
5b. Teaching “Organization” at Renmin University

(Lu ZHENG and Songhua HU)

In December 2003, we made an OYCF teaching trip to Renmin University of China in Beijing. We taught the course “Organization and Environment,” which is an inter-disciplinary field between Sociology and Organizational Behavior. Most materials covered by the course have rarely been taught at universities in Mainland China.

Preparation

We started to prepare the syllabus and reading materials two years ago. To better meet students’ needs, we also solicited comments from professors and students in Renmin University beforehand, and these comments were reflected in the final version of the syllabus.

We received great assistance from the Department of Sociology at Renmin University in preparing for our teaching. Since both of us graduated from Renmin University, our teaching trip was also a contribution to our alma mater. The department chair, Prof. Li Lulu, assigned one graduate student, Zheng Hui, to help us with logistics two months before our arrival. Because it was difficult to obtain assigned readings in China, we sent Zheng Hui the entire set of course material on a CD-ROM. All files were then made into hard copy course readers for students. Prof. Li also arranged an office for our office hours. Zheng Lu arrived in Beijing on December 6 and Hu Songhua on December 22. We stayed at an on-campus hotel during the course. Prof. Li hosted welcome lunches and introduced us to the class.

Thanks to the popularity of BBS among Chinese college students, an online poster of our course information was widely spread around university campuses. More than eighty students registered for the class despite the fact that the course was held during the final exam period and the classroom could hold only forty-eight people. Students with various backgrounds, such as sociology, law, business, economics, and public administration, showed interest in our course. Some students came from nearby universities such as Tsinghua University, Beijing University and Beijing Normal University. Even a couple of journalists showed up for our class too.

The Course

The course consisted of ten sessions totaling twenty hours all together. We taught from 6:00pm to 8:00pm on Monday, Wednesday and Friday. The course was designed to give students an overview of theories on organizations and to help them apply the theoretical frameworks to the Chinese context. Lu taught the first six sessions, focusing on primary approaches to organization studies in western societies. The final four sessions, taught by Songhua, focused on Chinese organizations, covered scholarship on work units, organizations in transitional economies, and entrepreneurship in urban as well as rural China. To keep the reading list to an acceptable level for average Chinese students, we assigned a couple of the most important papers or chapters for each session. We started each lecture with a real-world case study to introduce the theme of that session, as well as to stimulate students’ discussion. After students learned the basic ideas, we then led them into an exploration of wider theoretical, methodological and empirical issues. We usually ended each session by showing some cutting-edge empirical studies and discussing how as a practical matter to design and carry out a research project.

The first session “From Bureaucracy to Twenty-First Century Firms,” gave an overview of the course, ranging from classical organization theories to more recent developments. To examine

classic modern organization theories, the invention and evolution of the Ford automobile assembly line was used to show how ideas like scientific administration were embraced by engineers at Ford and were incorporated into industrial process design. We looked at the relationship of the Ford case to the principles of bureaucracy and the perspective of regarding organization as a rational system. We then introduced classic organization theories, which more or less shared the rational system idea, such as Taylor's Scientific Management theory, Fayol's Administrative Theory, Weber's Bureaucratic Theory and Simon's Rational Decision-Making theory. Those theories set up the foundation and served as the departure point for organization research. In our understanding, courses offered by Chinese universities usually end with those theories, failing to keep up to date on more recent developments in theory as well as empirical studies. To show how drastically the organizational world and the theories had changed, we touched upon issues concerning the changing meaning of jobs, the labor market, organization structure, and inter-organizational networks, all set against the backdrop of technology revolutions and globalization.

The second session focused on the idea of informal organization. We used a classic case study by Blau on consultation among colleagues in a federal agency. Students were stimulated by questions such as to what extent an informal structure differs from a formal structure, why informal structure emerges in organizations, and how it helps to achieve or deviates from organizational goals. And they were engaged in interesting discussions. Some students initiated an analysis into why mergers of departments or schools at universities in China always resulted in suboptimal outcomes or even conflicts. They found theories on informal organizational structure and organization culture may shed light on these phenomena in their immediate environment. Following the case study and discussion, another perspective of organization theory, organization as a natural system, was introduced, including: Mayo's human relationship theory, Barnard's corporative system theory, Selznick's institution theory and Dalton's social conflict theory.

In the third session, we broadened the scope of study by introducing the concept of environment into the study of organizations. Resource Dependence theory and Transaction Cost theory share an assumption that any organization cannot survive without exchange with the outside world. Risks and uncertainties develop from dependent or interdependent relationships. To cope with uncertainties and dependence on other organizations, organizations have to carefully define organizational boundaries and develop various strategies and tactics. The classic case of GM's acquirement of Fisher Body was used to illustrate how organizations "make" or "buy" decisions, more generally, how to decrease uncertainty in its operation. Furthermore, students were taught to apply those theories to explain and understand some organization practices, such as strategic alliances, joint ventures, and mergers.

