

Cambridge AS & A Level · Business 9609 · Notes

Organisational structure A2

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What you need to know

By the end of this topic you should be able to:

1. **Link structure to objectives.** Explain what an organisational structure is for, and the qualities a good one has: it is flexible, it fits what the business needs, it leaves room to grow and develop, and it encourages intrapreneurship.
2. **Compare the types of structure:** functional, hierarchical (tall or flat) and matrix, with the advantages and disadvantages of each. Explain why some businesses organise by product and others by function or by geographical area.
3. **Explain why and how structures change,** for example as a business grows or when it delays.
4. **Use the vocabulary of a formal structure:** levels of hierarchy, chain of command, span of control, responsibility, authority, delegation, accountability, centralised and decentralised.
5. **Delegation and accountability:** how the two are linked, how a business holds people to account, and what delegating does to a business.
6. **Control, authority and trust:** how span of control and the number of levels are linked, the difference between authority and responsibility, and why delegating can set a manager's wish for control against the need to trust.
7. **Centralisation and decentralisation:** their effects on a business.
8. **Line and staff:** examples of each, how they differ, and why they clash.

Management styles and the roles of managers are in management; recruiting, training and motivating staff are in the other human resource topics.

Understand it

What a structure is for

An **organisational structure** is the formal way a business arranges its people: who does which job, who reports to whom, who can make which decisions and how information passes between them. It is usually drawn as an **organisation chart**.

A business chooses its structure to help it reach its **objectives**. A firm that wants to cut costs may want few managers and standard decisions; a firm that wants new products may want small teams with freedom to experiment. The same structure can help one objective and hinder another, so when objectives change, the structure often has to change too.

A good structure has four qualities:

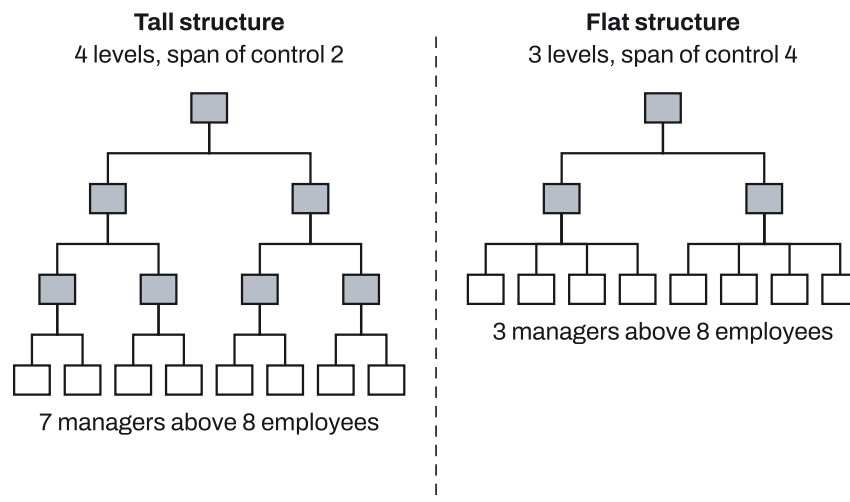
- **Flexible:** it can adapt quickly when the market, technology or the business's plans change, for example by setting up a new team for a new product.
- **Meets the needs of the business:** it suits the business's size, its products and markets, and the skills of its staff. A two-shop bakery and a car maker need very different structures.
- **Allows growth and development:** new branches, products or countries can be added without the whole thing seizing up, and staff get the chance to develop and move up.
- **Encourages intrapreneurship:** employees have the freedom, time and authority to develop new ideas inside the business. Long chains of approval and close control stifle this; teams with authority over their own projects encourage it.

