

Cambridge IGCSE · Business Studies 0450 · Notes

Organisation and management

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What you need to know

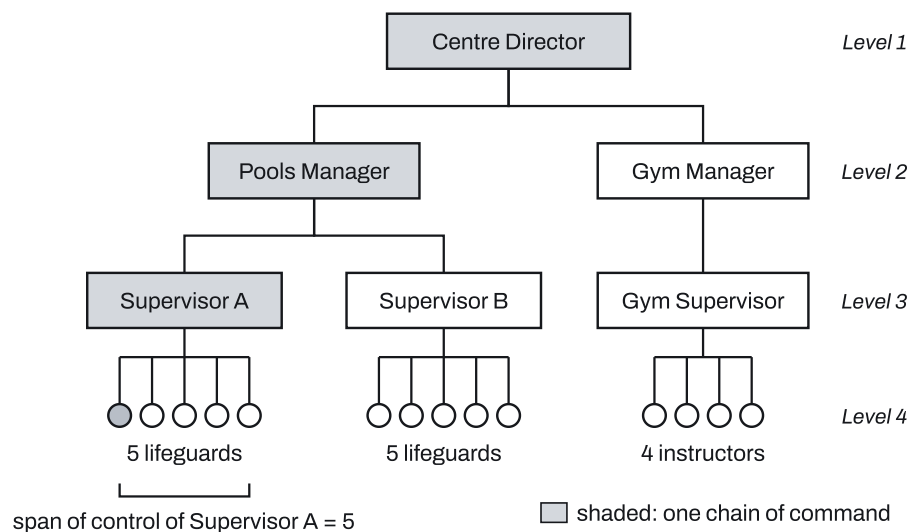
By the end of this topic you should be able to:

1. **Draw and read a simple organisational chart**, and use its words: levels of hierarchy, span of control and chain of command. Say whether a structure is tall or short (flat) and what that means for the business.
2. **Describe the roles and responsibilities** of directors, managers, supervisors and other employees, and how the levels depend on each other.
3. **Explain the functions of management**: planning, organising, coordinating, commanding and controlling.
4. **Explain why delegation matters**, and the balance a manager strikes between trusting subordinates and keeping control.
5. **Describe the main leadership styles**: autocratic, democratic and laissez-faire.
6. **Recommend a leadership style for a given situation** and justify the choice.
7. **Explain what a trade union is** and what being a member means for employees, good and bad.

Understand it

Organisational structure and the chart

As soon as a business has more people than one person can direct, it has to decide **who does which job, who reports to whom, and who may make which decisions**. That arrangement is the business's **organisational structure**: its levels of authority and the way responsibility is shared out between them. An **organisational chart** is the picture of it.



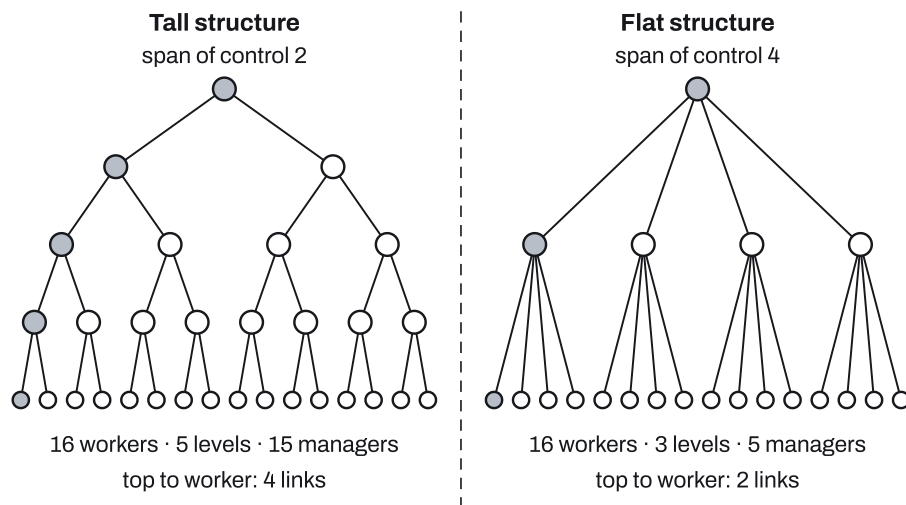
Reading the chart:

