**Chapter 7**

**ORGANIZING AND DELEGATING WORK**

Chapter Outline

1. ORGANIZATION CONSIDERATIONS AND PRINCIPLES
2. Organizational Considerations
3. Principles of Organization
4. AUTHORITY
5. Formal and Informal and Scope and Levels of Authority
6. Centralized and Decentralized Authority
7. Line and Staff Authority
8. ORGANIZATIONAL DESIGN
9. Organization Chart
10. Departmentalization
11. Multiple Departmentalization
12. Reengineering and Contemporary Organizational Designs
13. JOB DESIGN
14. Job Simplification
15. Job Expansion
16. Work Teams
17. The Job Characteristics Model
18. ORGANIZING YOURSELF AND DELEGATING
19. Setting Priorities
20. Delegating

Changes from 5e to 6e Chapter 7

* Chapter 7 was Chapter 5 with the same title in the 5e
* The chapter has been updated, and 96 percent of the references are new to this edition.
* The Learning Outcomes (LO) have been cut down from 13 to 9. 5e LOs 1, 2, 5, 8, and 10 are no longer LOs. LO 1 and 2 were replaced with a new LO 1. New LO 2 was #3, LO 3 was #4, 4 was #6, 5 was #7, 6 was #9, 7 was #11.
* The first major section has been renamed Organization Considerations and Principles to include new coverage of the need to consider mechanistic vs. organic organization and the environment, strategy, size and technology. The prior section Principles of Organization has been retained with heading levels being changed. Mechanistic and organic organizations are now key terms.
* The section Principles of Organization now states differences between the use of the principles in mechanistic and organic organizations.
* Learning Outcomes 1 and 2 have been replaced with a new one about mechanistic vs. organic organizations.
* The section Authority has been reorganized with some changes in the headings. Authority in mechanistic and organic organizations is contrasted in this section.
* The subsection New Approaches to Departmentalization has been changed to Reengineering and Contemporary Organizational Designs to add a discussion of reengineering.
* The three #2 headings delegation have been reduced to one with the others moving down to level #3 headings.

Lecture Outline

**Note:** The textbook supplements include a PowerPoint presentation for each chapter, which can be used rather than or in addition to this lecture outline.

1. ORGANIZATION CONSIDERATIONS AND PRINCIPLES

Organizing, the second function of management, is defined as the process of delegating and coordinating tasks and resources to achieve objectives.

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| **Communication Skills Question (CSQ) 7–1. Does formal organizational structure really matter? In other words, shouldn’t management just focus on getting the work done?**  Yes. Formal organizational structure matters because the firm must be logically organized to achieve objectives. |

Learning Outcome (LO) 7–1. Explain the difference between a mechanistic and organic organization and the environment in which each is more effective.

*Mechanistic* organizations are bureaucratic, focusing on following procedures and rules through tight controls. They have specialized jobs, with decisions being made by top managers. Conversely, *organic organizations* are flexible with minimal focus on procedures and rules. They have broadly defined jobs, with decisions being made at lower levels. Mechanistic organization tends to be effective in stable environments, whereas organic organization tends to work well in dynamic environments.

1. **Organizational Considerations**
2. **Mechanistic vs. Organic Organization and the Environment**

**Mechanistic** organizations are bureaucratic, focusing on following procedures and rules through tight controls. They have specialized jobs, with decisions being made by top managers. Mechanistic organization tends to work well in stable environments. Conversely, **organic organizations** are flexible with minimal focus on procedures and rules. They have broadly defined jobs, with decisions being made at lower levels. Organic organization tends to work well in dynamic environments.

Although there are two forms, they are really on a continuum between being mechanistic and organic. Many companies are organized somewhere between the two extremes but can be more identified overall with one form or the other.

1. **Strategy, Size, and Technology**

As discussed in Chapter 5, companies develop strategies. Thus, company organizational structure must be designed to achieve the strategy. As companies change strategies, they tend to change their structure. With innovative growth strategies in a dynamic environment, organic structures tend to work well, whereas with stability strategies in a stable environment, mechanistic structure tends to work well (Burns and Stalker, Chapter 1). Generally, the larger the firm, the more mechanistic it becomes, but highly innovative companies can be organic. Companies that use mass-production technology tend to use a more mechanistic organization, whereas firms with more custom-made products tend to be organic (Woodward, Chapter 1).