The language of a formal structure

Term	Meaning
Levels of hierarchy	The number of layers of management and staff from the top of the business to the bottom
Chain of command	The route by which instructions pass down (and reports pass up) from one level to the next
Span of control	The number of people who report directly to one manager
Authority	The right to make decisions and give instructions
Responsibility	The duty to get a task done, and to answer for how it turns out
Delegation	Passing authority to make decisions down to someone at a lower level
Accountability	Having to explain and justify your decisions and results to the person above you
Centralised	The important decisions are kept by a small group of senior managers at the top (head office)
Decentralised	Decision-making authority is spread down the hierarchy to managers of regions, branches, products or departments

Span of control and levels of hierarchy

For a business of a given size, **span of control and the number of levels move in opposite directions**. If each manager looks after only a few people, many layers are needed to reach everyone: a **tall** (narrow) structure. If each manager looks after many people, fewer layers are needed: a **flat** structure.



Both charts have the same 8 front-line employees. The tall one needs 7 people above them; the flat one needs 3.

	Tall (narrow spans)	Flat (wide spans)
Communication	Slow and easily distorted through many levels	Fewer levels, so messages reach the top and bottom faster
Supervision	Close: each manager has time for each person	Looser: managers have less time for each person, so staff must work without close checking
Delegation	Less, as many managers share the decisions	More, because a manager with many staff cannot take every decision
Cost	Many managers' salaries	Fewer managers, lower overheads
Promotion	Many small steps up, so many chances	Fewer posts to be promoted into; each step is bigger
Risk	Slow to react; top managers far from customers	Managers may be overloaded and lose control if staff are not skilled

The right span depends on how skilled and motivated the staff are, how similar and routine their work is, how able the manager is, and how much communication technology lets one manager keep in touch with many people.

Types of structure

Functional structure. Staff are grouped by their specialist function: for example operations, marketing, finance and human resources, each with its own director.

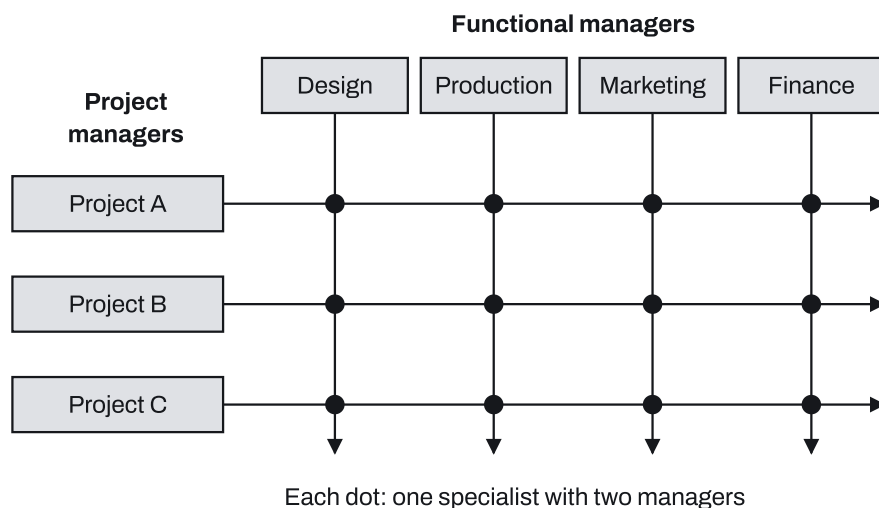
- *Advantages:* specialists work together and learn from each other, so skills deepen; each department is led by an expert in its area; no duplication of functions.

- **Disadvantages:** departments can pursue their own goals instead of the business's; communication **between** departments is slow; no one below the top is responsible for a whole product or customer, so co-ordination is hard as the business grows.

Hierarchical structure. Every person except the one at the top reports to someone above them, in clear levels. It can be **tall** or **flat**, as above. Most businesses are hierarchical in some form, and a functional structure is usually a hierarchy split into departments.

- **Advantages:** everyone knows who their manager is and how far their authority goes; clear routes for promotion; strong control from the top.
- **Disadvantages:** in a tall hierarchy, decisions and communication are slow, and staff far from the top may feel unimportant; it is rigid when change is needed.

