**Principles of Management 2030 Mid Term EXAM ESSAY SECTION-**

**Section 2**

**Name**

There are 5 essays to be answered. Each is worth 3 points for this exam. The first four (4) are required AND either question 5 or 6, your choice. The exam is in word format, so you can type your responses directly onto this document. You may use any resource you want/need to, but no citations are required. You must answer the first 4 AND one of either 5 or 6.

Your final copy is to be printed, stapled and name included (above). Bring it to Wednesday’s final exam and when completed attach it to section 1.

This document is in word format so just type your answers directly on it.

1. Explain and describe a Mechanistic Organizational design and Organic design, which organizations are likely, to use each and why the pros and cons of each. How would a large organization of 2,000+ employees utilize and organize around both designs?

The organizational design is a framework which guides the most effective ways of assigning roles and responsibilities to employees and responsibilities. The Mechanistic organization is designed is characterized by highly centralized authority, formal policies and procedures, and specialized functions. Such organizations operate in a stable environment and do not need to change their structure. Usually, authorities and higher management are considered as capable of better decision making. On the other hand, organic organizational design is used in organizations facing an unstable environment and therefore they have the ability to change accordingly. Organizations who adopt such structure believes in effective communication and implement decentralized decision making, and employees’ empowerment.

Each organizational design has its own merits and demerits. Mechanistic organizations are helpful because they offer clarity in reporting structure and authority. In addition, employees understand the reporting relationships very easily, and it offers a clear pathway of communication. However, the demerits of this organizational design include that it discourages collaboration and the strict vertical communication line is followed. Such organizations do not enjoy the benefits of innovation and employee empowerment. On the contrary, organic design is flexible and offer opportunity self-governing teams which lead to the implementation of creative new ideas. Other benefits of such a design are that it needs less supervision and promote faster decision making in which everyone is involved. Empowered employees produce better outcomes for the organization, and it promotes better manager-employee relationship. However, work relationships can struggle in this structure and lack of power also results in decreased performance in some cases.

A large organization has more than 2000 employees needs role power and at the same time involvement of all the employees in organizational decision making to respond to market changes and business success. As there is no "one size fits all", such organizations can always find the optimal combination of both the organic and mechanistic design to be able to adopt changes and to grow and survive (Cosh, Fu, & Hughes, 2012).

1. What, in your mind are the three most important legislative acts to impact organizations and why. Include the Act, a description of what it covers and what employers had to do to meet the requirements of the Act.

Numerous laws have been developed to protect the rights of employees in the modern workplace and millions of Americans employees take benefit of these laws and regulations. The first legislative act is Fair Labor Standards Act ensures that the American employees receive a fair minimum wage for their services, this law protects the minimum wages of employees and ensures that non-exempt workers receive a wage for the time they work. In addition, it also prohibits the hiring of minors, those aged below 18. Employers can comply with the requirements of this act by first determining if they are subject to compliance of this act and then they can determine the status of each employee to see the employees who are exempt from tis act. After that employer must comply with the requirements of applicable wage and hour law with respect to the status of each employee.

The Occupational Safety and Health Act protects employees from the dangers of the workplace. This legislative act ensures safety provisions and industry-based guidelines to protect employees from any hazards of the workplace. Employers have to comply with this act by providing their employees with a workplace that is free of hazards and they must comply with the standards and rules and regulations of the act. Employers have to evaluate workplace conditions, especially manufacturing facilities to ensure that they conform to the standards of the OSHA act. The Equal Employment Opportunity Act prohibits employers from discriminating employees from any of employment-related rights on the basis of color, caste, religion, sex, and ethnographic background. EEOC is applied to employers having more than 15 employees, therefore, employers who meet this condition must ensure that they do not discriminate employees while hiring, promoting, firing, training and benefits and harassment situations. All public and private employers must meet the regulations of this act to avoid any lawsuit.

1. In class, we discussed the four skills managers need to be effective in their job. List all four and describe each.

Managers play a key role in organizational success and contribute to organizational effectiveness. Managers must have some specific skills to ensure that their organization is on the pathway of success. Good managers are efficient in making strategies that contribute to organizational goals and objectives. Successful managers know the right growth strategies, which aim at winning larger market share even from the short-term earnings. Knowing the right growth strategies and the right time to implement these makes a manager effective and they are able to make a major contribution towards organizational expansion. An effective manager is also able to implement a renewal and stability strategy at the time of decline of the organization. Renewal strategies help in stabilizing an organization when its performance is declining. Organizations expect managers to alleviate the problems causing poor performance and implement effective turnaround strategies.