- **Levels of hierarchy:** each row is a level of authority. The leisure centre has **4 levels**. The higher the level, the more authority and the wider the decisions.
- **Span of control:** the number of people who report **directly** to one person. The Director's span is **2** (only the two managers, not everyone below them); Supervisor A's span is **5**.
- **Chain of command:** the route by which authority and instructions travel down, from the top of the hierarchy, level by level, to the people at the bottom. From the Director to a lifeguard there are **3 links**: Director → Pools Manager → Supervisor A → lifeguard. Reports and problems travel up the same route.
- A **subordinate** is anyone below you in your own chain of command. Supervisor A is the Pools Manager's subordinate.

The whole centre has $1 + 2 + 3 + 14 = 20$ staff: 1 director, 2 managers, 3 supervisors and 14 lifeguards and instructors.

Tall and flat structures

The same workforce can be arranged in very different shapes. Below, 16 workers are organised twice.



The two ideas are tied together: **a narrow span of control forces more levels, and a wide span allows fewer.** Everything else follows from counting.

Links in the chain. Every link is a person who must receive a message, understand it, decide what to pass on and resend it, often while busy with other work or on another shift. In the tall chart an instruction from the top needs 4 hand-overs before a worker hears it; in the flat chart, 2. More hand-overs mean more waiting time and more chances for a detail to be dropped or changed. The same is true going up: a worker's idea or complaint has more people to get past before anyone who can act on it hears it.

The cost of managers. The tall chart pays 15 managers to look after 16 workers; the flat chart pays 5. If a manager costs \$30 000 a year, that is \$450 000 against \$150 000, a difference of \$300 000 a year.

Time for each person. A manager's week is fixed. If one spends 10 hours a week with the people who report to them, a span of 2 gives each person 5 hours; a span of 4 gives each 2.5 hours. So in a wide span each subordinate gets less checking and less help, and must be able to work on their own. Wide spans suit skilled, experienced staff doing similar work; narrow spans suit new staff, complicated or risky work, or tasks that change often.

	Tall structure (narrow spans)	Flat or short structure (wide spans)
Levels	Many	Few
Chain of command	Long	Short
Messages up and down	Slower, more likely to be distorted	Quicker, less distortion
Top managers	Far from the shop floor	Close to the employees
Supervision of each worker	Close, easy to check work	Less close, workers need to be trusted
Managers' wages	High (many managers)	Lower (few managers)
Delegation	Less needed	Needed, because managers can't do it all
Promotion	Many small steps up	Fewer posts to be promoted to

Who does what in the hierarchy

Level	Main responsibility	Example in a bus company
Directors	Choose what the business as a whole should aim for over the next few years and approve big spending; answer to the owners (shareholders)	Decide to start services to the airport next year
Managers	Run one department: decide how its share of the aims will be met and what staff, money and equipment that needs	The Operations Manager draws up the airport timetable and works out how many buses and drivers it needs
Supervisors	Lead a team or shift through each day: hand out the work, keep an eye on standards, deal with small problems, pass big ones up	The depot supervisor allocates drivers to routes each morning and checks buses leave on time
Other employees	Do the work the customer pays for	Drivers drive the routes; cleaners prepare the buses

The levels depend on each other. Each level takes the decisions of the level above and turns them into more detailed work; each level reports results, problems and ideas back up. Directors' plans fail if managers don't organise resources, and supervisors can only check work against standards that managers have set.

The functions of management

Whatever the business, a manager's work falls into five functions. The names matter: in "identify" answers use these words.

- **Planning:** deciding what the department or business is trying to achieve in the future and how. A new cinema's manager decides to aim for 400 tickets a day by its third month, and works out when to hire extra staff for school holidays.
- **Organising:** arranging the people, equipment and money so the plan can actually happen: who does which job, rotas, buying what is needed. The cinema manager draws up shift rotas and gives each person a job.
- **Coordinating:** making sure the separate parts of the business fit together, so nobody's work holds up anybody else's. The box office, food counter and projection team have to work to the same timetable so films start on time.
- **Commanding:** giving instructions and guidance, and leading people so they know exactly what to do. The manager briefs staff before a busy premiere night.
- **Controlling:** checking what actually happened against the plan and putting it right when they differ. If ticket sales are 320 a day against the 400 aimed for, the manager looks for the cause and acts.

