

ACME OMEGA Case Study

Q1. What is the difference between effectiveness and efficiency? Were Acme & Omega effective, efficient, or both? Explain.

Being efficient suggests bearing results with little or almost no wasted efforts while effectiveness means achieving goals which support the organization's objectives, with proper utilization of the resources. Thus an organization can either be effective or efficient or both. In terms of efficiency, I feel Omega ranks higher. Rawls stresses more on inter-departmental delegation and co-operation which doesn't limit a worker's skills to his domain. Rawls can thus underscore reliability and quality in his production. Acme's mechanistic structure can be justified by increased productivity and at the same time striving to be cost-efficient. Unarguably, Acme's annual sales (\$10 million) were higher than that of Omega's (\$8 million). John Tyler laid out a well-defined hierarchical and compartmentalized structure which possibly could have been the reason of Omega discovering the flaw and not Acme. Omega figures high in 'effectiveness' as well since none of their proto-types were found to be defective unlike Acme's. Acme, I feel was not as efficient because of improper utilization of resources, a certain mechanical engineer who procrastinated and the assembly process being miscalculated on account of a single part being disassembled and put back many times. Acme's effectiveness was commendable, though, as it achieved its goals of delivering as promised, despite dire programming setbacks.

"Acme looked impressive on paper but somehow couldn't get the right people doing the right work the right way" -Tushman & Anderson

Q2. Did Acme and Omega have the same official goals? Did they have the same operative goals? Explain.

Acme operated under a mechanistic structure while Omega had a more decentralized organic structure which relied heavily upon teamwork and inter-departmental communication. Both of them operated in an unstable environment and a highly competitive market. The official goals of Acme and Omega were somewhat similar; meeting the production deadline, setting quality standards and minimizing the non-conformities or defects. They were after all, two paradoxical organizations competing in the same market and utilizing the same resources. Acme focused more on providing competitive costs.

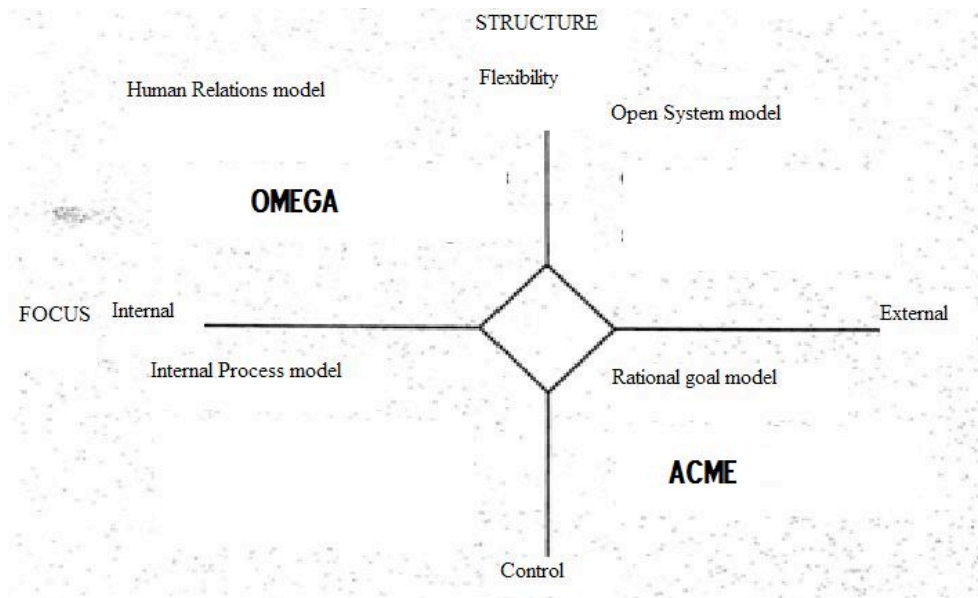
The operative goals were different. Acme had established standard rules, which everyone was supposed to work according to and the internal efficiency of the organization played a key role. They had distinct departments which operated independently all in an effort to minimize the production delays. Each of the employees specialized in their own field and worked individually. Departments could not monitor each others' progress until the final assembly stage.

Omega gave more importance to the informal work atmosphere, with personnel from different departments coming together to consult each other. Rawls didn't advocate the memos and preferred to keep everything informal. The organization is so structured that every employee feels he is contributing to it. Contrary to Acme, Omega focuses more on delivering the product rather than how it is achieved.

Thus, Acme and Omega, despite having similar official goals differed in their operative goals.

Q3. Place both the Acme and Omega Organizations within Quinn's Competing Values Framework;

explain your answer and the implications of this.



Omega would lie in the 2nd quadrant and Acme in the 4th. The implications of this would be that Omega is a much more flexible organization placing more emphasis on human resources and the focus being more on internal processes. Workers are not restricted to their domain. Acme is a profit-based goal driven organization which has high process control and standardization. There is a clear job-description. Planning and goal setting are given prime focus.

Q4. What organizational changes would you recommend to Senior Managers within the Omega Organization for greater success in the future?

I would suggest the senior managers in Omega to adopt somewhat a mixed strategy. A goal oriented, cost efficient planning process. Their principles of organization turned out to have inherent flaws, as eventually they lost the deal to Acme. The job definitions in the organizations should be outlined more sharply but it shouldn't sacrifice the departmental co-operation. The president should exercise stronger control over the production processes. Resource acquisition and information management are some of the other areas where improvements can be advised. Being cost-efficient is the only way they are going to match up to other competitive organizations like Acme.