



University of Kelaniya – Sri Lanka

External Examinations Branch

Faculty of Commerce and Management

Bachelor of Business Management (General) Degree Second Examination – (External) 2009
October 2010

BMGT E 2065 – Organization Theory & Design

No of questions – 07

Time: 03 Hours

Answer the first question and any other four questions only

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

Sinha Tyre Company Ltd.

Sinha tyre company Ltd. is producing tyres for bicycles and threewheels, as it's main business. It functioned successfully until recent and had a good reputation of providing quality and durable tires in the market. But the company is now suffering from serious labour disputes and corruption. This has led to the reductions of its market, since quality and durability of its products have decreased over the period. The cost of production has also been increasing. Some domestic and foreign products have already entered to the market and increasing the competition to the company.

A new board of directors have been appointed with the aim of bringing the firm back to its earlier success. They are now investigating the present situation and analysing ways to come out with a solution. They have brought following findings form their investigation.

- I. The average cost of production is higher than that of industry and of which higher percentage is composed of administration cost.
- II. There are many middle level managers than required and most of time they are found to be idle in the company.
- III. There are some low-level managers than required and their functions seem to be limited only to supervise the employees.
- IV. Most of employees are intelligent, able and skilled labourers and Job satisfaction is very low among them. This is due to the fact that they are closely supervised and lack of autonomy in doing jobs.
- V. There is a quality control system but it is totally up to the management of the company. The employee involvement can't be seen in this process.
- VI. Upward communication was blocked. This has led to feeling of distrust, and hostile among employee towards management.
- VII. A autocratic leadership style has been prevailed in the firm and employee participation is not allowed in decision making.

New managers firmly believe that there is still possibility to run the organization successfully. Their purpose is to reduce the cost and increase the quality of its products. They have proposed many actions and redesign of organization has been given the top priority.

(This is an imaginary case)

(a) Describe briefly with giving reasons, what are the structural adjustments you suggest, for achieving manager's objectives.

(15 marks)

(b) Explain a method for management to build for a "Participative Management System" within the organization.

(13 marks)

(Total 20 marks)

(02) (a) Explain the basic parts of an organization.

(08 marks)

(b) "Present organization are shifting from mechanic system to organic system." Do you agree? Explain your answer with reasons.

(10 marks)

(Total 18 marks)

(03) (a) Explain the contribution of Henry Fayol for the evolution of organization theory.

(08 marks)

(b) The best approach to explain the operations of current organization is life cycle approach." Do you agree? Justify your answer.

(10 marks)

(Total 18 marks)

(04) (a) Analyse the specialties faced by managers when managing multinational organizations in present globalizing process.

(09 marks)

(b) "Environmental uncertainty differs for different organization." Show your view on this.

(09 marks)

(Total 18 marks)

(05) You are the leader of a debate team. Your team is invited for a debate held in a certain organization and topics are "Bureaucracy is an essential part in developing an organization" and "Even without bureaucracy, an organization can be developed". You do not know priorly the topic you will be given. It will be decided before 5 minutes for the debate. Therefore you have to be ready for both topics.

By collecting facts for goods and bads of both, prepare a plan for debate.

(18 marks)

(06) (a) Explain the principals should be considered when designing an organizational structure.

(08 marks)

(c) Suwasewa Pvt. Ltd. is providing medical consultancy service. It is not facing a strong competition, because of being located in a remote area from the main city. The management philosophy is to provide quality service to customers. As a result, merely earning profit is not the main concerns of the company. The most of employees of the company are professionals. the organization is searching for a suitable control strategy.

Propose a suitable control strategy for this organization with reasons.

(10 marks)

(Total 18 marks)

(07) Write short notes for any three of following topics.

- (i) Learning Organizations
- (ii) Computerized Production
- (iii) Modular Structure
- (iv) Organizational Decline
- (v) Machine Bureaucracy

(3 x 6 = 18 marks)