

2.2 Organisational Structure: Exam Practice Question



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Read the case study below and answer the questions that follow.

MITSUBISHI MOTORS REORGANISE STRUCTURE



Mitsubishi Motors (MMC), the Japanese carmaker that is 37 per cent owned by DaimlerChrysler, revealed significant changes to its senior and middle management structure at a shareholders' meeting. The changes reflected underlying tensions between the company's incoming German managers and established executives who found it difficult adjusting

to the new culture. The restructuring aimed to weed out managers whose more traditional mentality could delay the sweeping reforms under way under the new management. Other managers were to be offered early retirement. MMC's chief operating officer and president wanted to dispense with management at any level who remain locked into the 'length of service' mentality and acted ahead of the shareholders' meeting to weed them out.

Victoria Smaill, president, demonstrated her commitment to reform when she announced 60 senior staff advisers – who were of an advanced age and made a marginal contribution to the company despite generous remuneration – would be removed.

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Soon after she was made chief operation officer Emma Wong appointed a 'COO Team' comprising about 25 mainly non-Japanese executives from DaimlerChrysler. This team, drawn from different departments, was responsible for overseeing the implementation of the company's restructuring plan. Some long-standing members of MMC's middle and upper management resented the presence and power of the COO Team, all of whom were under 40 years old and who were controlling the strategic direction of the company. The tension between the COO Team and some of MMC's managers was described as stemming from Japanese managers with a 'job for life' attitude. This is not part of German management culture.

QUESTIONS: 25 MARKS, 45 MINUTES

1. Explain what is meant by:
 - a. Delaying
 - b. Bureaucracy

[4 marks]
2. Outline how cultural differences may impact on communication in Mitsubishi Motors Corporation (MMC).

[5 marks]
3. Analyse the possible benefits to MMC of reducing the chain of command through delaying.

[6 marks]
4. Discuss the possible consequences for the business of the new management structure described in the case study.

[10 marks]