Matrix structure. Specialists from different functions are brought together into **project teams**. Each person has two lines of reporting: to their functional manager (for their specialist work and career) and to a project manager (for the project).



- **Advantages:** different skills meet on one project, so problems are solved and new products developed faster; teams can be formed and broken up as projects come and go, which makes it flexible; staff gain experience beyond their own function and feel responsible for a whole project, which motivates and encourages new ideas.
- **Disadvantages:** two managers can give conflicting instructions, so staff are confused or overloaded; it is harder to see who is accountable when something goes wrong; it needs extra managers and meetings, so it can cost more; staff who keep changing teams can feel insecure.

Organising by product or by geographical area. As a business grows, it may split into **divisions**, each of which has its own functions (its own marketing, production and finance).

- **By product:** one division per product range, for example a food group with separate snacks, drinks and frozen food divisions. It suits a business whose products have different customers, technologies or competitors. Each division can focus on its own market and react quickly, and its costs, revenue and profit can be measured separately, so weak products are easy to spot.

- **By geographical area:** one division per region or country, for example an insurer with Asia, Europe and Africa divisions. It suits a business whose customers' tastes, laws, languages or prices differ from place to place. Local managers understand local customers, decide without waiting for head office, and can be judged on their own region's results.
- **Drawbacks of divisions:** functions are duplicated in every division, which raises costs and loses economies of scale; divisions may compete with each other for resources instead of co-operating; the business's image and policies may become inconsistent.

By function suits a smaller business with one main product or market, where specialist skills matter more than differences between products or places.

Why and how structures change

A structure that fitted a small business rarely fits it ten years later. Common reasons for change:

- **Growth:** more staff, products or countries mean one manager can no longer oversee everything, so new levels, departments or divisions are added. A growing business may move from a simple hierarchy to a functional structure, then to product or geographical divisions.
- **Cost pressure:** removing a layer of management (**delayering**) cuts salary costs and speeds up communication.
- **A new objective or strategy:** a push for innovation may lead to matrix project teams; a move abroad may lead to geographical divisions.
- **Technology:** better communication tools let a manager oversee more people, so spans can widen.
- **Takeovers and mergers:** two structures have to be joined into one.

The main ways structures change are delayering, widening spans of control, decentralising decisions, splitting into divisions, and adding project teams. Change is not free: staff may fear for their jobs or status, the culture may resist, and the new structure needs time and training before it works.

Delegation and accountability

Delegation passes **authority** to a person at a lower level so they can decide and act. It is more than handing over a job: the person must have the power to make the decisions the job needs.

Accountability is the other side of delegation. The person who receives the authority becomes **accountable** to the manager for how they use it and for the results. The manager who delegated still carries the final **responsibility** for the outcome to their own boss. So:

- authority **can** be delegated;
- the delegating manager's responsibility **cannot** be handed off: if the task fails, the manager still answers for it;
- delegation without a way of checking the results is a risk, and checking without real authority is not delegation.

Processes of accountability are the ways a business checks that people with delegated authority are using it well:

- clear **targets** or objectives agreed at the start (output, sales, costs, deadlines);
- **budgets**, with actual spending compared against them;
- regular **reports** and **review meetings** with the manager;
- **performance appraisals**, linking results to pay, bonuses or promotion;
- **key performance indicators** such as sales per employee, complaints or delivery times;
- **audits** or inspections of how decisions were made.

The impact of delegation on a business:

Benefits	Drawbacks
Senior managers have more time for long-term and strategic decisions	Decisions may be worse if the person lacks skill or information
Decisions are faster and made by people closer to customers and the work	Training staff to take authority costs money and time
Staff feel trusted, so motivation and job satisfaction rise	Different people may decide in different ways, so decisions become inconsistent
Staff develop skills and are prepared for promotion	Some staff do not want more responsibility and become stressed
It encourages intrapreneurship: people with authority over a project try new ideas	Managers must spend time checking results; too much checking cancels the gain

Delegation works best when the task and the limits of the authority are clear, the person has the skills (or is trained), and the manager supports rather than takes over.

