4.10 Organisational Change: Delayering, Centralisation and Decentralisation: 30-minute Pack

AQA 8132 · Calculators not allowed · about 30 minutes

Total Marks

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 Which one of the following best describes 'delayering' in the context of Elm & Oak Bakers' proposed changes?

- ☐ A) Removing one or more levels of management to reduce costs and widen spans of control
- ☐ B) Creating more managerial layers so each manager supervises fewer employees
- ☐ C) Moving all decision-making to each individual shop
- ☐ D) Replacing managers with temporary contractors

(Total for Question 1 is 1 mark)

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2 Identify two disadvantages Elm & Oak Bakers might face after delayering and widening spans of control.

(Total for Question 2 is 2 marks)

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3 Which one of the following is a likely advantage of centralisation for a business such as Elm & Oak Bakers?

- ☐ A) Faster local decision-making in individual shops
- ☐ B) Lower costs through bulk buying and standard policies
- ☐ C) Greater autonomy for area managers
- ☐ D) Increased variety of products between shops

(Total for Question 3 is 1 mark)

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4 Identify one feature Elm & Oak Bakers would change if it removed two management layers, referring to how supervisors or area managers would be affected.

(Total for Question 4 is 1 mark)

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5 Which one of the following is a possible drawback of delayering for staff morale at Elm & Oak Bakers?

- ☐ A) More promotion opportunities
- ☐ B) Increased job security for middle managers
- ☐ C) Reduced career progression and motivation
- ☐ D) Improved individual attention from managers

(Total for Question 5 is 1 mark)

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6 Identify two tasks that might be delegated to area managers if Elm & Oak Bakers decides to decentralise, using the scenario context of 25 shops.

(Total for Question 6 is 2 marks)

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7 Identify which structure, centralised or decentralised, is more likely to keep product quality identical across all Elm & Oak Bakers shops.

- ☐ A) Centralised
- ☐ B) Decentralised

(Total for Question 7 is 1 mark)

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8 Explain one advantage of Elm & Oak Bakers centralising decision-making at head office for product standardisation across the 25 shops. Use the scenario in your answer.

(Total for Question 8 is 4 marks)

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9 Explain one disadvantage for Elm & Oak Bakers of decentralising decision-making to area managers for local pricing and promotions. Use the scenario in your answer.

(Total for Question 9 is 3 marks)

10 Elm & Oak Bakers needs to decide whether to remove two middle management layers and to what extent it should centralise decision-making versus decentralise to area managers. Recommend whether Elm & Oak Bakers should delayer and whether it should centralise or decentralise decision-making. Justify your answer using the scenario and consider costs, communication speed and local responsiveness. Write your answer in full sentences.

(Total for Question 10 is 9 marks)

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Mark scheme · 4.10 Organisational Change: Delayering, Centralisation and Decentralisation: 30-minute Pack

Question 1

A cao **B1**

Answer: A

Question 2

remaining managers may become overstretched with larger spans of control **B1**

loss of promotion routes may reduce staff motivation or increase turnover **B1**

Answer: Any two, e.g. managers overstretched with more direct reports; fewer promotion opportunities reducing motivation.

Question 3

B cao **B1**

Answer: B

Question 4

identifies wider span of control for remaining managers or supervisors **B1**

Answer: A wider span of control for remaining managers or supervisors, who would supervise more shop staff directly.

Question 5

C cao **B1**

Answer: C

Question 6

setting local prices or running local promotions **B1**

hiring and rostering shop staff for their area **B1**

Answer: Any two, e.g. setting local prices and promotions; hiring or rostering shop staff in their area.

Question 7

A cao **B1**

Answer: A

Question 8

identifies advantage, e.g. consistent product recipes and quality across all shops **B1**

develops point, e.g. head office sets and enforces standard recipes and presentation that all 25 shops must follow **B1**

links to outcome, e.g. customers get the same product in any shop, protecting brand reputation **B1**

applies to the scenario, e.g. as Elm & Oak expands regionally this helps build a reliable brand image **B1**

Answer: Centralisation allows head office to ensure consistent recipes and quality across all 25 shops, so customers experience the same products everywhere, protecting Elm & Oak Bakers' brand as it expands regionally.

Question 9

identifies a disadvantage, e.g. inconsistent pricing and promotions between shops **B1**

develops the point, e.g. different area managers may set different prices or run different offers **B1**

links to outcome, e.g. customers could be confused or view the brand as unfair, damaging reputation and sales **B1**

Answer: Decentralisation may lead to inconsistent pricing and promotions because area managers could set different prices or offers, which can confuse customers and damage Elm & Oak Bakers' reputation and sales.

Question 10

Level 1 Makes simple, undeveloped comments about delayering or centralisation/decentralisation with little or no use of the pack figures and no clear recommendation. **1-3**

Level 2 Gives a developed argument for or against delayering and for centralisation or decentralisation, using some scenario detail, but does not fully weigh both sides or give a clear justified conclusion. **4-6**

Level 3 Weighs advantages and disadvantages of delayering and of centralisation versus decentralisation, using the scenario to analyse costs, communication speed and local responsiveness, and reaches a clear, justified recommendation. **7-9**

Indicative content:

- Arguments for delayering: reduced wage costs from fewer managers, faster communication and decision-making with fewer layers, and simpler management structure as the chain between Amelia and supervisors shortens.
- Arguments against delayering: remaining managers may be overstretched with larger spans of control, potential loss of promotion pathways reducing staff motivation, and possible short-term disruption and redundancy costs when removing layers.
- Arguments for centralisation: consistent recipes, quality and pricing across all 25 shops, lower costs through bulk buying and standard policies, and easier control for the owner as the chain of command is concentrated.
- Arguments for decentralisation: area managers can respond quickly to local customer tastes and run local promotions, improving sales in different regions and giving faster local decision-making.
- Balanced judgement: a mixed approach could be recommended, for example delayering to remove unnecessary bureaucracy while keeping strategic control centralised for brand and cost decisions, but decentralising operational choices such as local promotions, staffing and small product variations to area managers to preserve local responsiveness. A justified recommendation should weigh the cost savings and faster communication against the risk of overstretching managers and the need to maintain product standards.

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