Motivating, communicating and delegating are things managers also do, but they are not on this list.

Delegation: trust versus control

Delegation is a manager giving a subordinate the **authority** to carry out a task. The manager remains **accountable** for the result: if the task goes wrong, the manager still answers for it.

Why a manager delegates: there are more tasks than one person's hours, and some tasks don't need the manager's experience. Handing them down frees the manager for the decisions only they can make. The subordinate gets a more interesting job, learns new skills and can see that the manager trusts them.

The catch is the balance between **trust and control**. Every task handed down is a task the manager no longer does personally, so the manager has less control over how it is done. Checking every step keeps control but removes the time saved and tells the subordinate they aren't trusted. So managers delegate more when:

- the subordinate is skilled and experienced;
- the task is routine, or a mistake would be cheap to put right;
- the manager has too much to do and the subordinate has time.

They keep tasks when the subordinate hasn't the skills yet, when a mistake would be costly or dangerous, or when the work is confidential.

Advantages	Disadvantages
Manager's workload falls; time for important decisions and planning	Manager loses some control; mistakes may happen
Subordinate feels trusted, so is more motivated	Subordinate may lack the skill or experience, so may need training first
Subordinate develops skills, ready for promotion	Subordinate may be overloaded, or resent extra work without extra pay
Decisions can be made closer to the problem, quicker	Some managers find it hard to let go and keep checking

Delegation is not a leadership style, and it is not specialisation (giving a worker one narrow job).

Leadership styles

A leadership style is the way a manager makes decisions and deals with the people below them.

	Autocratic	Democratic	Laissez-faire
Who decides	The leader makes all the decisions alone	The leader asks employees for their views, discusses them, then decides	The leader gives the overall goal; employees choose how to reach it
Communication	One-way: down from the leader	Two-way: views go up, decisions come down	Little from the leader; employees organise themselves

	Autocratic	Democratic	Laissez-faire
Works well when	Decisions must be quick; staff are new or unskilled; safety rules must be followed exactly	Staff are skilled and have useful ideas; there is time to discuss	Staff are highly skilled, experienced and self-motivated, often in creative work
Problems	Staff ideas are ignored; staff may feel undervalued and leave	Slower; staff may lack the knowledge to give useful views; the leader may still overrule them	Lack of direction and coordination; some staff may do little

Under democratic leadership the leader **still makes the final decision**; they don't hand the business over.

Choosing a leadership style

No style is best everywhere. Look at the situation:

- **The people:** how skilled and experienced they are, and whether they want to be involved.
- **The task:** routine or creative; how risky a mistake would be.
- **Time:** an emergency needs a quick decision; a long-term change can wait for views.
- **Size:** consulting 8 people is easy; consulting 3000 takes far longer.

A good recommendation says which style fits **these** facts best and why the others fit them worse.

Trade unions

A **trade union** is an organisation of employees that acts on its members' behalf to protect and improve their pay, working conditions and rights at work. It is not a pressure group: it represents workers, not a cause.

One employee asking for a pay rise can easily be replaced; a whole workforce speaking together can't. Negotiation between the union and the employer on behalf of all members is **collective bargaining**.

What membership means for an employee:

- **Benefits:** pressure for safer working conditions; someone beside them in a disciplinary meeting or dispute; expert advice on their rights, for example after being dismissed; more job security; a much louder voice when pay is negotiated; extras such as courses or member discounts.
- **Drawbacks:** a **membership fee**; they must go along with the majority's decision, for example a strike, even if they disagree, and lose pay while on strike.

For example, a member paying a \$9 monthly fee pays \$108 a year. If the union wins a 3% rise on her \$20 000 salary, she gains \$600, so she is \$492 better off.