Control, authority and trust

Authority and responsibility are different. Authority is the **power** to decide. Responsibility is the **duty** to get the result and answer for it. A sales manager given authority to set discounts up to 10% can decide those discounts; the regional director who gave that authority stays responsible for the region's results. Problems arise when the two do not match: responsibility without authority (blamed for results you cannot influence) is frustrating, and authority without responsibility invites careless decisions.

Control and trust pull in opposite directions. When a manager delegates, they give up some **control** over how the work is done but keep the responsibility for the result. So:

- a manager who checks every step keeps control, but the employee feels **not trusted**, loses motivation and stops using initiative, and the manager gains no time;
- a manager who trusts completely and never checks saves time, but mistakes may go unnoticed until they are costly;

- managers may only delegate dull or routine tasks, keeping the interesting decisions, which staff see as a lack of trust;
- a manager may step in and overturn a decision they delegated, which damages trust for the future.

The balance is usually found through clear limits ("you can decide anything up to 5,000 dollars"), agreed targets, and checking **results** at set times rather than watching every step.

Span of control and levels of hierarchy are linked as shown earlier: a wider span gives fewer levels. A wider span also forces more trust, because the manager has less time to control each person.

Centralisation and decentralisation

In a **centralised** business, senior managers at head office keep the important decisions; branches and departments carry them out. In a **decentralised** business, the authority for many decisions is passed down to managers of regions, branches, products or departments.

	Centralised	Decentralised
Decisions	Made by experienced senior managers who see the whole business, in the interest of the whole business	Made by managers close to customers and local conditions, so they fit local needs
Speed	Fast for business-wide decisions; slow for local issues that must go up to head office	Fast for local issues; business-wide policy takes longer to agree
Consistency	The same policies, prices, quality and image everywhere	Practices can differ between branches; the image may become inconsistent
Costs	Bulk buying and shared services for the whole business give economies of scale	Some functions are duplicated
Staff	Junior managers have little authority, may feel undervalued and do not develop	Managers feel trusted, gain experience and are motivated; senior managers have time for strategy
Control	Strong control from the top, useful in a crisis	Harder to control; a poor local manager can make costly mistakes

Decentralisation is about **where decisions are made** in the structure. It is not the same as a democratic management style, which is about a manager consulting their own team.

Most businesses mix the two: for example, head office decides strategy, branding and finance, while branch managers decide staffing rotas and local promotions.

Line and staff

Line managers and employees are in the main **chain of command** and do the business's core work: making the product or selling it. A production manager, a store manager and a sales supervisor are line managers; they have authority over the people below them.

Staff functions are **specialists who support and advise** the line: human resources, legal, IT, health and safety, market research or accounting specialists. They have authority over their own specialist area but not over the line's employees.

	Line	Staff
Role	Carries out the core activity	Gives specialist advice and services
Authority	Direct, through the chain of command	Advisory, outside the main chain
Examples	Factory manager, area sales manager, shift supervisor	HR adviser, legal team, IT support, quality specialists

Conflicts between line and staff arise because:

- line managers feel the specialists **interfere** in their area without understanding day-to-day pressures, so advice is ignored;
- specialists feel their **advice is ignored** and then blamed when things go wrong;
- staff advice can slow decisions down (new procedures, approvals) when line managers want to act quickly;
- it is unclear who has the **final say**, for example whether the HR adviser or the store manager decides on hiring.

Clear rules on who decides what, and involving line managers when specialists design new procedures, reduce the conflict.

Key facts and formulas

There is no formula list in the 9609 exam, and this topic has no formulas. "Learn it" means you must remember it.