We introduced the concept of "network" in organization research during the fourth session. Uzzi's in-depth study of the apparel industry in New York was used as a case study. We introduced the idea that economic transactions were embedded in human relationships and existing social structures, and that therefore some economic actions can only be understood by taking into account non-economic goals and social aspects of human action. Drawing on empirical studies, we further illustrated how network ties affect a firm's chance of survival and its performance, and how networks have blurred boundaries across firms. Some industries in which networks play a substantial role were analyzed, such as the construction industry, the press, and the film and recording industries. Special attention was also paid to explanations of the emergence and development of world-renowned industrial districts like the Silicon Valley.

In the fifth lecture, we used New-Institutional theory to explain the phenomena of why organizations are so similar, and why some practices or formal organization structures spread so

quickly across organizations. Two key concepts, legitimacy and institutionalization, were introduced by analyzing the adoption of the civil service system by American cities from 1885 to 1934.

In the sixth lecture, as an introduction to the theory of Population Ecology, we asked the opposite question: why organizations are so different from each other. Examining organizations at the population level, we discussed issues such as how an organization's survival rate changes with its age or size, how it is affected by population density, etc. Using the concept of "structure inertia," students engaged in an interesting discussion as to why the proposed reform of Beijing University's faculty system had encountered so much resistance. Using the niche theory, we also had a rewarding discussion of how medium- or small-size companies in China could tap into the right niches in the face of both China's entry into the WTO and increasing competition from multinationals.

In the seventh lecture, we began to apply organization theory to explain Chinese phenomena that occurred before the reforms began. After reviewing some general concepts, we introduced students into a discussion about Chen Village in southern China. The discussion analyzed three different organizational formats during the collectivization period: mutual-aid team, cooperatives and "Advanced" co-ops. Students also discussed the peasants' strategies towards work teams and Great Leap Forward policies, and we emphasized the rational account to explain organizational behaviors in an organization as typical as a rural village. We further discussed elite politics in the village in a timeline of leadership succession from Sumei, Feihai, Qingfa to Longyong. Overall, we tried to hit home the point that we should have an eye on the importance of self-interest, leader personality, organizational inertia and institutional environment in order to shed light on the working of an organization, no matter whether it is located in China or other countries. The *Danwei* (work unit) served as another example for this lecture. As an institution with economic, social and political functions, the *danwei* has had lasting implications for social stratification in China. The working class was divided into four groups: permanent workers in state enterprises, workers in urban collective industries, temporary workers in urban enterprises, and rural workers in collectivized town and village industries. Members of these groups had stratified life opportunities and labor mobility among them was rare. The dependence of workers on their units became the foundation for patron-client ties prevalent in the *danwei*. The students' discussion focused on how the macro-institutional design determined organizational behaviors, which in turn shaped the institutional environment to complete the feedback loop.

In the eighth lecture, we discussed Chinese organizations during the market transition period. We first analyzed the well-known crisis of state-owned enterprises (SOEs). Students were led to discuss three major problems of SOEs: information asymmetry, unclear property rights, and cadre-managers. We used a case study of Magang (Ma'anshan Steel) to demonstrate the pros and cons of one major strategy to rescue ailing SOEs: corporatization. Through the corporatization, the previously state-owned Magang was reorganized into two companies: a parent company (Magang Holding) and a Hongkong-listed firm (Magang Steel). However, the majority of Magang Steel shares were held by its parent company Magang Holding, which was still owed by the state. With the help of graphic illustrations, students analyzed the gain and loss of Magang Holding and the deceptive nature of Magang Steel. By digging deeper into the personnel appointment systems of these two firms, students concluded that the reform was at most partial. Problems of the old Magang persisted and new illnesses emerged, such as overlapping personnel, soft budgeting and the predatory behavior of government agencies.

We then moved on to discuss an important concept, "local state corporatism", and explained how it was created and maintained as a result of the reformed tax system. Local cadres' incentives

played a key role in factory management, resource allocation, bureaucratic services and investment guarantees. Overall, we taught students to use neo-institutionalism theory, agency theory, resource dependence theory, population ecology theory and the network approach to interpret organizational phenomena during China's market transition period.

In the ninth lecture, we discussed entrepreneurship in rural and urban China. We opened the discussion with a case of Stone Group (*Sitong Jituan*), once one of China's leading IT companies. We focused on its three strategies ("industrialization", "walking with giants" and public listing) and the opportunities and problems they entailed. After identifying the problems – overestimation of the size of the PC market, lack of brand name strategy, pirate software, the loss of system integration, and over-diversification – we asked the students to put their feet in the shoes of Stone leaders and design business strategies. Students reacted very well to this open inquiry and offered many insightful thoughts. Then we moved on to analyze how the new entrepreneurship opportunities led to a boom in the Chinese economy. Barry Naughton's theme of "growing out of the plan" was introduced, and the success story of the TVEs (township and village enterprises) was emphasized. We focused on the surplus labor force, government encouragement and local state corporatism as important contributing factors. And then we revisited Chen Village (discussed in Lecture 6) in the new era and evaluated the achievements and pitfalls of the market transition for entrepreneurs.

