

## 2.2B: Organisational Structure: Activity



IB Business Management: [IBBusinessManagement.com](http://IBBusinessManagement.com)

### 2.2 ORGANISATIONAL STRUCTURE: ACTIVITY B

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

#### TATA STEEL REORGANISES STRUCTURE



India's Tata Steel has reorganised its management structure to realise its corporate goal of becoming a leading player in the global steel industry. The company has formed a centralised body to create common strategies across the whole group, which has steelworks in the UK, Thailand and the Netherlands as well as India. The functions that will be centralised will be technology, finance, corporate strategy and corporate communications. Research and Development at the company will be based on a matrix organisational structure

to better initiate projects to develop totally new products, enhance existing products and improve products to better suit new and niche markets.

**2.2B: Organisational Structure: Activity**

**QUESTIONS: 25 MARKS, 46 MINUTES**

1. Define:
  - a. Centralisation
  - b. Matrix organisational structure

**[4 marks]**
2. Differentiate between centralisation and decentralisation.

**[5 marks]**
3. Evaluate whether Tata Steel's decision to centralise much of its operations is suitable for the company.

**[8 marks]**
4. Examine the likelihood of a matrix organisational structure being successful in the research and development functions of the steel firm.

**[8 marks]**