Fact	Status
Organisational structure: the formal arrangement of who does what, who reports to whom and who can make which decisions	Learn it
A good structure is flexible, meets the business's needs, allows growth and development, and encourages intrapreneurship	Learn it
Span of control: the number of people reporting directly to one manager	Learn it
For the same number of staff, a wider span of control means fewer levels of hierarchy (a flatter structure)	Learn it
Delegation: passing authority to make decisions down the hierarchy	Learn it

Fact	Status
Authority can be delegated; the delegating manager's responsibility for the result cannot	Learn it
Accountability: having to answer to the person above for decisions and results	Learn it
Centralised: important decisions kept at the top; decentralised: decision-making authority passed down to managers of regions, branches, products or departments	Learn it
Matrix structure: project teams of specialists from different functions, each reporting to a functional and a project manager	Learn it
Line: in the chain of command, doing the core work; staff: specialists who advise and support the line	Learn it

How to do it

We have tagged 10 questions on this topic (2021–2026), all from the Paper 3 case study. Each is one type, so the counts add up to 10.

Question type	Questions
Analyse the advantages of a type of structure, or of changing to one	3
Analyse advantages or disadvantages of delegation	2
Analyse the benefits of centralisation or decentralisation	2
Evaluate a structure's part in success, or recommend changes to it	2
Evaluate the impact of delegation on a business aim	1

The marks are for four skills: **K** (knowledge: a correct definition or point), **App** (application: using facts from the case to support a point, not copying them), **An** (analysis: a chain of causes and consequences) and **Eval** (evaluation: a supported judgement). Below, (K), (App), (An) and (Eval) after a sentence show the mark it earns.

How Paper 3 marks them. Since 2023, "Analyse" questions are worth **8** (2 K, 2 App, 4 An) and "Evaluate" questions **12** (2 K, 2 App, 2 An, 6 Eval). In 2021 and 2022, analyse questions were worth 10 (3 K, 2 App, 5 An) and evaluate questions 16 (2 K, 2 App, 6 An, 6 Eval). In an 8-mark answer:

- **K**: one mark for each relevant point, or for a definition that includes **authority** (for delegation) or decision-making (for centralisation).
- **App**: at most one mark per point, so each point needs its own case fact.
- **An**: one link in the chain is Level 1 (1–2 marks); two or more links is Level 2 (3–4 marks). Three marks are possible for one very well developed point, but four need both points developed.

1. Analyse the advantages of a type of structure, or of changing to one (3 questions)

The case describes the business's structure now (or one it is moving to: product-based, geographical, matrix, flat) and asks for two advantages.

1. **Identify the structure** from the case. If the business uses more than one (a flat hierarchy with matrix teams for new products), you can take one advantage from each.
2. **K**: name each advantage in a few words: "a geographical structure lets local managers decide without waiting for head office".
3. **App**: tie each one to the case: how many products, markets or countries the business serves; what goes wrong under the structure it has now; any figures that show the structure working or failing.
4. **An**: carry each point through at least two links to an outcome for **this** business: a division per country → its manager no longer waits for head office to approve a local price cut → the business answers a rival's move in days, not weeks → it keeps its customers there.

Variations you will meet:

- **"Only advantages" or "only benefits"**: disadvantages earn nothing, and nor does judgement. If you write more than two advantages, only the best two are marked.
- **A change from a functional structure** to product or geographical divisions: look in the case for the trouble the departments cause each other, and show how the new divisions remove it.
- **The current structure's benefits** (flat, matrix or functional): link each benefit to a result the case already reports, so the chain ends in something the business has achieved.

2. Analyse advantages or disadvantages of delegation (2 questions)

"Two benefits of delegating more decisions to ..." or "one advantage and one disadvantage of delegation".

1. **K**: define delegation with **authority** in it, then name the points. Advantages: motivation, time for senior managers to think long term, faster and better-informed decisions, preparing staff for promotion. Disadvantages: risk of poor decisions, the cost of training, inconsistent decisions, stress for staff who do not want responsibility.
2. **App**: who receives the authority in the case, what they would now decide, and anything in the case that makes delegation more or less likely to work (their experience, the support they get, how the business is structured).
3. **An**: two or more links: branch managers allowed to choose their own suppliers of fresh goods → shorter deliveries → less waste → lower costs; or a junior given a decision beyond their experience → an expensive mistake → money spent putting it right → lower profit.

