



UNIVERSITY OF KELANIYA – SRI LANKA

Centre for Distance and Continuing Education

Faculty of Commerce & Management Studies

Bachelor of Business Management (General) Degree Second Examination (External) – 2011

December 2013

BMGT E 2065 – Organization Theory and Design

No of questions – 08

Time: 03 Hours

Answer the first question and four other questions.

1. Read the following case and answer the questions given at the end

SUNLAK PAINT LTD

Sunlak paint limited was established by Mr. P.L. Suresh in 1990 after he resigned from a reputed company in 1989. He is a chemist in profession and an industrial expert on bending for color and quality in paints. At the outset of the company, it produced paints for houses both including indoor and outdoor paints. Although, there were major operators in the industry, the company was able to gain a sizable share of the market specially in the distant markets due to its pricing strategy.

Mr. Suresh was the managing director of the organization from the beginning of the firm, and he recruited four other graduates as the assistant managers in later. Initially the company had a work force of 30 employees with two divisions namely marketing and production.

The company decided to diversify its production and market. Accordingly it started the production for paints for industrial paints, wood care productions and very recently, it introduced emulsion paints. The company was able to penetrate the corporate market with its intensive marketing campaigns and growth strategy.

With the continuous growth of the company, it decided to establish separate departments for its major products such as household paints, industrial paints and wood care paint department. However, the all departments share the same production facilities of the company based on shifts. The marketing function is handled by the centralized marketing department of the company.

Over the past few months, the company faces a problem of coordinating the activities of the three product divisions. Divisional heads regularly complain to Mr. Suresh about the delay of production, non availability of clear production schedules, over and sometime under utilization of production facilities and non corporative behavior of some of the divisional heads.

The marketing department is also experiencing difficulties with the product division. They observe that each product division wants to give priority for their products in the marketing activities. As a result, marketing manager sometime has to meet the conflicting demands of the product division, resulting in sub optimization of the marketing operations.

In this scenario, Mr. Suresh is considering a restructuring of the activities of the company which will resolve divisional conflicts and coordinating problem in the marketing department. Anyway, he wants to keep the power and authority of his position as the Managing Director as it is, though he is ready to make some changes.

This is an imaginary case.

Questions

- a) Identify the major organizational design problems associated with this company. (14 Marks)
- b) Suggest an appropriate organizational design, emphasizing the type of structure for this organization. (14 Marks)
2. a) Define organizational design and theory. (8 Marks)
- b) Describe how far knowledge on organization theory is required for effective management of an organization. (10 Marks)
3. a) What are the major variants of organizational environment that need to be considered in an environmental assessment? (8 Marks)
- b) Describe briefly a model for assessing the impact of organizational environment on an organization. (10 Marks)
4. a) What are the major dimensions of an organizational structure? (8 Marks)

- b.) Explain how each dimension affects to the nature of the organizational structure with appropriate examples. (10 Marks)
5. a) What are the major strategies that an organization can follow? (8 Marks)
- b) Describe the nature of the organizational design which is appropriate for diversification strategy. (10 Marks)
6. a) Briefly outline the major organizational design configurations. (8 Marks)
- b) "Machine and professional bureaucracy is the most commonly adopted organizational design in business world". Describe the reasons for common usage of bureaucracy in corporate world. (10 Marks)
7. a) Contrast the manufacturing and service technologies with their effect on organizational design (8 Marks)
- b) Identify two organizational technological developments that have direct implication on organization design. (10 Marks)
8. Write short notes on any two topics of the followings.
- a.) Perspectives of Organizations
- b.) Assessment of organizational effectiveness
- c.) Organizational culture and organizational structure
- d.) Organizational size and its implications

(9 Marks for each)

(18 Total Marks)