

Lesson 2: Strategic choices: tall vs flat, centralisation, delayering

3.4 journey

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Lesson 2 of 7

Learning goals

- ✓ Explain the difference between tall and flat structures
- ✓ Say how structure affects decisions and communication
- ✓ Explain centralisation and decentralisation
- ✓ Explain delayering and one effect it has

Key words

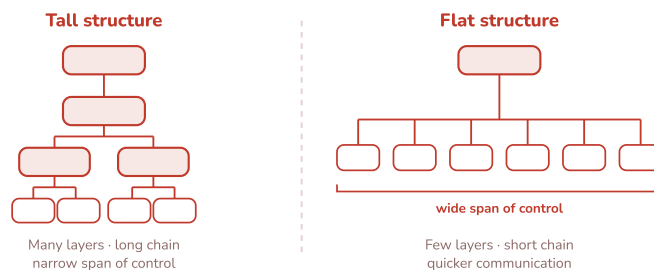
C Centralisation Decisions are kept at the top.

D Decentralisation Decisions are passed down to lower levels.

D Delegation Giving a task to someone below you, but staying responsible.

D Delayering Removing a level of management to make a flatter structure.

What you need to know



A tall structure has many layers and a narrow span; a flat structure has few layers and a wide span.

1. Tall and flat: the effect

The number of levels changes how a business works each day.

In a **tall** structure, decisions are often slower and senior managers keep more control. In a **flat** structure, decisions are often quicker and managers lower down have more say.

2. Communication

Structure changes how **fast** and how **clearly** messages travel. Tall structures have long message paths. Flat structures have short ones. Poor communication slows a business down.

3. Centralisation and decentralisation

In a **centralised** business, the top makes the decisions. In a **decentralised** business, decisions are passed down.

Keeping control at the top gives more control but slower answers. Passing it down gives quicker answers but less control at the top.

4. Delayering

Delayering means removing a level of management. Businesses do it to speed up decisions, cut costs, and improve communication. The trade-off: the managers who stay end up with a **wider span of control**.

Test yourself

Cover the answers below, answer Q11–Q18, then check.

Q11 What is centralisation?

Q12 What is decentralisation?

Q13 One advantage of centralisation?

Q14 One advantage of decentralisation?

Q15 What is delegation?

Q16 What is delayering?

Q17 One benefit of delayering?

Q18 How can organisational structure affect communication?

ANSWERS

A11 When decision-making authority is kept at the top of the organisation.

A12 When decision-making authority is delegated to lower levels of management.

A13 Greater control and consistency in decision-making.

A14 Faster decisions and increased employee motivation.

A15 Passing responsibility for tasks to lower-level employees while retaining accountability.

A16 Removing levels of management to create a flatter structure.

A17 Reduced costs and quicker communication.

A18 It influences speed, accuracy, and whether communication is vertical or horizontal.