For "one advantage and one disadvantage", write exactly one of each; only the best of each is marked.

3. Analyse the benefits of centralisation or decentralisation (2 questions)

Set in 2021, for 10 marks: the benefits of keeping a centralised structure, or of moving to a decentralised one, as the business grows.

1. **K:** define the one named (centralised: key decisions kept at the top; decentralised: decision-making authority passed down to managers of areas, products or departments). Defining both together still earns only one mark. Then name benefits from the table in "Understand it".
2. **App:** use the business's growth plans, any problem the case blames on where decisions are made, and the strengths the business has built so far.
3. **An:** develop at least two benefits with chains: one head office buys for every site → larger orders win bigger discounts → lower unit costs → higher margins; or a branch manager can replace a broken machine without waiting for approval → less lost output → orders delivered on time → customers come back.

Benefits only. Drawbacks earn nothing. Do not treat decentralisation as a democratic management style.

4. Evaluate a structure's part in success, or recommend changes to it (2 questions)

Old Paper 3, 16 marks (2022): how far the structure of a division explains the business's success, or which changes to the structure would support growth and innovation. The same tasks can come as 12-mark "Evaluate" questions.

1. **K:** define organisational structure, and use the features (levels, span of control, chain of command, delegation, centralisation) and the types (functional, hierarchical, matrix, product, geographical).
 2. **App:** what the case says about the structure now (how many levels, who decides, how teams are formed), and the evidence that it is or is not working.
 3. **An:** link the structure to outcomes, both ways: a flat structure → the founder hears customers' complaints directly → products are improved quickly → repeat sales; but the founder now runs 30 people directly → no time to plan → growth stalls.
4. **Eval:**
- **"To what extent did the structure contribute?":** weigh the structure against other reasons for success (the skills of staff, the product, the market, leadership), and say what the answer depends on.
 - **"Recommend changes":** choose one change and say why it fits this business's plans better than the alternatives (divisions when its products or markets are becoming more different, project teams when it needs new ideas, fewer levels when decisions are too slow). Then weigh the cost and time of the change, how staff and senior managers are likely to react, whether the culture will accept it, and whether a business that is doing well needs to change at all.

Restating the case's description of the structure earns nothing. A list of every structure with no final recommendation cannot reach the top marks.

5. Evaluate the impact of delegation on a business aim (1 question)

12 marks: how delegation affects something specific, such as the success of the business's intrapreneurship, its growth, or its customer service.

1. **K:** define delegation (with authority) **and** the aim (intrapreneurship: employees developing new products, services or processes inside the business). Developed knowledge needs both and the link between them.
2. **App:** who is given authority in the case, over what, and what helps or hinders them.
3. **An:** the links from delegation to the aim, both ways: a team allowed to test its own idea on a small budget → it learns quickly what customers want → the idea becomes a new service; but authority that is too vague → the team is unsure what it may decide → it waits for approval and the idea goes nowhere.
4. **Eval:** a judgement on **how much** delegation decides the aim's success, and what else matters: the clarity of the limits; the people's ability; whether senior managers back their decisions or reverse them; whether the ideas are affordable and wanted; the short term against the long term.

A general essay on the pros and cons of delegation misses this question: the marks are for the link to the aim. Name the aim in every paragraph, and your judgement then has something to weigh.

Worked examples

Example 1

Greenleaf Grocers (GG) has 40 supermarkets. Each store has 1 store manager, 3 department managers, 9 supervisors (3 under each department manager) and 72 shop-floor staff (8 under each supervisor). GG plans to remove the supervisor level, so that the shop-floor staff report directly to the department managers. Each supervisor post costs GG 31,000 dollars a year.

(a) State the span of control of a department manager before and after the change. [2]

(b) Calculate the total annual saving in supervisor costs across all GG's stores. [2]

(a) Before: 3 (the 3 supervisors) (1). After: $72 \div 3 = 24$ shop-floor staff (1).

