

Unit 1 Extended Response Questions

Question 19 – 6 Marks

NCFE Level 1/2 Technical Award in Business and Enterprise: Unit 1			
First Name:		Surname:	

Question
<p>An insurance business has clients in the UK, Germany and France. Currently it has a tall structure with Regional Managers and Supervisors in all three countries.</p> <p>Discuss whether this business should change from a tall to a flat organisational structure. [6 Marks]</p>

Band 3 Learner Response
<p>This insurance business should change to a flat organisational structure as it would help to reduce costs. This means that less managers and supervisors would be needed at different levels and so they would pay out less wages. As they are paying out less in wages, this would lead to their profits increasing (if sales stayed the same) and they could invest this in employing more staff to answer calls from clients.</p> <p>However, a tall organisational structure can be good as managers and supervisors have a small span of control this means that communication is better as there is less people in each team compared to a flat organisational structure. As they are based in 3 different countries, this leads to better monitoring of staff, ensuring high standards of work when dealing with insurance clients.</p> <p>To conclude they should change to a flat organisational structure as the business could reduce costs by decreasing the number of managers they employ. This money could then be invested back into the business or employ extra sales staff to further increase the amount of insurance sold.</p>
Mark Scheme Commentary for Band 3 Allocation
<p>A wide range of relevant knowledge and understanding is shown of both structures, which is accurate and detailed.</p> <p>There is relevant subject specific terminology is used consistently throughout and there is clear relevance to the context of an insurance business.</p> <p>Analysis and evaluation is present and very effective, each point is developed to explain what it could cause for the business and the conclusions drawn are fully supported by judgements from within the answer.</p>

Band 2 Learner Response

This business should use a flat organisational structure as it would mean they would spend less money on wages by getting rid of managers and supervisors at different levels. This would increase their profits as they are spending less on paying wages to all these different managers.

But a tall organisational structure is also a good thing, managers can communicate easier as they work in teams so have a smaller span of control rather than lots of people all at the same level like in a flat organisational structure. This means that each manager can carefully monitor the staff in their team to make sure they are doing a good job.

To conclude they should become a flat organisational structure to save money and pay less wages so the business sells more insurance.

Mark Scheme Commentary for Band 2 Allocation

There is a range of relevant knowledge and understanding but lacks sufficient detail in places. Subject specific terminology is used, but not always consistently. For example “money” is used when the candidate means “costs”.

Application of knowledge and understanding is mostly appropriate, whilst there are no errors it sometimes lacks reference to the question. There is some analysis and evaluation but lacks appropriate development.

There is an attempt to draw a conclusion and support it with a judgements, but the final sentence is irrelevant.

Band 1 Learner Response

The business should use flat as it is cheaper because there are less people to pay wages to.

But tall is good as there are managers who can tell their teams what to do and watch them to make sure they are doing a good job.

Flat is better because it's cheaper.

Mark Scheme Commentary for Band 1 Allocation

There is a limited range of knowledge shown, but an attempt to link some points, they do lack detail.

There are few business terms used and there is little to link the answer to the question.

There is little attempt to say what these points would lead to and the conclusion lacks effectiveness as there is no real evidence used.