

# IB Trimester Assessment Worksheet

## Choosing structures for multinationals: function, region, product & matrix

<b>Time allowed</b>	60 minutes
<b>Total marks</b>	50
<b>Materials</b>	No calculator required.
<b>Instructions</b>	Answer all questions. Show working for calculations. Use business terminology and apply answers to the scenario where given.

### Command terms quick guide

**Define:** give the meaning of a term. **Explain:** give detailed reasons using business theory. **Analyse:** break down and show relationships / impacts. **Discuss/Evaluate:** present balanced arguments and reach a justified conclusion.

## Section A: Multiple choice

Circle the correct option. (10 marks)

Q	A	B	C	D	Answer
1	Country/region	Product/brand	Business function (e.g., marketing)	Project only	_____
2	Customer needs are identical worldwide	Products must be adapted to local markets	The firm is very small	The firm wants no local autonomy	_____
3	Focusing teams on a product's customer needs	Eliminating all duplication	Always reducing costs	Preventing innovation	_____
4	Lack of specialist skills	Departments compete for resources and coordination is harder	No career paths exist	No bureaucracy can occur	_____
5	Avoid any conflict	Improve coordination across regions and products	Centralize all decisions	Remove all departments	_____
6	Fewer decisions are made locally	Local staff may understand customer needs better	It always reduces prices	It eliminates training needs	_____
7	Purchasing economies of scale	Longer communication chains	More middle managers	Lower quality standards	_____
8	Strictly regional with no cross-links	Matrix with cross-functional product teams	Informal structure in every country	Very tall centralized hierarchy	_____
9	No specialist knowledge	Two-boss problem and conflict	No need for communication	No accountability	_____
10	Slow, formal approval routes	Fast responses via empowered teams	More hierarchy levels	Less customer focus	_____

## Section B: Short answer

B1. Define the term **decentralization**. [2]

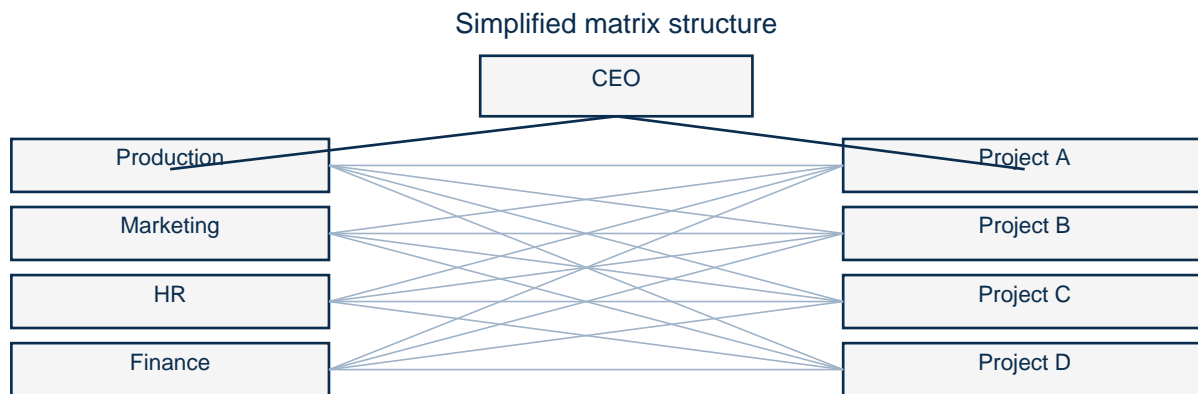
B2. Explain **one** benefit and **one** drawback that a large organization might gain from decentralization. [4]

B3. Explain **two** disadvantages to a business of operating a regional organizational structure. [4]

B4. Explain **two** differences between a functional organizational structure and a product-based structure. [4]

## Reference diagram

A simplified matrix diagram is shown below to support your thinking.



## Section C: Data response (case study)

### Case: GlobeFoods

GlobeFoods sells healthy plant-based snacks in 12 countries. It is currently organized by region (Americas, Europe, Middle East/Africa, Asia-Pacific). Regional directors have significant autonomy because tastes and regulations differ across markets. Recently, competitors have launched new products faster, and customers expect rapid responses to feedback posted on social media. GlobeFoods also has a new sustainability target: reduce packaging waste globally while keeping costs under control.

Senior managers are considering adding global product teams (e.g., 'Protein bars', 'Kids snacks') that would work across all regions. This would create a matrix structure combining regional accountability with product innovation teams.

C1. Define the term **functional organizational structure**. [2]

C2. Analyse **one** benefit to GlobeFoods of adding global product teams while keeping regional directors. [6]

C3. Explain **two** coordination challenges that GlobeFoods may face if it adopts a matrix structure. [4]

C4. Recommend the most appropriate organizational structure for GlobeFoods (regional, product-based, or matrix). Justify your recommendation using the external pressures described. [4]

## Section D: Extended response

D1. Evaluate the claim: *“Decentralization is the best way to improve employee motivation and ethical performance.”* [10]

*Consider delegation, control systems, culture, and how structures can support ethical and sustainable behaviour.*

## Answer key and marking guidance

Indicative answers are provided. Accept any other valid points that are clearly explained.

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### Section A (10 marks)

- Q1: C
- Q2: B
- Q3: A
- Q4: B
- Q5: B
- Q6: B
- Q7: A
- Q8: B
- Q9: B
- Q10: B

### Section B (14 marks)

**B1** (2) Decentralization: decision-making authority is pushed down the hierarchy to branches/departments/divisions rather than kept at the centre.

**B2** (4) Benefit: faster local decisions, higher motivation, develops managers, better customer fit. Drawback: inconsistent decisions, harder control, requires strong communication/training, risk to brand/compliance. 2 marks per side (point + explanation).

**B3** (4) Any two: duplication of roles across regions; difficult to coordinate global strategy/brand; regional rivalry over resources; slower transfer of best practice; higher costs. 2 marks per explained disadvantage.

**B4** (4) Differences: functional groups by activities (marketing/finance) vs product groups by brands/lines; functional promotes specialization but coordination across products can be harder; product structure focuses on product customer needs but may duplicate functions. 2 marks per explained difference.

### Section C (16 marks)

**C1** (2) Functional structure: organization arranged by major functions (e.g., marketing, operations, finance, HR) with specialists in each area.

**C2** (6) Benefit: global product teams can speed innovation and share knowledge across regions, creating consistent sustainability solutions (e.g., packaging) while regions still adapt to local rules/tastes; can reduce duplicated R&D; and improve responsiveness to social feedback. Marking: 1-2 knowledge, 1-2 application to GlobeFoods, 2 analysis.

**C3** (4) Any two: two-boss problem/divided loyalties; conflict over priorities/resources; unclear accountability; higher admin costs; slower decisions if conflicts escalate. 2 marks per explained challenge.

**C4** (4) Good recommendation links to external pressures: fast innovation + social media responsiveness + global sustainability target. Matrix is often justified, but answers may argue for product-based (speed/innovation) or regional (local adaptation) if well supported. Award 2 marks justified choice + 2 marks case-linked reasoning.

### Section D (10 marks)

**D1** (10) Evaluation should recognize decentralization can improve motivation (empowerment, recognition) and ethical behaviour (local ownership, quicker fixes). However, ethics also needs control systems, culture, training, and clear accountability; decentralization can create inconsistency or 'local shortcuts' if targets push the wrong behaviour. High marks: balanced argument, links to ethical HR and sustainability, and a justified conclusion (e.g., decentralize with strong values, reporting and audit).