

Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11_01) 'Evaluate...'

Case-study:

Extract E

The *Tata Group*

Founded in India by Jamsetji Tata in 1868, the *Tata Group* comprises of over 100 different businesses including *Tata Steel*, *Tata Motors*, *Tata Power* and *Tata Chemicals*. In 2017 the revenue of the *Tata Group* was over \$100bn. It employed over 695,000 people.

In all of its businesses the *Tata Group* seeks to differentiate itself through customer service, innovation, entrepreneurship, and trustworthiness. At the same time it balances the interests of all its stakeholders.

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Extract F

New organisational structure announced at *Tata Motors*

In 2017 *Tata Motors* announced a new organisational structure for its vehicle business following quality problems and a fall in its Indian market share from 16% to 5%. *Tata Motors* announced a new flat organisational structure, which removed layers of middle management.

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New managing director Guenter Butschek set a three-year target to increase market share and become one of the leading car manufacturers in India. The structure aimed to empower managers in the business to speed up the decision-making process, encourage innovation from its workers and improve customer satisfaction.

Guenter Butschek told staff he was aware that the flat organisational structure could create some uncertainty, but it was needed in order to be successful in the competitive motor industry. He said 'the new structure will drive fundamental changes in the way the company operates and help accelerate the urgently needed changes if we are going to be successful and meet our targets'.

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Mark scheme:

Question	Indicative content
3	<p data-bbox="325 470 759 501">Indicative content guidance</p> <p data-bbox="325 519 1492 645">Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited</p> <p data-bbox="325 663 1334 694">Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul data-bbox="379 716 1492 1877" style="list-style-type: none"> <li data-bbox="379 716 1334 779">• An organisation structure shows the roles, responsibilities and hierarchy of staff in an organisation. <li data-bbox="379 779 1334 878">• Flat organisations have fewer levels of hierarchy, and lines of communication are shorter when compared to a tall organisation structure. <li data-bbox="379 878 1492 976">• An advantage of a flat structure is reduced labour costs. Removing layers of middle management may enable <i>Tata</i> to be more competitive in the car market. <li data-bbox="379 976 1492 1128">• Butschek's aim is to make decision making faster and improve customer satisfaction. Reducing the number of layers in the organisation will shorten the chain of command and allow ideas and instructions to be communicated quickly, to enable <i>Tata</i> to be more responsive to customer needs. <li data-bbox="379 1128 1492 1227">• The flatter structure, and a wider span of control, may benefit those workers who seek more responsibility and empowerment. This may lead to higher levels of motivation and productivity at <i>Tata</i>. <li data-bbox="379 1227 1492 1352">• However, removing a layer from the hierarchy may create skills shortages within the business and <i>Tata</i> may lose managers with valuable experience in the motor industry and reduce competitive advantage. <li data-bbox="379 1352 1492 1478">• Butschek told staff the new organisation structure is likely to create some uncertainty. Delaying can have a negative impact on motivation due to job losses. Remaining workers may seek other employment and <i>Tata</i> may lose more of its skilled workers. <li data-bbox="379 1478 1492 1576">• Managers remaining will have a wider span of control which, if it is too wide, can damage communication within the business, and makes it difficult for some employees to focus and specialise at their jobs. <li data-bbox="379 1576 1492 1675">• A period of disruption may occur as people take on new responsibilities and fulfil new roles which may have a negative effect on <i>Tata</i> and their goal to increase market share within 3 years. <li data-bbox="379 1675 1492 1800">• In a flat organisational structure, there is less chance for workers to be promoted. This will affect the motivation of current ambitious staff and also potentially reduce job applications of external recruits which may restrict innovation within <i>Tata Motors</i>. <li data-bbox="379 1800 1492 1877">• Other factors may be more important than increasing efficiency such as the leadership style used, good after sales service and skills of the workers.

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Mark scheme (continued):

		<ul style="list-style-type: none"> Overall, it depends on why they have lost market share. If the costs of producing the cars are excessive than <i>Tata</i> should delay to be competitive in the market. The new structure should be introduced carefully to ensure a smooth transition and prevent key skills/personnel being lost to competitors.
Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	<p>Isolated elements of knowledge and understanding.</p> <p>Weak or no relevant application of business examples.</p> <p>An argument may be attempted, but will be generic and fail to connect causes and/or consequences.</p>
Level 2	5–8	<p>Elements of knowledge and understanding, which are applied to the business example.</p> <p>Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question.</p> <p>A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.</p>
Level 3	9–14	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question.</p> <p>Arguments are well developed.</p> <p>Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.</p>
Level 4	15–20	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s).</p> <p>Arguments are fully developed.</p> <p>Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.</p>

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Exemplar:

- 3 Evaluate whether the change in the organisational structure at Tata Motors is likely to lead to an increase in its efficiency.

(20)

An organisational structure of a business is the way the business is structured in terms of hierarchy.

Tata Motors' new organisational structure is ~~unlikely~~ likely to lead to an increase in its efficiency as there are less layers to the structure. Since the new organisational structure is flat, the chain of command is shorter. There are now less layers of hierarchy since the middle management layers were removed. This would positively impact the efficiency of Tata Motors as ~~there would be less layer~~ information would be passed ~~down the~~ through the organisation much faster. There would be less interruptions, and messages passed are less likely to be distorted. The company's efficiency is thus improved as ~~information is more~~ communication is improved.

Furthermore, ~~however~~ Tata Motors' new organisational structure is ~~unlikely~~ likely to lead to an increase in its efficiency as work can be delegated more effectively. Since the company ~~is~~ has a tall organisational structure ~~now~~, managers now have a wider span of control. They now have more employees working under them. Their work can now be delegated more effectively, thus increasing Tata Motors' efficiency.

However, Tata Motors' new organisational structure is unlikely to lead to an increase in its efficiency as employees may be less motivated. Since the new organisational structure is flat, managers have a wider span of control. With more employees

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Exemplar (continued):

Working under one manager, the manager may not be able to provide the same amount of attention as before to all the employees working underneath him or her. Employees might thus feel ~~that~~ a loss of sense of belonging as they are less likely to have a closer connection to the manager, thus being less efficient as they are less motivated.

Furthermore, Tata ~~Motor's~~ ^{new} organizational structure is unlikely to lead to an increase in efficiency as there may be more competition between employees. Since Tata Motors' ~~has~~ managers have a wider span of control, more employees are now working under a manager. Employees would have more competition now to be ~~promoted~~ ^{promoted} since more employees are in competition now too. This would ~~be~~ therefore create an unhealthy, competitive work environment, which may ^{not} lead to more efficiency.

In conclusion, the change in organizational structure will ~~lead~~ to an increase in efficiency as it has an overall advantage, that there is a new dynamic to the business that may help generate better more efficient ideas for the business.

Enter your level in the poll