Key facts and formulas

This topic has no formula list in the exam. "Learn it" means you must remember it.

Fact	Status
Organisational structure: the levels of authority in a business and how responsibilities are divided between them	Learn it
Span of control: the number of subordinates who report directly to one manager	Learn it
Chain of command: the route by which authority and instructions pass down from the top of the hierarchy to the bottom	Learn it
Tall structure = many levels, narrow spans, long chain; flat (short) structure = few levels, wide spans, short chain	Learn it
The five functions of management: planning, organising, coordinating, commanding, controlling	Learn it
Delegation: a manager giving a subordinate the authority to carry out a task	Learn it
Autocratic: the leader makes all the decisions; democratic: the leader involves employees before deciding; laissez-faire: employees make the decisions within broad aims	Learn it
Trade union: an organisation of employees that acts together to protect and improve its members' pay, conditions and rights	Learn it
Managers needed on a level = people on the level below $\div$ span of control	Learn it
Links from the top to the bottom = number of levels $- 1$	Learn it

How to do it

We have tagged 37 questions on this topic (2021–2025), on Paper 1 and Paper 2. 6 of them have parts of more than one type, so the counts add to 44.

Question type	Questions
Define a structure or management term	9
Identify or explain the functions of management	6
Explain effects of structure (chain of command, span of control, tall or flat)	6
Advantages and disadvantages of delegation	5
Identify or explain leadership styles	4

Question type	Questions
Advantages and disadvantages of a given leadership style	4
Judge or recommend a leadership style	4
Roles and responsibilities of each level in the hierarchy	3
Benefits and drawbacks of trade union membership	3

The mark scheme codes are **k** (knowledge: a correct point), **app** (application: a detail from the case), **an** (analysis: a developed consequence) and **eval** (evaluation: a justified judgement).

Part	Marks	What earns them
Paper 1 "Define"	2	a full definition; half = 1
Paper 1 "Identify" or "State"	2 or 4	1 per point; only the first ones are marked
Paper 1 "Outline"	4	each: k + app
Paper 1 "Explain" (d)	6	each: k + app + an
Paper 1 (e) "Do you think ...?"	6	2 k + 2 an + 2 eval; general, so no app
Paper 2 (a) "Explain two ..."	8	each: point (1) + up to 3 explanation marks, at least one of them about the case
Paper 2 (b) "Consider ... which should ... use? Justify"	12	levels: applied discussion of every option, then a choice that says why the others were rejected

1. Define a structure or management term (9 questions)

Two marks need **both halves** of the idea; one half earns 1.

- **Organisational structure** (0450/13/M/J/24 Q4, 0450/12/O/N/22 Q3): the **levels** of authority in a business **and** how responsibilities are **divided** between people. Levels alone = 1.
- **Span of control** (0450/11/M/J/24 Q2, 0450/13/M/J/23 Q3): the **number of subordinates** who report **directly to one manager**. "The staff a manager controls" = 1.
- **Chain of command** (0450/11/M/J/22 Q4): the route by which **authority/instructions pass down** the hierarchy, **level by level**.
- **Delegation** (0450/11/O/N/23 Q4, 0450/12/F/M/22 Q4): a manager giving a **subordinate** the **authority** to do a task. Giving a reason for delegating (it saves time) scores 0.
- **Autocratic leadership** (0450/11/M/J/24 Q2): the **leader or manager** makes **all the decisions**. "Workers are told what to do" = 1.
- **Laissez-faire leadership** (0450/12/M/J/24 Q3): the leader sets broad aims and **employees make the decisions** about how to reach them.
- **Trade union** (0450/13/O/N/22 Q3): an organisation of **employees** that acts **for its members** to protect their pay, conditions and rights.

2. Identify or explain the functions of management (6 questions)

1. **Name the function** with the exact word: planning, organising, coordinating, commanding, controlling. In "identify four" (0450/12/O/N/25 Q2) only these count; synonyms don't.
2. **Say what the manager actually does** under that function, then **what goes wrong for the business if it isn't done**, or what gets better when it is.
3. **Put the case into it**: the product, the number of staff, the plan in the stem.

