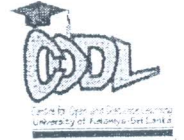# University of Kelaniya - Sri Lanka
Centre for Open and Distance Learning

Bachelor of Business Management (General) Degree
Second Examination (External) - 2007

BMGT E 2065 – Organizational Theory and Design

No. of Questions: 08   Time: 03 hours

Answer the first questions and four other questions.

(01)   Read the following case and answer the questions given at the end.

Netcom Software Company

Netcom Software company was established in 1985 with the aim of developing software for business organizations. This firm was started as a private company by Mr. Sujith a Computer Engineer worked as the chief executive officer and everythings in the firm happened under his supervision and direction. At the beginning, the company was engaged in developing custom-tailored application software, and the business activities of the company grew considerably because of high quality of the software it produced. Accordingly, in 1992, it started the development of standard software for organizations expanding its operation further. With the growth in this section too, two divisions were formed for custom – tailored software and standard software development with the aim of formalizing the activities of the company. Two computer engineers were appointed as the heads of two divisions and the structure was designed as they were directly responsible for Sujith. When it was 2002, the company grew further and here, It received contracts from large companies engaging in software development. Further, it started exporting software in 2005. With this expansion of operations of the company, it recruited considerable amount of software engineers and two new divisions were formed for sub contracts and export. Two computer engineers were appointed as the heads of these two divisions too.

Anyway, the company is facing the problem of making the operations of the firm standardized and formalized in face of the expansion of its operations further. Especially, computer engineers have requested the management to grant them more autonomy and self-control for their activities. They claim that they should be given the power of managing their activities themselves rather acting under close supervision and tight control. They point out that, It has been problematic to extend their fullest contribution to the company under high centralized and formalized organizational design existing at present in the company.

This is an imaginary case.

Questions.

(a) Identifying the type of present structure of the company, point out the weaknesses of it, under the present situation faced by the company.

(14 marks)

(b) Propose an appropriate structure with reasons, for the company, considering the demand of computer engineers and the present situation the company faces.

(14 marks)

(02) (a) Defining organization theory, explain how knowledge of organization theory is important for a manager.

(09 marks)

(b) "Organizations operate as an open system in its functioning" what are the characteristic of an open system as implied in this statement.

(09 marks)

(03) (a) What are the main dimensions on determining the nature of the structure of an organization. Explain briefly.

(09 marks)

(c) Show the managerial implication of life cycle perspective as an organizational perspective.

(09 marks)

(04) (a) What is meant by Environmental Uncertainily in relation to a organization.

(09 marks)

(b)   Describe an appropriate model for assessing Environmental Uncertainty of an organization.

(09 marks)

(05)   (a)   State briefly the alternative forms of structure usable for organizational design.

(09 marks)

         (b)   "In the present business field, Bureaucracy is more prevailant in organizations than other forms of structures" Explain the reasons for this situation.

(09 marks)

(06)   (a)   "Power is essential for the managers for getting works done in an organization" Examine the validity of this statement based on various sources of power.

(09 marks)

         (b)   Explain the strategies a manager can use in improving and using the power in organizations.

(09 marks)

(07)   (a)   Describe the relationship between organizational technology and organizational structure.

         (b)   Show the importance of Parrow's classification of technology in assessing the organizational technology.

(08)   Write short notes on any three of the following topics.

       (I)   Organization and its Nature

       (II)   General Environment and Task Environment.

       (III)   Organizational Design and Information Technology

       (IV)   Modern Trends in Organizations.

(6 marks for each 18 total marks)