promoting women and minorities and making the organization more family friendly, creating job sharing and flexible hours, would have helped improve morale and reduced employee turnover rate.

PART G: GROWTH: VOICE OVER INTERNET PROTOCOL “VOIP” AND VIDEO CONFERENCING

Cedar Tech management was determined to grow its business through adding new strategic customers and through increasing its incremental revenues from existing ones. Twenty percent of fiscal 2006 revenues came from new customers. Additionally, as the demand in the market place for VOIP got higher, Cedar Tech found itself hard pressed to add this practice and meet the demand of its existing customers. That meant adding a new Cisco VOIP practice and phase-in new Cisco certified engineers.

In addition to that, IP Security, unified communications, unified voice and video communications, and wireless would be a compliment to VOIP and therefore Cedar Tech’s new strategic partners would be Cisco and Tandberg.
Taking into considerations the state that it is at right now, the big question facing Cedar Tech management is whether the company is ready to expand and whether it should get into new practices.

REFERENCES


ACKNOWLEDGEMENT

The author extends his deepest appreciation to external reviewers of this case who offered instructive criticism and advice. The case has benefited by incisive comments from Trudi Ferguson of the University of Southern California, Christine Jagannathan and Richard Simpson of the University of La Verne.

ENDNOTES


iii Tandberg is a global leader of video conferencing. “TANDBERG designs, develops, and manufactures videoconferencing systems, and offers sales, support, and value-added services in more than 50 countries worldwide”. Retrieved on November 14 from: http://www.ivci.com/videoconferencing_tandberg.html.
SPECIFIC LEARNING OBJECTIVES

In today’s global economy, organizations are faced with many challenges including motivating and rewarding employees; communicating and making effective decisions; evaluating group and team behavior; assessing their organizational structure and determining its effectiveness; assessing its leadership and determining its effectiveness; and evaluating alternative methods to managing change in the newly designed organization. Successful managers must learn the importance of creating functional and effective structures, processes, and understanding and managing the human side of the organization as this will enable people to effectively work together to achieve agreed upon goals. Therefore, this integrated term-long case is designed to give you an opportunity to design an effective organization.

After reading and responding to the case questions, students should be able to:

- Assess an organization’s mission statement and tie said mission to the organization’s goals.
- Evaluate an organization’s culture and suggest a culture that promotes creativity.
- Identify the factors responsible for creating and transmitting organizational culture and for getting it to change.
- Identify and suggest effective techniques for motivating employees.
- Suggest and describe some of the steps needed to manage diversity in the workforce and their effectiveness.
- Explain the basic characteristics of organizational structure (i.e. hierarchy of authority, division of labor, span of control, line versus staff, and decentralization).
- Evaluate the different approaches to departmentalization-functional organizations, product organizations, matrix organizations, and boundary-less organizations; and suggest a structure to improve organizational effectiveness (pertaining to this case).
- Suggest and explain various methods to improve an organization’s communication effectiveness.
- Suggest and describe various techniques (including high-tech techniques) that can be used to enhance the quality of individual and group decisions.
- Distinguish between the forms of leader behavior (i.e. person-oriented behavior and production-oriented behavior), and explain how grid training develops leaders.
- Describe various techniques used to develop leaders.
- Suggest and describe various techniques used to empower employees and managers.
- Define what groups are and identify the different types of groups operating within an organization.
- Define what teams are and identify the different types of teams that exist in an organization, and the necessary steps to build effective teams.
- Understand the nature of change process.
• Evaluate alternative methods to managing change in your newly designed organization.

CASE QUESTIONS

While there is no one single approach/answer to designing an organization’s effectiveness, an application of what students learned in the class is required. In five-member groups, students will be asked to consult the management of Mount Cedar Technologies, Inc. to help design a more effective organization. A power point presentation and a written report of 20-30 pages should address the following questions:

1. Suggest a company’s mission statement. List the organization’s official goals (where the organization wants to go), and make sure to tie said mission statement to the organization’s official goals and suggest a strategy or strategies to accomplish it (how it will get there).

2. Evaluate the current organization’s culture and suggest a culture that promotes creativity.

3. Suggest effective techniques for motivating Cedar Tech’s employees.

4. Suggest and describe some of the steps needed to build effective training and diversity programs at Cedar Tech’s.

5. Design a new organization structure that takes into consideration the contextual variables in the case and the information flows in Exhibits 4 & 5.

