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1. Describe the four characteristics common to all organizations

- I. Open Systems - Organisations are input-output transformation systems that depend on their environment for survival
- II. Loosely Coupled Systems - Organisations are made up of relatively independent units that can pursue dissimilar or even conflicting goals
- III. Political systems - Organisations are composed of internal constituencies that seek control over the decision process in order to enhance their position
- IV. Rational entities in pursuit of goals - Organisations exist to achieve goals and the behavior of members can be explained as the rational pursuit of those goals

2. Explain the difference between open and closed system

Open systems refer to systems that interact with other systems or the outside environment, whereas closed systems refer to systems having relatively little to no interaction with other systems or the outside environment.

All systems have boundaries. Open systems interact with other systems or environments, hence they have more flexible boundaries than those of closed systems, which are rigid and largely impenetrable.

3. Describe Burn and Stalker's findings regarding mechanistic and organic organizations.

A mechanistic organization is appropriate to stable conditions whereas an organismic organization is appropriate to changing conditions, which give rise constantly to fresh problems and unforeseen requirements for action which cannot be broken down or distributed automatically arising from the functional roles defined with a hierarchical structure.

Organic Organizations

- ❖ Organic organizations have a low degree of formality, specialization and standardization. Their decision making is decentralized and their activities are well-integrated.
- ❖ The organic model is usually flat, and it usually uses cross-hierarchical and cross-functional teams and possesses a comprehensive information network that features lateral and upward communication in addition to downward communication.
- ❖ Used in dynamic, unstable environments where the business needs to quickly adapt to change, as the structure gives the organization the flexibility to deal with fast-paced environmental change and many different elements.

Mechanistic Organizations

- ❖ Mechanistic organizations have centralized decision making and formal, standardized control systems.
- ❖ Mechanistic organizations work well in stable, simple environments.
- ❖ Managers use formal channels and formal meetings to integrate the operations of clearly defined departments

Organic Organizations	Mechanistic Organizations
General tasks	Specialized tasks
Loosely defined departments and hierarchy	Well-defined departments with clear hierarchy
Decentralized decision making by many individuals	Centralized decision making by a few people
Integration achieved by managers and employees interacting and exchanging information as needed	Integration achieved by formal manager meetings
Flexibility and capability of rapid change	Clear and efficient reporting relationships