4.10 Organisational Change: Delayering, Centralisation and Decentralisation: 10-minute Pack

Total Marks

AQA 8132 · Calculators not allowed · about 10 minutes

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Show working where requested. Use the Elm & Oak Bakers scenario in Q1 and the repeated figures in later prompts where shown. Write full sentences for the 9-mark recommendation question (Q14).

1 Elm & Oak Bakers, a fictional regional bakery chain in the UK, has grown from 6 to 25 shops in three years. The business currently has six management layers between the owner, Amelia, and shop floor supervisors. Elm & Oak is considering delayering to remove two middle layers to reduce costs and widen spans of control. It is also deciding whether to centralise decision-making at head office or decentralise decisions to area managers. Name the business and state the two structural changes Elm & Oak is considering.

(Total for Question 1 is 2 marks)

2 Identify two potential benefits to Elm & Oak Bakers of removing two middle management layers (delayering).

(Total for Question 2 is 2 marks)

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3 Explain one reason why removing middle managers at Elm & Oak Bakers might speed up decision-making. Use the scenario in your answer.

(Total for Question 3 is 3 marks)

4 State two ways in which decentralisation could improve Elm & Oak Bakers ability to respond to local customer tastes across different regions.

(Total for Question 4 is 2 marks)

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Mark scheme · 4.10 Organisational Change: Delayering, Centralisation and Decentralisation: 10-minute Pack

Question 1

identifies the business as Elm & Oak Bakers	**B1**
identifies delayering and centralisation/decentralisation as the two changes	**B1**

Answer: Elm & Oak Bakers; delayering and the choice between centralisation and decentralisation.

Question 2

lower wage costs from having fewer managers	**B1**
faster communication between Amelia/head office and shop floor staff	**B1**

Answer: Any two, e.g. lower wage costs from fewer managers; faster communication between head office and shop floor.

Question 3

identifies reason, e.g. fewer management layers to pass information through	**B1**
develops point, e.g. messages and approvals go directly between head office and supervisors without middle managers	**B1**
links to scenario outcome, e.g. decisions about stock or promotions can be implemented more quickly across 25 shops	**B1**

Answer: With fewer management layers, information and approvals move more directly between head office and shop supervisors, so decisions about stock or promotions can be implemented more quickly across the 25 shops.

Question 4

local managers can adapt product range to suit regional tastes	**B1**
local managers can run tailored promotions that match local demand patterns	**B1**

Answer: Allowing local managers to adapt the product range to regional tastes; running tailored local promotions to match local demand.

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