

IB Trimester Assessment Worksheet

Delaying and responding to external change

Time allowed	60 minutes
Total marks	50
Materials	No calculator required.
Instructions	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	Passing down authority	Reducing levels of hierarchy	Increasing bureaucracy	Creating cross-functional teams	_____
2	Higher wage costs	Shorter chain of command	More middle managers	Narrower spans of control	_____
3	Improved succession planning	Loss of knowledge and future leaders	More promotion opportunities	More layers of control	_____
4	Stable demand and little competition	Rapid technological change	High job security and low turnover	Standardized products and stable prices	_____
5	Increase motivation	Reduce costs via uniform decisions/bulk buying	Create more project teams	Lengthen decision routes	_____
6	Removes levels of hierarchy	Passes authority down without necessarily removing layers	Is only used in tall structures	Always reduces training costs	_____
7	Less supervision	Closer supervision	No hierarchy	Only horizontal communication	_____
8	Hiring more managers	Identifying and using an organization's knowledge resources	Reducing product quality checks	Outsourcing all activities	_____
9	Many layers of authority	Wide spans of control	A longer chain of command	More bureaucracy by definition	_____
10	Low-skilled workforce	Need for rapid local customer responses using data	Crisis requiring rapid senior decisions	Strict uniform branding with no local variation	_____

Section B: Short answer

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

B2. Define the term **levels of hierarchy**. [2]

B3. Explain **two** disadvantages of delaying for employees and/or the organization. [4]

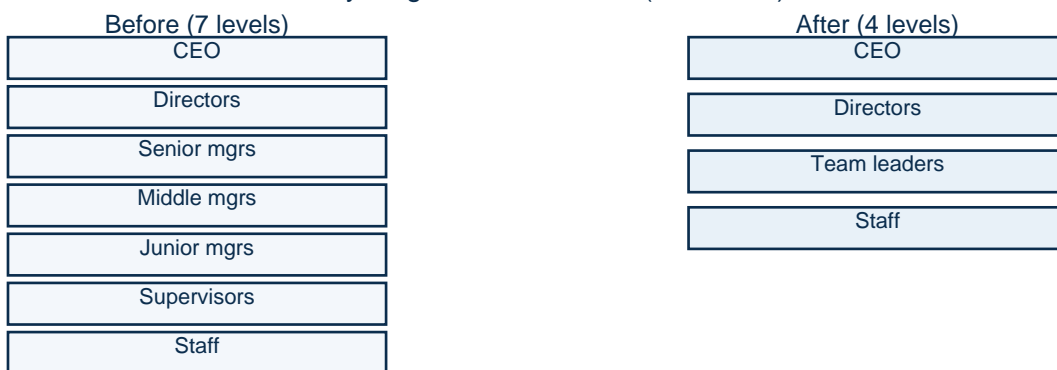
B4. Explain **two** external factors that might make an existing organizational structure less appropriate over time. [4]

B5. Explain **one** difference between delaying and delegation (or decentralization). [2]

Reference diagram

Use the illustration below to support your thinking in Section C.

Delaying: before and after (illustrative)



Section C: Data response (case study)

Case: Helios Homewares

Helios Homewares makes small kitchen appliances. It has a loyal workforce, but profits have fallen as competitors sell similar products at lower prices. To reduce costs and speed up communication, Helios plans to reduce the number of hierarchy levels from 7 to 4. Many middle managers will become redundant.

Management information: middle management wage cost = \$1.8 million per year. Product defects have

recently increased, and Helios relies on experienced supervisors to coach new employees. The HR manager is concerned about motivation, fairness and the loss of 'how we do things here' knowledge.

C1. Helios is reducing hierarchy from 7 levels to 4 levels. Calculate the percentage reduction in levels of hierarchy and explain one likely impact on communication. [4]

C2. Analyse **one** advantage and **one** disadvantage to Helios of delaying. [6]

C3. Helios wants to protect knowledge management and succession planning. Propose **two** practical measures the firm could use. [4]

C4. Suggest **one** way Helios could manage redundancies ethically to protect employee performance. [2]

Section D: Extended response

D1. Evaluate whether, during an economic downturn, businesses should centralize decision-making. **[10]**

Consider cost control, speed of decisions, local customer needs, motivation, and risk.

Answer key and marking guidance

Award marks for clear explanation and application to the case.

Section A (10 marks)

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

Section B (14 marks)

B1 (2) Delaying: reducing the number of hierarchy levels in an organization (often by removing a layer of management).

B2 (2) Levels of hierarchy: the number of layers of authority between the top and bottom of the organization.

B3 (4) Any two explained: job losses reduce security and motivation; wider spans can reduce control; loss of knowledge/mentoring; fewer promotion pathways; stress for managers. 2 marks per explained disadvantage.

B4 (4) Any two explained: changes in technology (data, social media expectations), competition (new entrants/price pressure), economic changes (boom/recession), labour market (skills shortages), regulation. 2 marks per explained factor.

B5 (2) Delaying removes hierarchy levels; delegation/decentralization passes authority down (may happen with or without removing layers). 2 marks for clear distinction.

Section C (16 marks)

C1 (4) Reduction = $(7-4)/7 = 3/7 \approx 42.9\%$ (accept 43%). Impact: shorter chain of command improves speed/clarity, reduces distortion; but may overload remaining managers if spans widen. 2 marks calculation + 2 marks explained impact.

C2 (6) Advantage: lower wage costs (e.g., saving part of \$1.8m); faster communication; more empowerment for junior staff. Disadvantage: redundancies damage morale; loss of coaching increases defects; knowledge and succession risks. Marking: 1-2 knowledge, 1-2 application to Helios, 2 marks analysis.

C3 (4) Any two: phased handovers; documented processes; mentoring/shadowing; communities of practice; retain key experts; training and leadership development for new team leaders; succession plans. 2 marks per practical measure.

C4 (2) Ethical HR actions: transparent criteria, consultation, fair redundancy pay, retraining/redeployment, wellbeing support. Award 2 for a clear, realistic suggestion linked to performance.

Section D (10 marks)

D1 (10) Evaluate centralization in downturn: Pros - cost control, consistent pricing/stock decisions, quicker top decisions, economies of scale. Cons - local managers may need flexibility to retain customers; motivation may fall; slower innovation; risk of poor decisions if head office lacks local information. High marks: balanced arguments, use of examples, and justified conclusion (e.g., selective centralization with clear limits).