1. **Organization Questions**

There are at least six questions that managers need to answer when organizing. The questions are listed in Exhibit 7–1.

1. **Principles of Organization**

Exhibit 7–2 lists the organizational principles we discuss in this section.

1. **Unity of Command and Direction**

The principle of *unity of command* requires that each employee report to only one boss.

The principle of *unity of direction* requires that all activities be directed toward the same objectives.

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| **Review Question (RQ) 7–1. What is the difference between unity of command and unity of direction?**  The principle of unity of command requires that each employee should report to only one boss. The principle of unity of direction requires that all activities be directed toward the same objectives. |

1. **Chain of Command**

*Chain of command*, also known as the Scalar Principle, is the clear line of authority from the top to the bottom of an organization. The chain of command forms a hierarchy, which is illustrated in the organization chart. All members of the firm should know to whom they report and who, if anyone, reports to them.

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| WORK APPLICATION Example student answer  **7–1. Follow the chain of command from your present position (or one you held in the past) to the top of the organization. Start by identifying anyone who reported to you, then list your boss’s title, your boss’s boss’s title, and on up to the top manager’s title.**  I worked as a teller for a bank, and no one reported to me. My boss was the head teller, and her boss was the branch manager. The five branch managers reported to the president. |

1. **Span of Management**

The **span of management** (or span of control) refers to the number of employees reporting to a manager. The fewer employees supervised, the smaller or narrower the span of management. The more employees supervised, the greater or wider the span.

The span of management in an organization is related to the number of its organizational levels, which determines its organizational height. In a *tall organization*, there are many levels with narrow spans of management. In a *flat organization*, there are few levels with wide spans of management.

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| **RQ 7–2. What is the relationship between the chain of command and the span of management?**  Chain of command is the clear line of authority from the top to the bottom of an organization. The span of management refers to the number of employees reporting to a manager. The span of management in an organization is related to the number of its organizational levels, or its chain of command. The fewer employees supervised, the smaller or narrower the span of management. The more employees supervised, the greater or wider the span. |

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| WORK APPLICATION Example student answer  **7–2. Identify your boss’s span of management, or your own if you are or were a manager. How many levels of management are there in your organization? Is it a flat or a tall organization?**  At the bank, my head teller had around ten tellers, but only three to seven worked at any given time. There are three levels: president, branch managers, and head tellers. It’s a tall organization for its size. They could get rid of the head tellers to flatten the structure. |

1. **Division of Labor**

With *division of labor,* employees have specialized jobs. Employees generally have specialized jobs in a functional area such as accounting, production, or sales.

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| **CSQ 7–2. How is division of labor (specialization of jobs) used in the medical profession and in schools? How does the restaurant industry use specialization?**  In the medical profession, there are doctors and nurses and other specialty jobs. Teachers in many junior and senior high schools specialize in teaching one subject area. Many restaurants offer a limited menu often focusing on ethnic foods (Italian, Mexican, and Chinese food) or types of food (steak, seafood, and burgers and fries). |

1. **Coordination**

*Coordination* ensures that all departments and individuals within an organization work together to accomplish strategic and operational objectives. Coordination is the process of integrating tasks and resources to meet objectives.

Paul Lawrence and Jay Lorsch coined the terms *differentiation* and *integration*. Differentiation refers to the need to break the organization into departments, and integration refers to the need to coordinate the departmental activities.

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| **RQ 7–3. What do the terms *differentiation* and *integration* mean?**  Differentiation refers to the need to break the organization into departments, and integration refers to the need to coordinate the departmental activities. |

NOTE: This is no longer in the 6e.

All of the organizational principles discussed above are used as coordination techniques. In addition, there are other means of coordination:

* Through *direct contact* between people within and between departments
* Through *liaisons*, who work in one department and coordinate information and activities with one or more other departments
* Through *committees* made up of people from different departments
* Through *integrators* who do not work for any department but coordinate departmental activities to reach an objective
* Through employees in *boundary* *roles* who coordinate efforts with people in the external environment

1. **Balanced Responsibility and Authority**

With balanced responsibility and authority, the responsibilities of each individual in the organization are clearly defined. Each individual is also given the authority necessary to meet these responsibilities and is held accountable for meeting them.

