

THE OPEN UNIVERSITY OF SRI LANKA
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC
ADMINISTRATION
FINAL EXAMINATION – APRIL 2006
MCP 1602 – MANAGEMENT IN ORGANIZATIONS
DURATION : THREE (03) HOURS



Date : 29th April 2006

Time: 1.30 p.m. 4.30 p.m.

Answer any five (5) questions.

Organized and focused answers to the issues raised in a question will earn maximum marks. Illegible handwriting and out of point answers are liable to lose marks. Illustrate your answers using suitable examples where necessary.

01. 'People-first strategy is vital for innovation and success of an enterprise. Distinct advantages associated with human capital contributes to the competitiveness as well as above average profits of an enterprise. In reality however, organizations tend to be competitive by adopting cost-cutting strategies, especially restructuring, and efforts aimed at minimization of labour costs rather than adopting a people-first strategy. Therefore, it is evident that only a few organizations have been able to retain a permanent staff that is competitive. Indeed, replacing the permanent staff with temporary or casual workers will have an impact on labour productivity'

Critically review the above statement with special focus on creativity and innovation, labour productivity, distinct core competencies, and social cost.

(20 marks)

02. "Individual differences among people in a workplace play a significant role in determining the employees' level of 'performance and motivation', as well as 'interaction and relationships' with others".

Assess the significance of understanding the employee's own interpretation of reality and its variation among individual members as well as the unique personal styles of people in developing a context specific, motivational mechanism for an organization.

(20 marks)

03. 'It is believed that rational decision making is not always possible. Therefore, people make decisions with limited information. Although these decisions are not optimal, they are often considered a satisfactory. In reality, some crucial decisions are also made without going through the rational process.

Critically examine the above statement and explain why people tend to make bounded and non-rational decisions.

(20 marks)

04. a. Explain briefly why asymmetrical power relations, in communication is considered as a critical element of an effective communication strategy. (06 marks)
- b. How does effective communication help in implementing a strategic change in an organization? (08 marks)
- c. Explain how one can make communication effective. (06 marks)
05. 'A flexible organizational structure promotes creativity and innovation in the workplace'
- a. Evaluate how strategy and environment are critical in determining organizational structure. (10 marks)
- b. How do power and politics influences in the formation of organizational structure? (10 marks)
06. a. Examine how transformational leadership can change negative culture in an organization? (12 marks)
- b. How can ethical behaviour of leaders add value to the processes of an organization? (08 marks)
07. 'Perhaps the most crucial realm is the way people are chosen, developed, nurtured, related to each other and rewarded in the organization. The kind of people attracted to an organization and the way they can most effectively deal with problems as well as to each other are largely a function of the organizational culture, and the practices and systems which support it' (Mintzberg and Quinn, 1996).
- a. Discuss the relationship between culture and controlling in an organization. (10 marks)
- b. Critically evaluate why proper understanding of organizational culture is needed to overcome resistance and conflict in promoting organizational change. (10 marks)

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