



## 2.2 Organisational structure

petrochemical company). The third segment, gas, power and renewables, is to be incorporated mainly into the other two.

Sophie Geden, a city investment analyst said, "I think it is really good. This is copying the Exxon model of keeping things simple and ensuring unit managers are given responsibility but held accountable too."

Mrs. Smaill promised that in the future, corporate infrastructure would be 'rigorously' reviewed and up to four layers of management would be shed in a process of delayering and shortening chains of command. "Managers will be listening more acutely, particularly to frontline staff. I have a vision for a less hierarchical organisation here at BP. We will make sure individuals are fully accountable for things they control – even as significant delegation is happening," she said.

BP has far flung energy projects around the globe, including its traditional oil and gas extraction, but more and more green energy projects, including carbon capture and storage, have come online, with further projects in the pipeline. The longer-term HRM plan was to implement a change in organisational structure, and the HR Department has been tasked with preparing an evaluation of BP becoming a project-based organisation.

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### 25 MARKS, 45 MINUTES

1. Define the term **organisational structure**. [2 marks]
2. Outline **two** advantages **and two** disadvantages of increased delegation at BP. [4 marks]
3. Distinguish between **accountability** and **responsibility** [4 marks]
4. Explain **two** factors that would significantly influence a firm's organisational structure. [5 marks]
5. Discuss BP becoming a **project-based organisation**. [10 marks]