On Paper 2 (8 marks, 0450/22/F/M/25 Q2, 0450/21/O/N/24 Q2) each function needs three developments. For example, for a new bakery van business: "**Controlling** (1): the owner compares each van's daily sales with its target (1). A van selling far less than the others shows a problem, such as a poor route, while there is still time to change it (1), so fewer unsold loaves are thrown away each evening (1, app)."

Variations you will meet:

- "**Identify two roles of a manager**" (0450/12/M/J/24 Q3) is looser: the five functions, and also motivating, communicating, delegating or solving problems.
- "**Outline two functions of the shop managers**" (0450/11/O/N/23 Q4): function + case detail; motivating and communicating are not accepted here.
- **Four functions** (0450/22/O/N/21 Q4): make sure each explanation matches its own function and the four don't overlap.

3. Explain effects of structure (6 questions)

The effects come from the counting in "Understand it": levels, links and spans.

1. **Name the effect** (k): fewer managers to pay, more delegation, quicker messages, faster decisions, fewer errors in messages, top managers closer to staff (short chain / flat); or the opposite, plus close supervision, for a tall one.
2. **Say why it happens** from the structure: "only two people stand between the owner and the workshop".
3. **Say what it does to the business**: costs, customers, staff morale.
4. **Use the case**: the number of levels or employees, the product.

Example for a short chain in a furniture workshop: "Fewer errors in messages (1). An order change from a customer only passes through the owner and one team leader (1), so there are fewer chances for measurements to be copied wrongly (1), and fewer tables have to be remade at the workshop's cost (1, app)."

Variations you will meet:

- **Identify two features of a short structure** (0450/12/F/M/25 Q1): short chain of command, wide span of control, quick communication, top managers close to employees. Say "wide", not "high", span.
- **Drawbacks of a tall structure** (0450/21/M/J/24 Q1): many managers' salaries, slow decisions, messages that are slow and get changed on the way, narrow spans so little delegation, senior managers out of touch with the shop floor.

- **Wide span of control, one advantage and one disadvantage (0450/12/O/N/23 Q4):** for, the business pays fewer managers' salaries and staff get more freedom to decide; against, each worker is checked less often, so mistakes can go unnoticed, and a manager with too many people may not get round them all.
- **Short chain of command, outline two (0450/12/M/J/21 Q3) or explain two on Paper 2 (0450/22/O/N/24 Q2, 0450/23/O/N/25 Q2).**

4. Advantages and disadvantages of delegation (5 questions)

1. **Check whose side you are on.** "To Vicki" or "to the managers" means the business or the manager, not the employees.
2. **Point** from the table in "Understand it": workload falls, better decisions, staff trusted and motivated, skills develop; against, less control, subordinate lacks skills or needs training, subordinate overloaded, manager reluctant.
3. **Say who it affects:** "reduces **the owner's** workload", not just "reduces workload".
4. **Add the case** and, for Explain, the consequence.

Asked as outline two advantages (0450/11/O/N/25 Q3, 0450/13/M/J/23 Q3), explain two advantages (0450/12/M/J/22 Q1), one of each on Paper 2 (0450/22/F/M/22 Q2), or two of each (0450/21/M/J/23 Q2), where each point gets 1 mark and 1 more for an explanation in the case.

5. Identify or explain leadership styles (4 questions)

1. **Name the style** (k): autocratic, democratic or laissez-faire. "Identify two" (0450/13/M/J/23 Q3) needs just the names.
2. **Describe how it works**, so there is no doubt which style you mean: who decides, and which way communication flows.
3. **Develop and apply:** what that does to speed, motivation or decision quality in this business.

Example for a veterinary clinic: "Democratic (1): the head vet asks the nurses how to cut waiting times before deciding (1), so the people who see the queue every day shape the new booking system (app), and it is more likely to work (1)."

Asked on Paper 1 for 6 marks (0450/11/O/N/24 Q1) and on Paper 2 for 8 (0450/22/M/J/23 Q4, 0450/23/M/J/22 Q1).