**Responsibility** is the obligation to achieve objectives by performing required activities.

**Authority** is the right to make decisions, issue orders, and use resources.

*Accountability* is the evaluation of how well individuals meet their responsibilities.

As a manager, you delegate responsibility and authority to perform tasks, but you should realize that you can never delegate your accountability.

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| **RQ 7–4. What is the difference between responsibility and authority?**  Responsibility is the obligation to achieve objectives by performing required activities. Authority is the right to make decisions, issue orders, and use resources. |

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| **RQ 7–5. Can accountability be delegated?**  No. Managers are accountable for everything that happens in their departments. Managers delegate responsibility and authority to perform tasks but can never delegate accountability. |

1. **Delegation**

**Delegation** is the process of assigning responsibility and authority for accomplishing objectives. Responsibility and authority are delegated down the chain of command.

1. **Flexibility**

*Flexibility* in employees is vital, because there will always be exceptions to the rule.

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| WORK APPLICATION Example student answer  **7–3. Does an organization you work for or have worked for emphasize following the standing procedures or being flexible? Explain your answer.**  The clothing store I work for emphasizes following standing procedures. I’m in the situation listed in the book where people return merchandise. If I ever gave a cash refund a sales slip, I’d be in big trouble. |

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| APPLYING THE CONCEPT Answers  AC 7–1—Principles of Organization  a 1. Unity of command and direction. Having two bosses violates the unity of command principle.  b 2. Chain of command. The manager is following the downward chain of command.  e 3. Coordination. The head nurse is coordinating the organization’s resources through ordering or instructing employees to do their jobs rather than truly delegating new tasks to them.  f 4. Balanced responsibility and authority. The employee was not given a key to the mailbox; therefore, Sara delegated the assignment without authority.  d 5. Division of labor. They specialize by business functions. |

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| JOIN THE DISCUSSION: ETHICS & SOCIAL RESPONSIBILITY – 7–1  Breaking the Rules  Answers will vary based on opinion. |

1. AUTHORITY

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| LO 7–2. Discuss the difference between formal and informal authority and centralized and decentralized authority.  Formal authority involves sanctioned relationships and ways of getting the job done, whereas informal authority involves unsanctioned relationships and ways of getting the job done. With centralized authority, top managers make important decisions; with decentralized authority, middle and first-line managers make important decisions. |

1. **Formal and Informal Authority and Scope and Levels of Authority**
2. **Formal vs. Informal Authority**

*Formal authority* (or structure) is based on the specified relationships among employees. It is the sanctioned way of getting the job done. The organization chart illustrates formal authority and shows the line of authority.

*Informal authority* (or structure) arises from the patterns of relationships and communication that evolve as employees interact and communicate. It is the unsanctioned way of getting the job done.

1. **Scope of Authority**

The *scope of authority* is a hierarchy that narrows as it flows down the organization. Responsibility and authority are delegated and flow down the organization, whereas accountability flows up the organization.

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| **RQ 7–6. How does the scope of authority change throughout an organization, and what is the flow of responsibility, authority, and accountability?**  The scope of authority is a hierarchy that narrows as it flows down the organization. Responsibility and authority are delegated and flow down the organization, whereas accountability flows up the organization. |

1. **Levels of Authority**

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| LO 7–3. List and briefly explain the four levels of authority.  (1) *The authority to inform*—the person simply presents an alternative. (2) *The authority to recommend*—the person presents alternatives and suggests one. (3) *The authority to report*—the person takes action and then tells the boss. (4) *Full authority*—the person takes action and does not have to tell the boss about it. |

The **levels of authority** are the authority to inform, the authority to recommend, the authority to report, and full authority.

1. *The authority to inform*. The person informs the supervisor of possible alternative actions. The supervisor has the authority to make the decision.
2. *The authority to recommend*. The person lists alternative decisions/actions, analyzes them, and recommends one action. However, the person may not implement the recommendation without the boss’s okay.
3. *The authority to report*. The person may freely select a course of action and carry it out. However, afterward the person must report the action taken to the boss.
4. *Full authority*. The person may freely make decisions and act without the boss’s knowledge.

