

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS MANAGEMENT
ORGANISATIONAL DESIGN – CBU 4110**

**FINAL EXAMINATION – JANUARY 2008
TIME ALLOWED 3 HOURS**

INSTRUCTIONS

- *Answer Section A and any three questions from Section B.*
 - *Questions may be written in any order.*
 - *As much as possible, use relevant examples.*
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Section A

Question 1

(Compulsory)

For many years, Unilever has been the dominant force in the soap industry. It's large bureaucratic structure- with autonomous divisions and centralised decision making- worked efficiently because Unilever was the dominant player in almost every market in which it competed. The practice of high centralisation- for example, the decision on whether the company's new decaffeinated instant coffee should have a brown or yellow cap went up to Unilever's CEO- worked because the company faced a stable environment. Unilever did not introduce new products because it did not have to. As new products were developed; they went

through long and thorough test-marketing before actual launching. Unilever prided itself on following a low risk approach to its business.

In recent years, however, Unilever's most respected and long dominant brand names have found themselves up against vigorous competition. Long time competitors were no longer content to live in Unilever's shadow. For example the blue bar was losing market share to United Refineries's green and brown bars. Unilever has responded with some dramatic structural changes. Interdivisional teams have been formed to coordinate projects across divisional

lines. Top management has begun to loosen its stranglehold on decision-making; business teams have been created that can make decisions on everything from product development to cost cutting. And production employees are making most day-to-day operating decisions. As a result of these changes, Unilever has become a more aggressive

and responsive force in its markets. It is now developing more products than ever before and getting them to the marketplace much quicker.

*Adapted from Robbins, S
Organisational Theory.*

Required:

- (a) Identify and discuss the real problem facing Unilever in this case study. **(5 marks)**
- (b) Advance arguments for and against the imperative under spotlight in this case. **(20 marks)**

Section B

*Answer any **three** question from this Section*

Question 2

“Unless structure follows strategy, inefficiency results.” Discuss. **(25 marks)**

Question 3

- (a) Critically discuss the Industry-Size Integrative model. **(20 marks)**
- (b) ‘Technology is really part of strategy.’ Briefly explain. **(5 marks)**

Question 4

Strategy, size, technology and environment are irrelevant in explaining an organisation’s structure. Discuss. **(25 marks)**

Question 5

According to Mintzberg, there are five distinct design configurations and each one is associated with the domination by one of the five basic elements or parts. Discuss this assertion. **(25 marks)**

Question 6

How can organisations know that change is necessary? **(25 marks)**

Question 7

“Organisational Cultures are manageable.” Discuss. **(25 marks)**