

Acme and omega case study organization theory

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The president of Acme faces certain challenges based on the companies' structure and external environment. Some immediate concerns are that they cannot meet all the demand for their product, and that the managers desire more latitude in their day to day operations. They have also parts dependency problem. Omega is also directly effected by its external environment and its impact on the organization structure. This company dealt with a similar parts supply problem to that of Acme.

Omega also has a lack of clear hierarchy of authority, with it being official for employees to find what exactly their Job parameters are. III. Causes of the Concerns Acmes' organization is mechanistic. It has rules, procedures and a clear hierarchy of authority. This organization is very formalized with most decisions being made at the top. This would be a great structure for this organization to have when the external environment is stable. However, Acmes external environment is of high uncertainty and it must be able to be able to respond more rapidly to changing environments.

Omega on the other hand is able to respond to changing external environments not only in a rapid manner, but also one with an internal organization that is much looser, free flowing and adaptive. However this organic type structure has caused role ambiguity and unclear expectations. IV. Potential Solutions Both companies have a complex dimension which is creating turbulence in the organization. Acme and Omega must be able to deal with its resource dependence through more then one channel. It may be possible to form a strategic alliance with parts suppliers for future cooperation.

This may however prove fruitless though cause of the nature of their end product often varies from customer to customer. Either company can attempt to change its domain through possible divestment. This would lead them to being less vulnerable should their market share shrink. Divestment can also put a strain on the companies financial and human capitol resources by having to reallocate resources to critical needs areas within the company.

V. Implementations Cross functional communication and enhanced boundary spanning capabilities should be used when the environment is uncertain.

An out come of high differentiation is that coordination among departments becomes more difficult. This is where a more mechanistic structure will have a greater chance at succeeding. VI. Justification Environmental uncertainty represents an important contingency for an organizational structure and the internal behaviors used in the organization. Acme has succeeded in using its structure to enhance its long term performance; however the case study has amplified some mishaps when the structure could not be adaptive to an environment of instability.

This was reflected when Acme didn't have clear contingency plans for its parts and quality issues. Omega is able to utilize its structure in dealing with environmental pressure in the short term very well. Again here the case study outlines although Omega was not able to formalize itself enough to win the contract with cost-cutting measures it is was able to meet the customers' deadlines and locate parts through informal channels. It is the flexibility of Omega to change the domain and its boundary spanning roles that should be combined with Acmes formalized process.