6. Advantages and disadvantages of a given leadership style (4 questions)

1. **Advantage** (k) → consequence (an) → case (app).
 2. **Disadvantage:** a genuinely different idea, not the advantage turned round.
- **Democratic (0450/12/O/N/22 Q3, 0450/21/M/J/22 Q4, 0450/11/M/J/21 Q3):** for, the staff who do the work spot problems the leader can't see, and people who helped shape a decision are more willing to carry it out and to stay; against, gathering and weighing views delays the decision, and staff may lack the wider information to give useful views.

- **Autocratic (0450/12/F/M/23 Q3)**: for, quick decisions **because only one person has to agree**, clear instructions, firm control; against, staff ideas unused, low morale, more staff leave. Say *why* it is quick, and what the quickness helps with.

7. Judge or recommend a leadership style (4 questions)

Paper 1 (e), 6 marks (0450/12/O/N/24 Q4, 0450/13/M/J/21 Q4, 0450/12/F/M/21 Q4), general, no application:

1. **One point on each side (k)**, each with a consequence (an). Two sides are needed for the eval marks.
2. **Decision plus a reason that weighs the two points against each other (eval × 2)**. The second eval mark should add a new reason, not repeat the first. Don't use delegation points for democratic leadership.

Paper 2 (b), 12 marks (0450/23/O/N/23 Q1): discuss **all three styles**, each tied to the case (how skilled the staff are, how many, what the work is), then recommend one and say why each of the others fits the case worse.

8. Roles and responsibilities of each level in the hierarchy (3 questions)

Use the table in "Understand it" and give the **responsibility**, not the position on the chart ("reports to the directors" earns nothing).

- **Supervisors (0450/12/F/M/23 Q3)**: allocating each day's work to the team, making sure it meets the required standard, sorting out problems as they arise. "Supervising" repeats the question.
- **Directors (0450/13/M/J/22 Q4)**: deciding what the whole business aims for, approving major investments, reporting to shareholders.
- **One responsibility each for directors, managers, supervisors and production employees (0450/23/M/J/23 Q3)**, each explained in the case.

9. Benefits and drawbacks of trade union membership (3 questions)

1. **Benefit to the employee (k)**: any from the list in "Understand it": safety, representation, advice, job security, pay, extras.
2. **Explain how** it helps the employee, and use the case (low pay, poor conditions, number of workers).
3. **Drawbacks**: the membership fee; following majority decisions, such as a strike, with lost pay.

Asked as one advantage and one disadvantage (Paper 1, 2 marks, **0450/12/O/N/24 Q4**), two benefits explained (Paper 2, 8 marks, **0450/21/O/N/23 Q4**) or four benefits (**0450/22/O/N/22 Q4**). Benefits must be to **employees**, not the employer.

Worked examples

The bold codes show where marks are earned, as in Cambridge mark schemes. The number is how many marks.

- **B1** mark for a correct result on its own, with no method needed.
-

Example 1

Kestrel Couriers delivers parcels. Its Managing Director has two managers reporting to her: an Operations Manager and a Finance Manager. The Operations Manager is in charge of 4 depot supervisors, and each supervisor is in charge of 9 drivers. The Finance Manager is in charge of 3 clerks.

- (a) State the span of control of the Operations Manager. **[1]**
- (b) How many levels of hierarchy does Kestrel Couriers have? **[1]**
- (c) Define "chain of command". **[2]**
- (d) Identify two responsibilities of a depot supervisor. **[2]**
- (a)** 4 (the four depot supervisors). **B1**
- (b)** 4 levels: Managing Director; managers; depot supervisors and clerks; drivers. **B1** (The clerks are on the third level because they report to a manager.)
- (c)** The route by which authority and instructions pass down (1) from the top of the hierarchy, level by level, to the employees at the bottom (1).
- (d)** Giving each driver their deliveries for the day (1). Checking that parcels are delivered on time and dealing with problems on the route (1).

The business employs $1 + 2 + 4 + 4 \times 9 + 3 = 46$ people, 36 of them drivers.

Example 2

Fernleaf Dental is a dental practice owned by Nadia. It has 3 dentists and 6 nurses. Nadia is a dentist herself, and she also orders all the supplies and writes the staff rota every week. She plans to delegate the ordering and the rota to Amal, her most experienced nurse.

