

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

Written Exam for the B.Sc. or M.Sc. in Economics Summer 2010. Masters Course.

24 hours take home exam 25–26 June 2010.

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 a limited period or permanent expulsion. / The Faculty of Social Sciences, The Study and Examination Office, October 2006.

Assignment

Consider a relatively large manufacturing firm with a functional structure (grouping) and based on principles from two branches of classical organization theory: Max Weber’s bureaucratic model combined with Taylor’s Scientific Management.

Discuss strengths and weaknesses of such a structure with respect to efficiency and effectiveness.

Give an outline of selected alternatives (or modifications) to such a structure. Discuss their strengths and weaknesses, and the conditions under which such alternative structures (or modifications) could be appropriate.

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. A standard page must consist of maximum 2,400 keystrokes (incl. spacing) and maximum 30 lines. 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.

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 organization structure. The point of departure (the relatively large manufacturing firm with a functional structure) is an organization model from classical organization theory. This model may be termed machine bureaucracy, a tayloristic model, mechanistic structure or just functional grouping or bureaucracy. It is described and discussed in text 3 (“Classical Organization Theory”, cf. the syllabus list on page 4) and in text 1 (the Daft book, in particular chapters 1, 2 and 12). The exam paper should include a description and elaboration of characteristics of this organization model: It is a highly formalized, differentiated and centralized structure with high horizontal and vertical job specialization. The basic thesis of classical organization theory (“one best way”) may be introduced. The description of the model does not need to be explicit. The characteristics of the model could just as well be implied in the discussion of the model. The important thing is that the exam paper shows that the student understands the model.

The discussion of the classical model should as its point of departure include a definition of the concepts efficiency and effectiveness (cf. text 1, chapter 1). The main strengths of the model are efficiency and effectiveness if the organization is a large mass production firm with standardized products demanded by the market. These strengths stem from the benefits of functional specialization (functional expertise, good performance of functional tasks, sharing of functional knowledge, economies of scale, obtaining functional goals and careers within functions), of formalization (all know what to do, clarity, speed, predictability, coordination, rules based on experience, low decision costs) and of centralization (the organization is an obedient instrument at the disposal of management). The main weaknesses of the model are in particular low intrinsic motivation of workers, low creativity, high absenteeism/ worker turnover, communication/ coordination problems (costs), difficulties in measuring output of units, management overload and low quality of decisions, sub-optimizing (goal displacement)/ conflict, low adaptability/ flexibility, a slow change of strategy and “bureaucracy” (bad rules). Some of the weaknesses reduce efficiency and some reduce effectiveness (ability to adapt if conditions change). Other topics than structure

may be referred to in the discussion, for example motivation theory (cf. text 2, chapter 4). The strengths and weaknesses should be explained and elaborated.

In the discussion of the classical model and in particular in relation to an outline and discussion of selected alternative models (or modifications of the classical model) reference could be made to theoretical explanations of structure (cf. text 1, the Daft book, in particular chapters 1, 2, 6, 10, 12 and 13). As the assignment asks the student to discuss the conditions under which selected alternatives (or modifications) are appropriate it is particularly relevant to include systems theory and contingency theory on factors determining the choice of structure. Other theories could also be included, for example institutional theory (cf. text 1, chapter 6) or transaction cost theory (cf. text 5). The assignment does not ask the student to give an outline of all possible alternatives and modifications to the classical organization model. The student should select some alternatives and/or modifications and argue for this selection. Theories and considerations on structure should be referred to and elaborated in the discussion. Other theories on e.g. on motivation, groups and culture (cf. e.g. text 2, chapter 3 and 4 and text 10) may also be included in the discussion.

The most obvious modifications (A-C) and alternatives (D-G) that the student may consider to select for inclusion in the exam paper are: A) Cross departmental horizontal (lateral) linkages (cf. text 1, chapters 2 and 6), B) Changes to adapt to a changing/ complex environment, that is buffering and boundary-spanning mechanisms (cf. text 1, chapter 6), C) Changes, e.g. job enrichment and autonomous work groups, to increase motivation of workers (cf. text 2, chapters 3 and 4), D) Divisional structure (grouping) (cf. text 1, chapters 1 and 2), E) Matrix structure (cf. text 1, chapter 2), F) Organic structure (cf. text 1, chapter 6), G) Learning organization (cf. text 1, chapter 1). Other alternatives are: Horizontal structure, virtual network, lean production, simple structure, professional bureaucracy and adhocracy. Some of the alternatives overlap.

The selected modifications/ alternative models should be described and the strengths and weaknesses of each should be discussed. The discussion should draw on the relevant parts of the syllabus. The discussion of the conditions under which different modifications/ alternatives could be appropriate may be separate sections in the exam paper or could be integrated with the discussion of strengths and weaknesses. The most important conditions of significance for the appropriateness of different modifications/ alternatives are: The organization's environment, in particular the task environment, that is the environment's complexity and stability/ change (uncertainty); the organization's strategy and main tasks in particular its focus on innovation and differentiation versus productivity and low costs; the organization's technology in particular the level of automation and technological complexity; the organization's size and stage of development. These issues are dealt with extensively in the syllabus, in particular text 1, and the student should include relevant aspects in the exam paper according to types of modifications/ alternatives selected for outline and discussion in the paper.

In essence, in the exam paper the student should demonstrate knowledge and understanding of central concepts, theory and arguments concerning structure in organizations and an ability to reflect on and analyze structural issues based on relevant concepts and theories. The exam paper should be well written 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 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.