In the last lecture, we wrapped up all we had learned in the past three weeks and introduced two recent articles on China's stratification and mobility in organizations. We integrated the materials with an overview of how to write a good sociological paper, which we hope would help those with the aspiration of becoming sociologists or applying to US sociology programs. We discussed dual career paths – high-level professional and administrative positions – and how education and political achievement helped to lead towards one path rather than the other. In our discussion of the market transition debate, we concluded with the following three points: 1) net returns to cadre and entrepreneur households in 1996 were large and of roughly equal magnitude, although they were rooted in different forms of income; 2) net returns to cadre households are stable under all kinds of local economic contexts; 3) net returns to private household entrepreneurship decline with the development of wage employment. In the last half an hour, students were encouraged to comment freely on our whole lecture series. We responded whenever we felt appropriate. Then we distributed the evaluation forms to students and asked them to give written comments anonymously. We believe both spoken and written comments, some of which are cited later in this teaching report, will be very helpful.

Outside the Classroom

We had wonderful interactions with students in many ways, including email, office hour, extracurricular activities, and dinner or lunch get-togethers. We setup a group email account and uploaded PowerPoint slides for each lecture. Students could download the slides and review the lecture notes afterwards. We made the notes as explicit as possible since some students couldn't take the course due to classroom capacity or time conflicts. We also exchanged emails with students on various issues in which they were interested.

We held twelve hours of office hours in total during our four-week stay at Renmin University. Besides asking questions related to course materials, students also came to discuss their ongoing research projects, ranging from the impact of extracurricular activities on elementary students' mental wellness and the privatization of SOEs, to characteristics and mobility of elite classes in contemporary China. It was a pleasure to discuss these issues with them and we tried our best to

help them clarify research questions, locate research topics within existing theoretical frameworks, formulate hypotheses, and design methods of collecting data or conducting fieldwork.

We had many lunches and dinners with students. Among diverse topics, conversations were also about our lives as graduate students in the US and what we planned to do after graduation. We found college students in China have become more sophisticated when considering the choices between staying in China and going abroad. We also had a great time playing badminton and going to Karaoke with students.

Other Activities in Town

During our stay at Renmin University, we met Prof. Zheng Yefu and Prof. Zhou Xiaozheng, who are influential public intellectuals as well as sociological researchers. We were also invited to Tsinghua University to meet some prominent professors there, like Prof. Li Qiang, Dean of the School of Social Sciences and Humanities, and Prof. Shen Yuan. Professors at Tsinghua showed great interest in hosting teaching fellows from OYCF in the future. At the end of our teaching, we were asked to fill out an application to Renmin University for a teaching fellow to teach an advanced methodology course during the 2004-2005 academic year. If approved, this course will be funded by a special program initiated by China's Ministry of Education to encourage scholars from overseas to teach at universities in China.

Feedback from Students

The following are excerpts from students' evaluation forms, translated into English:

“The program is a very good idea. The course should be conducted at more universities.”

“I appreciate very much what this course gave me. I feel more interested in organization theory and hope I can have more opportunities of this type.”

“The two teachers are very serious about the course and were well-prepared.”

“The teaching methods used by the instructors are very different from those used by professors here. I feel more involved in class participation and discussion.”

“It is always nice to incorporate cases and issues in China into the class when introducing western theories. The atmosphere was wonderful and the participation from students was quite active.”

“The course is too intense. The interval between lectures should have been longer.”

“The length is too short otherwise we could have had more in-class discussion”

“The timing and the intensity of the course could be more reasonable.”

“More research methods can be introduced and the reading material could be further condensed.”

The teaching trip was the first time for both of us to teach a course as independent instructors, although we had good records as teaching assistants at Stanford University. No matter how much time and effort we took to prepare and conduct the course, active participation of the students and

their enthusiasm made it all extremely rewarding for us. We especially appreciated the feedback from the students on how to further improve our teaching and OYCF's teaching program. Our suggestions to future OYCF teaching fellows are: avoid arranging to teach the course at the end of a semester, when students are most busy; and allow for more time between classes, as students need more time to do the readings in advance and digest materials afterwards, which is especially necessary for social science courses. OYCF might consider adding another requirement about the minimum time span for teaching a course, so that the 18 minimum teaching hours can be allocated more reasonably.

Acknowledgement

We are most grateful to Mr. J.J. Cao, whose generous donation to the Overseas Young Chinese Forum's teaching program made this trip possible. We also appreciate the help from Renmin University, Prof. Li Lulu, and Zheng Hui, our TA and friend. We also thank all the students, who motivated and stimulated us, and made our trip much more than just worthwhile.

(Lu ZHENG and Songhua HU are Ph.D. candidates in the Department of Sociology at Stanford University.)