6. Suggest and explain various methods to improve Cedar Tech’s communication effectiveness.

7. Suggest and describe various techniques (including high-tech techniques) that can be used to enhance the quality of individual and group decisions.

8. You need to analyze the leadership styles of Cedar Tech’s top management team and its climate. Explain which styles seemed most and least effective. You have also been asked to craft a leadership development plan and provide management with your recommendations on how they should lead people and the organization into the future. How effective do you believe this plan would be? Why?


10. Identify the different types of groups and teams that needed at Cedar Tech’s to ensure its effectiveness, and propose the necessary steps to build effective teams.

11. Explain the difficulties that are associated with initiating the changes that you are recommending. You need to identify and recommend possible change agents and specify which type of change agent makes most sense for your plan. Important note to remember that: All of the above components of the organization are interdependent. What happens in one, affects others.

REASONS FOR THIS COMPREHENSIVE GROUP CASE STUDY

Successful managers must learn the importance of creating functional and effective structures, processes, and understanding and managing the human side of the organization as this will enable people to effectively work together to achieve agreed upon goals. Therefore, this case is designed to give you an opportunity to design an effective organization.
This case seeks to provide an applied, hands-on format for students to increase their understanding of the subjects of organization design, theory and behavior. Answers to the questions in the case will derive from what you learned from theories and concepts. The case is expected to be completed by the end of the term.

TEAM REPORT AND PRESENTATION

Each team is required to write a 20-25 page report (12 point font, double-spaced and followed the APA’s writing style- only one report is needed for each group) and do a 20-30 minute’s PowerPoint presentation of their recommendations. Students are required to use the chapters assigned for the course. To support their responses and enhance their report, students must include outside references such as books, journals, newspaper, Internet information, or a direct interview as resources for the case answers (in case of an interview, they need to include their interview questions as an appendix of their report).

USE OF POWERPOINT AND AUDIOVISUAL

It is recommended that students be encouraged to create an effective team presentation through the use of whatever audio-visual materials, including but not limited to PowerPoint.

CONTENT AND GRADING

Students’ answers and presentations should clearly and concisely demonstrate their knowledge and comprehension of the course concepts, as well as the team’s ability to apply knowledge learned in class and through research, synthesize, analyze, and evaluate their work. Students will be graded based on the following criteria: 1. Use of innovative and creative ideas; 2. Application of concepts learned to the; and 3. Use of outside research to support the case.

At the end of the term, teams are required to report their results and present it to the class. Presentation time will be coordinated with the instructor 5-6 weeks in advance. Other teams will evaluate the results of the presenting team. While class evaluation is recognized for grading purposes, it may or may not be reflected in the grade assigned by the instructor. This comprehensive team project constitutes 40% of the student’s final grade.

ANALYSIS

Since this case is an application of topics covered in the subjects of Organization Theory and Behavior and Organization Design, student understanding of the following topics will be essential: Organizational culture and ethical values; the nature of work motivation; management of diversity; the nature of work groups and teams; leaders and leadership, power and empowerment; communications in organizations; decision making and organizational learning; organizational design and structure, and organizational change and development.
SUGGESTED OUTSIDE REFERENCES


RECOMMENDED OUTLINE

The structure of the written report is critical. In the first part of the case write-up, students need outline briefly what the organization does, how it developed historically, what problems it is experiencing, and how they are going to approach the issues in the case write-up. It is important for students to start by providing a synopsis of the case, discussing the environment of the organization, its goals, challenges, and provide recommendations for taking the organization to the next level.

In the second part of the case write-up, the strategic analysis section, students are suppose to analyze and discuss the nature and specific problems facing the organization as outlined in the questions: culture, motivation, training and diversity, structure, communication, decision making, leadership, empowerment, groups and teams, and managing change.

Students are supposed to break up information by means of headings and subheadings. Chapter format is preferred (e.g. Chapter 1: Organization Mission Statement, Goals, and Strategies; Chapter 2: “Building an Effective Organizational Culture; etc.).

In the third part of the case write-up, present your solutions and recommendations. Be comprehensive, and make sure that they are in line with the previous analysis so that the recommendations fit together and move logically from one to the next.

In the fourth part of the case write-up, list references alphabetically. In my class, I ask students to follow the APA manual (American Psychological Association).

FINAL NOTES

Figures and tables are essential to understanding the case discussions and analysis and should be embedded in the report and numbered separately.

Students are encouraged to comment on their own team dynamics in the writing of the paper and also show how they might present recommendations to this organization as consultants.

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