Explain one advantage and one disadvantage to Nadia of delegating these tasks. **[6]**

Advantage. Nadia's workload falls (k). The hours she now spends on ordering and the rota can be spent treating patients (app), so she can see more patients each week and the practice earns more from her skills (an).

Disadvantage. Nadia loses some control over the tasks (k). If Amal orders the wrong materials or too few, a dentist may have to cancel appointments (app), which annoys patients and loses revenue, and Nadia is still accountable for the mistake (an).

Each part earns $k + \text{app} + \text{an}$. "Amal may need training before she can do the ordering" would be another good disadvantage.

Example 3

Do you think laissez-faire is the most suitable leadership style for a business whose employees are all highly skilled? Justify your answer. [6]

Laissez-faire lets employees make their own decisions within broad aims (k). Skilled people know their work better than anyone above them, so they can choose the best way to do it and don't wait for approval, which keeps work moving (an).

However, with little direction from the leader, the work of different people may not fit together (k). Two skilled designers could each spend weeks on different versions of the same product, which wastes money (an).

Laissez-faire is the most suitable, because highly skilled employees are usually hard to replace and are the ones most likely to leave if closely managed (eval). The risk of poor coordination can be handled by setting clear aims and deadlines at the start, which costs the leader little time (eval).

The two **eval** marks need a decision and reasons that weigh the two sides. The first reason (keeping skilled staff) is new, not a repeat of the analysis; the second answers the disadvantage. Arguing that democratic leadership is better, because the leader still coordinates while using staff expertise, would also score if justified.

Example 4

Kai is opening Summit Climbing Centre, an indoor climbing gym. He will employ 4 qualified climbing instructors, each with over 5 years' experience, and 10 part-time staff for the reception and café, aged 16–19, none of whom has had a job before. Every visitor must be given a safety briefing and harnesses must be checked before every climb.

Consider three leadership styles Kai could use: autocratic, democratic and laissez-faire. Which style should Kai use? Justify your answer. [12]

Autocratic. Kai would decide everything and tell staff what to do. This suits the 10 new part-time staff, who have never worked before and need clear instructions, and the safety rules, which must be followed exactly every time. But the 4 instructors know more about climbing than anyone; being told how to run their sessions would waste their knowledge, and experienced instructors are hard to find, so any who leave are costly to replace.

Democratic. Kai would ask staff for their views before deciding. The instructors could suggest which routes and classes attract beginners, so his decisions would be better informed, and feeling listened to makes them more likely to stay. It is slower, but a new business has time to discuss most decisions. The teenage staff have

little experience to offer at first, so Kai would still need to give them clear routines.

Laissez-faire. Kai would set broad aims and let staff decide how to meet them. The instructors might enjoy the freedom and invent new classes. But the 10 new staff would not know what to do, and nobody would make sure every harness is checked, a risk that could injure a visitor and close the business.

Recommendation. Kai should use a democratic style. His most valuable and hardest-to-replace staff are the instructors, and involving them is the best way to keep them and use their knowledge. Laissez-faire is rejected because it leaves safety to chance with inexperienced staff. Autocratic is rejected because the safety rules can be fixed as non-negotiable procedures without making every other decision alone, so its main advantage does not need the whole style.

This discusses all three styles **in context** (the 4 instructors, the 10 new staff, the safety checks) and says **why each other style was rejected**: Level 3 (9–12). Recommending autocratic leadership, because safety and inexperienced staff come first, could also reach Level 3 if justified from the case.