Managers are also expected to have the right skills to implement competitive strategy and help their organization achieve a competitive advantage. A competitive strategy is a long-term plan which helps a company maintain an edge over its competitors. A manager must be having enough knowledge and skill to analyze the market and implement the most effective competitive strategy. Based on their experienced and research, a manager must be able to determine the right competitive strategy from various strategies such as being the cost leader or providing differentiated value to their customers. The manager must analyze the strengths and weaknesses of their organization, rather than just comparing it with other organizations to devise the right plan of action. In order to create a competitive advantage for their organization, managers have to be focused on the organizational aspects in an effective manner. By putting the focus on organizational strengths and weaknesses, managers can create greater value for their organization in the long-run.

1. Should organizations be socially involved? Make a strong case for your answer, either yes or no. Include in your response diversity, economic performance, community relations, etc.

Every day managers and organizations face decisions that involve aspects of social responsibility. The rise of social activist movements demands organizations be socially responsible. The 21st-century consumers make buying decisions after evaluating organizations on grounds of ethics and social responsibility. Modern organizations have to be socially responsible because it is the need of the hour. Public opinions support organizations who are socially responsible and focus on social aspects while achieving their economic goals. The demand for socially responsible companies prove that such companies earn long-run profits as compared to those organizations that do not consider being socially responsible as part of their goals.

In addition, organizations must consider being socially responsible because it is the right thing to do from an ethical perspective. Socially responsible companies enjoy a good image and reputation in the market because businesses have the power to control or destroy the environment. The growing age of technological development has raised several concerns for environmental protection and sustainability. Several laws and rules have been made by the governments to protect the environment and ensure sustainable business practices, therefore being socially responsible will prevent an organization from facing government regulations.

Business organizations have a lot of power and hence it puts a lot of social responsibility on business organizations which can create a balance. A socially responsible business enjoys a higher stock price in the long-run due to its good reputation. Furthermore, business has all the resources that it can use to support public interest and make contributions to society and community. Businesses make a contribution towards the environmental destruction and factories and manufacturing facilities are held responsible for this destruction, therefore, businesses must take social responsibility into consideration before it is too late. Good community relations provide a wide range of benefits to the businesses and it is the civic responsibility of a business to contribute towards the welfare of the community in which it operates.

1. Ethics of employees is important in a leadership role and doing business. What is ethical behavior, how ethics are acquired, what are the behaviors and list and define the three different views of ethical behavior?

Ethical behavior can be considered as the ways consistent with the good and right values set by society and its members. Generally, ethical behavior in business organizations involves demonstrating respect and consideration towards the moral principles such as being honest and fair, giving importance to dignity, equality, individual rights, and diversity. Ethics can be acquired by making ethics and ethical behavior a priority, then training, communication, and leadership can help in the adoption of ethical behavior. Organizations can promote ethical behavior by developing code, setting the tone of ethics from top management, training employees on ethical decision making and providing support to ethical practices.

One of the most common views of ethical behavior is Utilitarianism which argues that doing good things is related to doing the right things. This ethical philosophy emphasizes that best actions are those which bring maximum benefits and utility for all. This view of ethical behavior assumes that managers and employee decisions can contribute to the benefits and good of people and society at large. Another view on ethical behavior, individual ethics, focuses on independence and making choices for oneself. This theory or concept considers the individual benefit as the top priority in making decisions. This approach promotes competition and personal gain, and hence makes an organization to compete with its competitors. In this way, individualism can lead to many benefits. The moral-rights view of ethics emphasizes that actions are ethical if they support the rights of individuals. For instance, sexual harassment is considered unethical in the workplace because it affects the right to freedom. Another approach of ethical behavior is justice view which is often considered while taking ethical decisions.

**References**

Cosh, A., Fu, X., & Hughes, A. (2012). Organization structure and innovation performance in different environments. *Small Business Economics*, *39*(2), 301–317.