

Guidelines for evaluation of exam paper in Organization Theory. August 2010.

Written Exam for the B.Sc. or M.Sc. in Economics Summer 2010-R. Master's Course.

24 hours take home exam from 28 August at 10 am to 29 August at 10 am

FORMULATION OF THE ASSIGNMENT TO THE STUDENTS.

Please note that the language used in your exam paper must correspond to the language of the title for which you registered during exam registration. I.e. if you registered for the English title of the course, you must write your exam paper in English. Likewise, if you registered for the Danish title of the course or if you registered for the English title which was followed by "eksamen på dansk" in brackets, you must write your exam paper in Danish (or in Norwegian or Swedish). - If you are in doubt about which title you registered for, please see the print of your exam registration from the students' self-service system.

Focus on Exam Cheating

In case of presumed exam cheating, which is observed by either the examination registration of the respective study programmes, the invigilation or the course lecturer, the Head of Studies will make a preliminary inquiry into the matter, requesting a statement from the course lecturer and possibly the invigilation, too. Furthermore, the Head of Studies will interview the student. If the Head of Studies finds that there are reasonable grounds to suspect exam cheating, the issue will be reported to the Rector. In the course of the study and during examinations, the student is expected to conform to the rules and regulations governing academic integrity. Academic dishonesty includes falsification, plagiarism, failure to disclose information, and any other kind of misrepresentation of the student's own performance and results or assisting another student herewith. For example failure to indicate sources in written assignments is regarded as failure to disclose information. Attempts to cheat at examinations are dealt with in the same manner as exam cheating which has been carried through. In case of exam cheating, the following sanctions may be imposed by the Rector: 1. A warning; 2. Expulsion from the examination; 3. Suspension from the University for at limited period or permanent expulsion. - / The Faculty of Social Sciences, The Study and Examination Office, October 2006.

Assignment

Discuss how the formal structure of an organization may be influenced by:

- a) The size of the organization (number of employees)
- b) The technology used by the organization
- c) The organization's environment

Maximum length of exam paper:

The maximum size of the exam paper is 10 standard pages. Front page(s), table of contents and list of literature, if any, are not included when the number of pages is counted. A standard page is a page with a 12 pitch-font, all margins set to 2.5 cm and line spacing set to 1.5 cm. The students are welcome to use word processing packages like Scientific Workplace or a kind of Tex in which such a formatting is not natural. The student is then required to ensure that the formal requirements are met. Any tables, charts and footnotes etc. are considered part of the standard page and, consequently, form part of the total number of pages in the paper. If the requirement regarding the maximum number of pages is not adhered to, then the exam paper will be rejected and counted as one exam attempt. Each student writes his/ her own exam paper. Exam papers written by two or more students are not accepted.

The title of the file is your exam registration number – and only that. If your number is 1201, your file must be called 1201.pdf

GUIDELINES FOR EVALUATION OF EXAM PAPER.

The point of departure for evaluation is the academic aims of the course:

- Describe basic principles of the following theories: Classical Organization Theory, Human Relations, Human Resources, Contingency Theory, Institutional Theory, Resource Dependence Theory, Population Ecology, Transaction Cost Theory, New Public Management and Lean Production.
- Describe theories about: Strategy, structure, network, culture, leadership, groups, communication, power, decisions, motivation and learning.
- Analyse and compare the theories, their strengths and weaknesses with regard to obtaining an understanding of concrete organizations and organizational phenomena.
- Analyse the relevance of the theories, their strengths and weaknesses from the point of view of practical action and management of tasks and problems in organizations.
- Select, justify and apply relevant theory in analysis of organizational issues or themes described in a concrete case; and present analysis and proposed solution in a written essay in a grammatically correct, clear and coherent way.
- Describe differences and similarities between economic perspectives on organizations and perspectives from other social science disciplines.
- Describe the difference between Organization Theory as a scientific discipline and management literature.

The assignment focuses on theories and models about how organizational size, technology and environment may influence the formal structure of an organization. The assignment may be structured according to the three themes (size, technology and environment) but could also be structured in other ways. All three themes should be included in the exam paper. Size is considered somewhat less extensively in the syllabus than technology and environment, respectively. Therefore, the student should not necessarily give equal weight to the three themes but should give a balanced treatment of the three themes in the sense that important considerations concerning the themes from organization theory should be considered in the paper. The student will thus have to prioritize the topics and themes to be included in the paper given the restriction of the size of the paper (10 standard pages). The student should argue for the chosen priorities and essentials. The concepts and dimensions of formal structure, size, technology and environment should be defined and could also be discussed. The interrelations between size, technology and environment and between environment, strategy and structure could also be touched upon in the exam paper.

a) Size and formal structure.

A so-called continuous perspective emphasizes that increasing size generally tends to have the following impacts on formal structure: More differentiation i.e. more division of labour between jobs and departments; more formalization and standardization; larger departments; increasing proportion of administrators and professionals (staff versus line personnel); an increase of span of control. Models of stage-of-development emphasise qualitative structural changes as organizational size (and age) increases, one model of this type is: Entrepreneurial stage; Collectivity stage; Formalization stage, Elaboration stage. The student may also discuss why increasing size could have the indicated impacts. Environmental and technological factors directly or indirectly influencing size might also be mentioned.

b) Technology and formal structure.

The following types of technologies may be considered.

1. *Manufacturing technology* where Woodward and later investigations could be mentioned together with the following implications of automation (technical complexity) for formal structure: Organic structure; decentralization; reduction of number of hierarchical levels; mental work; craft like and adaptive jobs, lower specialization; teamwork; broad qualifications, current upgrading; emphasis on cognitive, social, problem solving expertise; consultative leadership style.