(b) Posts removed: $9 \times 40 = 360$ (1). Saving: $360 \times 31\,000 = 11\,160\,000$ dollars a year (1).

Example 2

Use the information in Example 1. GG's shop-floor staff are mostly students working part time, and staff turnover in the stores is high. GG's directors want to cut costs because a discount rival has opened near 12 of its stores.

Analyse one advantage and one disadvantage to GG of removing the supervisor level. [8]

Advantage: lower costs. Delaying removes a layer of managers' salaries (K). Removing 360 supervisor posts saves GG about 11.2 million dollars a year (App), so its costs per store fall and GG can afford to cut prices in the 12 stores facing the discount rival (An), which helps it keep customers and protect its market share (An).

Disadvantage: managers cannot supervise closely. A span of control of 24 gives each manager little time for each worker (K). Many of GG's staff are part-time students who leave often, so many of them are new and still learning the job (App). With no supervisor on the shop floor, mistakes such as empty shelves and long queues go unnoticed for longer (An), so customers' experience gets worse just when the rival is trying to win them, and some switch to the rival (An).

That is $2K + 2App + 4An = 8$. No judgement is needed: "analyse" has no evaluation marks.

Example 3

Lingua Bridge (LB) runs 14 language schools in three countries. Each school's director decides the course timetable, the fees, the teaching materials and which teachers to hire. In 2025, 2 of the 14 schools made a loss, and student satisfaction ranged from 62% at the worst school to 91% at the best. LB's owners plan to open 6 more schools. They are considering centralising: head office would set fees and materials for every school and approve every new teacher.

Evaluate whether LB should centralise its decision-making. [12]

Knowledge. Centralisation means the important decisions are kept by senior managers at head office instead of being delegated to the managers of each branch (K). It can bring consistent standards and economies of scale, but local managers lose authority (K).

For centralising. Satisfaction varies from 62% to 91%, and $\frac{2}{14} = 14\%$ of schools lose money (App), which suggests some directors make poor decisions. If head office sets the materials and approves every teacher, every student gets the same quality wherever they study, so LB's reputation becomes reliable and the 6 new schools can attract students quickly (An). Buying materials for 20 schools at once would also cut costs.

Against centralising. Students and fees differ between three countries (App). A head office far away may set fees too high for one country and too low for another, so student numbers or margins fall, and directors who lose their authority may feel untrusted and leave, taking local knowledge with them (An).

Judgement. LB should centralise some decisions but not all (Eval). The schools that make losses or score 62% need the minimum standard that central control of materials and teacher approval would bring, and LB needs that standard in place before it opens 6 more schools, where new directors will have no track record (Eval). But fees and timetables depend on each country's prices and students' working hours, which head office cannot judge as well as the directors, so those decisions should stay local (Eval). This mix keeps the directors accountable through set standards and targets while still trusting them with local decisions (Eval). The judgement depends on why the 2 schools lose money: if the cause is a weak local market rather than poor decisions, centralising will not fix it (Eval). In the long term, as LB grows to 20 schools, a regional layer of managers may be needed so head office is not overloaded with decisions (Eval).

The marks: 2 K, 2 App, 2 An, and 6 Eval for a judgement in LB's context that weighs both sides and says what it depends on.

