By EXAM 2, students should be able to:

*From Scott & Davis, Ch. 8*
- Describe the five functions of goals.
- Define the dominant coalition theory, and discuss how it integrates the rational and natural systems views of organizational goals.
- Describe the difference between power and authority as Scott & Davis define it, and identify sources of formal and informal power and authority.
- Define what is meant by “control” in an organizational context, and relate it to notions of power and authority.
- Define critical theory and discuss its implications for how one conceives of the purpose and aims of organizations.

*From Scott & Davis, Ch. 9*
- Define transaction cost, and explain why transactions have their own costs.
- Use the theory of transaction cost economics to explain why organizational boundaries are drawn where they are.
- Discuss the importance of asset specificity in the costs of transactions, and give examples.
- Use resource dependency theory to explain organizational behavior/decisions in relation to the external environment.
- Identify and explain various tactics that organizations use to manage their interdependence with other organizations.

*From Scott & Davis, Ch. 12*
- Discuss, in detail, at least three major reasons why measuring organizational performance is difficult.
- Describe the difference between measures based on outcomes, processes and structures.
- Discuss the multitude of reasons for the ambiguous relationship between organizational structure and performance.
- Describe the core elements of the behavioral theory of the firm.

From supplementary readings:
- Describe current trends in organization and work design, and how they are related to current trends in business.
- Define the term “virtual organization” and describe some of the unique challenges they pose relative to traditional organizations.
• Discuss the lessons that can be learned from the Markus, Manville and Agres study of open source software that are useful for effective management of virtual organizations.

• Discuss the importance of institutional logics in how organizations become structured and how the actors within them behave.

• Describe, using examples, of various strategies and structures organizations use to cope with plural institutional logics. Discuss the implications for contingency theory.

• Recognize and describe the basic mechanics of A3 report writing, and the relationship A3 reports should have to the Plan-Do-Check-Act cycle.

• Describe the A3 process, and the role A3 reports can play in mentoring of problem-solvers within an organizational context.