2. *Service technology*. Characteristics of service management (pure service organizations) may be considered: Decentralization, autonomy, often low formalization due to management by culture, in other cases formal routines; both technical and interpersonal skills of employees are important; customer contact: motivation via feedback from customers and co-production by customers.

3. *Workflow technology*. Two points of view may be included in the exam paper. First, the influence on formal structure of “routine – non-routine technology” (Perrow) along the following dimensions: Formalization, (de)centralization, training, span of control, type of communication. Second the influence of workflow interdependence (pooled, sequential, reciprocal) on coordinating mechanisms (rules, plans, mutual adjustment) used in the formal structure.

4. *Information and communications technology (ICT)*. Different types of ICT may be considered. The following general impact of ICT on organizations and formal structure may be discussed: Increased flexibility and rationality; increased decentralization and monitoring; fewer hierarchical levels; improved internal and external coordination; smaller organizations; virtual organizations, networks; telework, virtual teams, increasing skill level.

The student may discuss why technology could have the indicated impacts. Different theories could be included in the discussion, for example the transaction cost theory under point 4. Environmental and size factors directly or indirectly influencing technology might also be mentioned in the exam paper.

c) *Environment and formal structure.*

The most important theories on structure and organizational environments are:

1. *Contingency theory* focuses on the task environment from an information handling perspective. The relevant dimensions of environment are stability versus instability/unpredictability and simplicity versus complexity, combined to degree of uncertainty. Increasing unpredictability/complexity may have structural implications along the following lines: Organic/ mechanic structure, internal differentiation (departments, positions), boundary spanning and buffering positions, integrating (liaison) positions, planning activities, business intelligence, speed of response. The basis links of causality are from task environment to tasks to structure.

2. *Resource dependence theory* focuses on the task environment from a resource perspective and points to a number of so called bridging mechanisms with direct and indirect implications for formal organizational structure, for example: Mergers and acquisitions (horizontal, vertical, conglomerate), contracts and alliances and cooptation.

3. *Institutional theory* focuses on the institutional environment, the organizational field, and on the organization’s need for legitimacy. The concepts of regulative, normative and cognitive institutions should be introduced along with the basic coercive, normative and mimetic isomorphic processes. The consequences of isomorphism for formal structure should be discussed and the implications in terms of loose coupling between formal structure and operations should be considered.

4. *Population ecology* focuses both on task and institutional environment and the level of analysis is an organizational population. The basic processes of variation, selection and retention could be mentioned. Formal structure may be explained, not as a result of the organization’s rational adaptation to environment, but as a result of environments’ selection of the most viable organizational structures.

The student may discuss the basic assumptions of the theories on environment and the basic lines of argument concerning environment and structure in the theories. The student may also explicitly compare the theories with respect to their theses on environment and structure.

In essence, in the exam paper the student should demonstrate knowledge and understanding of central concepts, theory and arguments concerning the influence of size, technology and environment on formal structure of organizations and an ability to reflect on and analyze structural issues based on relevant concepts and theories. The exam paper should be well written, balanced and clear also concerning formal aspects, and it should answer all the elements in the assignment. The exam paper is evaluated as a whole.

SYLLABUS:

1. Richard L. Daft: Understanding the Theory and Design of Organizations. Tenth Edition. South-Western Cengage-Learning. 2010. Chapter 5 and Cases/ Exercises not included.
2. Penny Dick & Steve Ellis: Introduction to Organizational Behaviour. Third Edition. London: McGraw Hill Education. 2006. Chapter 1, 3-6 & 10.
3. W. Richard Scott & Gerald Davis: Classical Organization Theory. In: W. Richard Scott & Gerald Davis: Organizations and Organizing. Rational, And Open System Perspectives. New Jersey: Pearson Education. 2007. Page 41-50.
4. David Jaffee: Human Relations and Human Resources. In: David Jaffee: Organization Theory. Tension and Change. New York: McGraw-Hill Higher Education. 2001. Pages 65-73, 78-87.
5. Sytse Douma & Hein Schreuder: Transaction Cost Economics. In: Sytse Douma & Hein Schreuder: Economic Approaches to Organizations. FT Prentice-Hall. Pearson Education. 2008. Page 161-191.
6. Bruno S. Frey & Margit Osterloh (eds.): Successful Management by Motivation Balancing Intrinsic and Extrinsic Motivation. Berlin: Springer. 2002. - Chapter 1 and 3 except page 61-67.
7. John Child: Payment Systems. In: John Child: Organisation. Contemporary Principles and Practice. Malden, MA: Blackwell Publishing. 2005. Page 156-174.
8. Gary Yukl: Leading Change in Organizations. In: Gary Yukl: Leadership in Organizations. Sixth Edition. New Jersey: Pearson. 2006. Page 284-314.
9. Fiona M. Wilson: What Managers Do - Leadership. Chapter 8 & 14 in: Fiona M. Wilson: Organizational Behaviour and Work. A Critical Introduction. Oxford University Press. 2006.
10. Mary Jo Hatch with Ann L. Cunliffe: Organizational Culture. In: Mary Jo Hatch with Ann L. Cunliffe: Organization Theory. Modern, symbolic and postmodern perspectives. 2nd edition. 2006. Page 175-213.
11. Notes to the students: Collection of slides etc. with overview of the course presented on 17. May 2010, cf. the plan for the Spring Course/ Day 14-15, cf. the plan for the August Summer School course .

No. 1 and 2 are sold from: Akademisk Boghandel, Øster Farimagsgade 5, Building 7.

No. 3-11 will be uploaded on the course homepage at Absalon as Text 3, Text 4 etc.