

2.2 Organisational Structure: Activity C



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

THE BODY BEAUTIFUL



Kate Kenna and Diana Brouwer founded The Body Beautiful just six short years ago. Growth has been rapid and phenomenal, exceeding all expectations. The company operates retail outlets, factories, research and development centres and consultancy services to fashion houses and film industries in continents as diverse as

Europe, Asia, America and Latin and South America. Africa will be the next target with retail outlets and cosmetic factories being opened in Egypt, South Africa and Nigeria in 2023.

The company has expanded its retail offerings, and by differentiating stores that under different brands they have been successful in targeting a range of different demographics – teens, men, working women. The Body Beautiful now employs over 5,900 employees.

Recently Kate and Diana have been working with a specialist management consultancy firm to develop implement a better organisation structure for their growing company. They have

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considered a wide variety of options in possible organisational structures and have considered a range of concepts including levels of hierarchies, chain of command and spans of control, centralisation versus decentralisation and the possibility of using more delegation to free up valuable management time and resources. The consultancy firm is asking the co-CEOs to consider a matrix structure as a possible option in the changes to the company's organisational structure.

QUESTIONS: 30 MARKS, 60 MINUTES

1. Define the following terms mentioned in the case study: **[8 marks]**
 - a. Delegation
 - b. Span of control
 - c. Levels of hierarchy
 - d. Chain of command

2. Differentiate between centralisation and decentralisation in organisational structures. **[6 marks]**

3. Explain the possible change to a matrix organisational structure. **[4 marks]**

4. Discuss different organisational charts The Body Beautiful could use to formally organise itself. **[12 marks]**