

7.1 Organisational structure

Name: _____ Class: _____ Date: _____

Total: 29 marks

KEY WORDS centralisation 集权 • span of control 管理幅度 • organisational structure 组织结构 • chain of command 指挥链 • decentralisation 分权

Objective

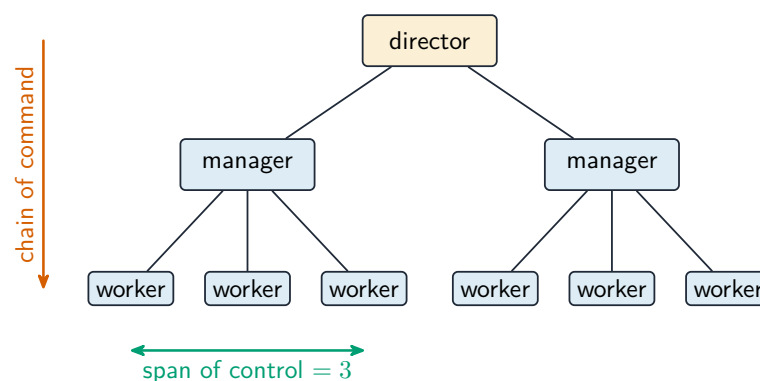
Build the skills to answer exam questions on **organisational structure** 组织结构 — **hierarchy**, **chain of command** and **span of control** 层级、指挥链、管理幅度, **tall** versus **flat** 高耸与扁平 structures, **centralisation** 集权, **delayering** 精简层级, and **delegation** 授权.

You must be able to:

- define chain of command, span of control, hierarchy
- compare tall and flat structures, and centralisation with decentralisation
- analyse and evaluate a change to a firm's structure

1 Worked examples

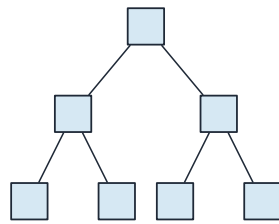
■ Reading an organisation chart



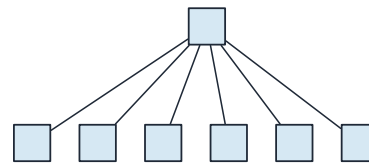
Chain of command runs top to bottom; span of control = staff directly under one manager

- **Tall structure:** many levels, narrow spans → slow messages, close control. **Flat:** few levels, wide spans → fast messages, more trust.

tall
many levels, narrow span

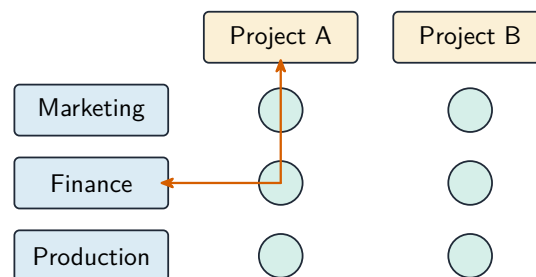


flat
few levels, wide span



Tall versus flat organisational structures

- **Centralisation:** decisions at the top (strong control). **Decentralisation:** decisions shared down (faster, motivating).
- **Delegation:** giving a task and the power to do it to a junior — but **accountability** stays with the manager.
- A **matrix structure** groups staff by both department and project, so a worker reports to two managers.



each worker reports to a function manager *and* a project manager

A matrix structure: dual reporting by function and by project

Answer shapes: AO1 + AO2 + AO3 (reasoning chain) + AO4 (a supported judgement *in context*).

2 Practice

2.1 Define the term *span of control*.

[2]

2.2 State the difference between a *tall* and a *flat* organisational structure.

[2]

2.3 Define the term *delegation*.

[2]

3 Exam-style questions

3.1 Explain one benefit to a business of having a **flat** organisational structure.

[3]

3.2 Analyse two effects on a business of **delaying** its structure.

[8]

3.3 A growing business is deciding whether to **centralise** or **decentralise** its decision-making. Evaluate this decision.

[12]

Solutions

Business answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

2.1 the number of staff a manager is directly responsible for (2 for a clear definition; 1 for a partial idea).

2.2 a tall structure has many levels and narrow spans of control; a flat structure has few levels and wide spans (2 for a clear difference; 1 for a partial idea).

2.3 when a manager gives a task, and the authority to do it, to a more junior worker (2 for a clear definition; 1 for a partial idea).

3.1 [3] **AO1** 1 — name a benefit (faster communication; lower management cost; more staff empowerment). **AO2** up to 2 — develop it, e.g. fewer levels mean a message reaches the bottom quickly and unchanged → faster decisions and fewer errors (2 developed / 1 limited).

3.2 [8] For **each** of two effects: **AO1** 1 + **AO2** 1 + **AO3** up to 2. Example chains — *lower costs*: fewer managers → lower salary bill → higher profit. *Wider spans*: remaining managers control more staff → they may be overstretched → control and quality could fall. Maximum 4 per effect, 8 total. (Reward both a positive and a negative effect.)

3.3 [12] **AO1** 2 / **AO2** 2 / **AO3** 2 / **AO4** up to 6. **Centralisation**: consistent, fast, tight control — but ignores local knowledge and can demotivate. **Decentralisation**: faster local decisions and motivated staff — but weaker control and possible inconsistency. Judgement: a firm in many locations or fast-changing markets gains from decentralising, while one needing tight control or consistency may centralise — the best mix depends on the firm's size, spread and the skill of its local managers.