Common mistakes

- **Confusing democratic leadership with delegation.** Examiners report this almost every year. Democratic means asking for views before the leader decides; delegation means handing a task and the authority for it to someone.
- **Saying democratic leadership means the owner loses control.** The leader still makes the final decision.
- **Explanations that could be any style.** "The manager lets workers have a say" could be democratic or laissez-faire. State who makes the final decision.
- **Mixing up span of control and chain of command.** Span is how many people report to one person (a number across); chain is the route from top to bottom (a line down).
- **Vague words.** Write "wide" or "narrow" span, not "high" or "big". Write "quicker" or "less distorted" communication, not "easier" or "better".
- **Leaving out authority when defining delegation.** "The manager gives an employee a task" is only half the definition.
- **Defining organisational structure as just the levels.** It also shows how responsibilities are divided.
- **Answering from the wrong point of view.** An advantage "to the owner" of delegating is not the employees' benefit. Say who gains: "reduces the owner's workload".
- **Describing the chart instead of the job.** "Supervisors report to managers" is not a responsibility; "supervisors check the work is done correctly" is.
- **An explanation that belongs to a different function,** for example describing checking results under "planning". And motivating is a role, not one of the five functions.
- **Saying autocratic leadership is "quicker" without saying why** (one person decides, no consultation) or what it helps (reacting fast to a problem).
- **Confusing a trade union with a pressure group,** or giving benefits to the employer when the question asks about employees.

- **Mirror arguments.** "Democratic gives more ideas; autocratic gives fewer ideas" is one point, not two.

How to get the marks

- **Define:** one sentence containing both ideas (for span of control, "number of subordinates" **and** "directly under one manager").
- **Identify / State:** short, different answers; only the first two (or four) are marked. For functions, use the five exact words.
- **Outline** (4 marks): a correct point + a detail from the case that makes sense with it.
- **Explain** (Paper 1, 6 marks): point, case detail and consequence for each. Analysis is a consequence: "so...", "which means...".
- **Paper 2 (a)** (8 marks): each point needs a chain of three developments, at least one tied to the case. Don't add a third point; develop the two you have.
- **Paper 1 (e)** (6 marks): general, so no marks for the case. One developed point for, one against, then a decision with reasons that compare them.
- **Paper 2 (b)** (12 marks): discuss **every** option in the case, recommend one and say **why each other option was rejected**. Either choice can reach the top level if the reasons come from the case.
- **Read the question's direction:** "effects" can be good or bad; "drawbacks of a tall structure" wants only problems; "to employees" means the workers' view.

Quick check

1. A business has a Managing Director, 3 managers reporting to her, 5 supervisors reporting to each manager, and 8 workers reporting to each supervisor. (a) What is each manager's span of control? (b) How many levels of hierarchy are there? (c) How many people work for the business in total?
2. Define "delegation".
3. Name the function of management in each case: (a) a campsite manager sets a target of 85% of pitches booked next summer; (b) she makes sure the cleaning team has finished the shower blocks before the booking office lets new campers in; (c) in August she finds only 78% were booked and looks for the reason.
4. Name the leadership style: (a) a garage owner writes the new price list alone and hands it to the mechanics; (b) a team leader asks her programmers to vote on two designs, then makes the final choice after reading their reasons; (c) a studio director tells her artists the deadline and budget and leaves them to plan the work.
5. A factory worker earns \$30 000 a year and pays a trade union fee of \$12 a month. The union negotiates a 2.5% pay rise. How much better off is she over the year, after the fee? State one drawback of membership other than the fee.

Answers

1. (a) 5. (b) 4 levels: Managing Director, managers, supervisors, workers. (c) Supervisors = $3 \times 5 = 15$; workers = $15 \times 8 = 120$; total = $1 + 3 + 15 + 120 = 139$.
2. A manager giving a subordinate the authority to carry out a task (the manager stays accountable for the result).
3. (a) Planning. (b) Coordinating. (c) Controlling.
4. (a) Autocratic. (b) Democratic: the staff are consulted, but the leader decides. (c) Laissez-faire.
5. Pay rise = $2.5\% \times 30\,000 = 750$; fee = $12 \times 12 = 144$; better off by $750 - 144 = 606$, so **\$606**. A drawback: she must follow the majority's decision, for example to strike, and would lose pay during a strike.

Past questions to try

- 0450/21/M/J/24 Q1: part (a), two drawbacks of a tall organisational structure.
- 0450/21/M/J/23 Q2: part (a), two advantages and two disadvantages of delegation.
- 0450/23/O/N/23 Q1: part (b), choosing among three leadership styles for a new business.
- 0450/21/O/N/23 Q4: part (a), two benefits to employees of joining a trade union.