Common mistakes

- **Defining delegation as giving someone a task.** A definition that leaves out authority or decision-making earns no knowledge mark. Delegation hands over the power to decide.
- **Writing about delegation in general when the question names an aim.** If the question asks about delegation and intrapreneurship (or growth, or customer service), every point must reach that aim.
- **Treating decentralisation as a democratic style.** Decentralisation moves decisions down the structure to other managers; it is not about a manager discussing ideas with their team.
- **Writing both sides when only one is asked.** "Benefits" or "advantages" questions give nothing for drawbacks, and an analyse question gives nothing for judgement. Use the time to develop the two points asked for.
- **Retelling the case.** Opening with the business's history, or copying its description of the structure, earns nothing. Use a case fact only to support a point.
- **Short chains.** "Delegation motivates staff, so profit rises" is one link. Show each step: staff trusted → more effort and ideas → higher productivity → lower unit costs.
- **Applying only one of the two points.** Each point in an 8-mark answer needs its own case fact; one applied point caps application at 1.
- **Listing structures with no recommendation.** A "recommend" question needs a clear choice, justified from the case, and a view on how easily it can be done.
- **Mixing up span of control and levels.** Span is how many people one manager directly runs; levels are how many layers there are. Wider spans mean fewer levels, not more.
- **Proposing a change the business already has.** Read the case's structure carefully before suggesting a flatter or more decentralised one.

How to get the marks

- **Command words.** *Analyse* (8 marks): two points, each with knowledge, a case fact and a chain of two or more links; no judgement. *Evaluate*: both sides, then a supported judgement that answers the question. *Recommend ... justify*: a clear choice, the reasons for it from the case, and why it beats the alternatives.
- **Definitions are worth one K mark**, not more, and only when they are precise: delegation with authority; centralisation with decisions kept at the top; organisational structure as the formal arrangement of people, reporting lines and decision-making.
- **Application means using the case**, not repeating it: say what the figure or fact shows about the structure ("labour turnover is high, which suggests staff feel untrusted").
- **[12] evaluate**: 2 K, 2 App, 2 An, 6 Eval. The top level needs a judgement **in the business's context**, supported, and with what it depends on (the staff's skills, the clarity of the authority given, the culture, short against long term). A judgement that could apply to any business stays lower.

- **Use the right terms:** span of control, levels of hierarchy, chain of command, authority, accountability. They show knowledge and make your chains precise.
- **Exactly the number of points asked for.** Extra points are not marked; the best two (or best one of each side) are.

Quick check

1. A business has 4 levels of hierarchy, and every manager has a span of control of 5. How many employees are at the bottom level, and how many people work in the business in total?
2. A store manager has authority to approve customer refunds up to 200 dollars. She passes this authority on to her supervisor, who then approves a refund that should have been refused. Who answers to the area manager for the loss, and why?
3. Classify each as line or staff: (a) a shift supervisor in a factory; (b) the company lawyer; (c) an area sales manager; (d) an IT support technician.
4. Which structure suits each business best? (a) A bus company running separate networks in four countries. (b) An engineering consultancy that builds a new team of engineers, designers and cost specialists for each client's bridge or tunnel.
5. A partner in an architecture firm has delegated client meetings to a junior architect but asks to read every email the junior sends to clients. Explain one conflict between control and trust this creates. **[3]**

Answers

1. Bottom level: $5^3 = 125$ employees. Total: $1 + 5 + 25 + 125 = 156$ people.
2. The store manager. She passed on the authority to approve refunds, but her responsibility for the store's results stayed with her, so she still answers to the area manager for the loss. The supervisor is accountable to the store manager for how they used the authority.
3. (a) Line. (b) Staff. (c) Line. (d) Staff.
4. (a) Geographical: each country's routes, laws and passengers differ, so a division per country can decide locally. (b) Matrix: each project needs specialists from different functions working together for its length.
5. Delegation means trusting the junior with authority over client meetings, while the partner stays responsible for the client relationship (K). By reading every email, the partner keeps control but signals that the junior is not trusted (App), so the junior hesitates to make any promise without asking, client replies slow down and the partner saves no time, which removes the point of delegating (An).

Past questions to try

- **9609/31/O/N/23 Q1**: two advantages of moving from a functional to a product-based structure.
- **9609/32/F/M/23 Q2**: two benefits of delegating decisions to managers in different regions.
- **9609/32/F/M/21 Q1**: the benefits of keeping a centralised structure as a business develops.
- **9609/32/M/J/22 Q5**: recommending structural changes to support growth and innovation.