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| WORK APPLICATION Example student answer  **7–4. Identify and explain your level of authority for a specific task in an organization.**  Working as a mechanic at a gas station, I had the authority to report. My boss, the owner, would give me a job such as fixing the brakes. When I was done, the boss would check my work and take the car for a test drive. |

1. **Centralized and Decentralized Authority**

The major distinction between centralized and decentralized authority lies in who makes the important decisions. With **centralized authority**, important decisions are made by top managers.With **decentralized authority**, important decisions are made by middle and first-line managers.

The major advantages of centralization are control and reduced duplication of work. The major advantages of decentralization are efficiency and flexibility.

Authority is a continuum, with centralized authority at one end and decentralized authority at the other. Most organizations lie somewhere between the two extremes but can be classified overall. The key to success seems to be having the right balance between the two extremes.

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| **CSQ 7–3. Is centralized or decentralized authority better?**  Answers will vary. Students should realize that it depends on the situation and the company. |

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| WORK APPLICATION Example student answer  **7–5. Describe the type of authority (centralized or decentralized) used in an organization you work for or have worked for.**  Cortney most definitely utilizes centralized authority. Not only are important decisions made by the president of this small company, but so are most decisions. For example, the company has about 70 employees, and the president has to interview new employees before they can be hired. |

1. **Micromanagement**

**Micromanagement** is a negative term for a management style generally in which a manager closely observes or controls the work of his or her employees. Rather than giving general instructions on smaller tasks and then devoting his or her time to supervising larger concerns, the micromanager monitors and assesses every step of a business process and avoids delegation of decisions. A micromanager tends to require constant and detailed performance feedback and tends to be excessively focused on procedural trivia rather than on overall performance, quality, and results. This focus on “low-level” trivia often delays decisions, clouds overall goals and objectives, restricts the flow of information between employees, and guides the various aspects of a project in different and often opposed decisions.

1. **Line and Staff Authority**
2. **Line vs. Staff Authority**

**Line authority** is the responsibility to make decisions and issue orders down the chain of command.**Staff authority** is the responsibility to advise and assist other personnel. Line managers are primarily responsible for achieving the organization’s objectives and directly bringing revenue into the organization, and staff people provide them with services to help them do that. Operations, marketing, and finance are usually line departments. Human resources management, public relations, and data processing are almost always staff departments. The line departments are internal “customers” of the staff departments.

1. **General and Specialist Staff**

*General staff* work for only one manager and help the manager in any way needed. *Specialist staff* help anyone in the organization who needs it. Human resources, accounting, public relations, and maintenance offer specialized advice and assistance.

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| **RQ 7–7. What is the difference between general staff and specialist staff?**  General staff work for only one manager and help the manager in any way needed. Specialist staff help anyone in the organization who needs it. |

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| **CSQ 7–4. As firms grow, should they have division of labor and add staff positions? Give examples with your answer.**  Generally, the answer is yes to both. For example, as firms add employees, they need to keep records for the firm and for the government for tax purposes. Doing so takes specialization and staff. |

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| WORK APPLICATION Example student answer  **7–6. Identify one or more line and staff positions in an organization you work for or have worked for. Also, indicate whether the staff positions are general staff or specialist staff.**  One of the staff positions at the container company I worked for was the personnel director. He was a specialist staff who assisted the other department managers in recruiting and selecting employees. I got my job in production through the personnel office. |

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| APPLYING THE CONCEPT Answers  AC 7–2—Authority  g 6. Decentralized. Having autonomy to make important decisions is decentralization.  c 7. Level of authority. This constitutes the authority to recommend.  a 8. Formal. They are following the formal chain of command.  e 9. Staff. This is a human resources staff person who is advising and assisting with hiring.  b 10. Informal. Within the informal organization, people develop patterns of relationships and can communicate outside the chain of command. |

1. ORGANIZATIONAL DESIGN

*Organizational design* refers to the internal structure of an organization, or the arrangement of positions in the organization into work units or departments and the interrelationships among these units or departments.

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| **CSQ 7–5. Chandler suggested that structure should follow strategy. Should a firm develop the strategy first and then develop the organization structure? Why or why not?**  Yes. If the structure doesn’t match the strategy, how will the firm effectively implement it? |

1. **Organization Chart**

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| LO 7–4. Explain what an organization chart is and list the four aspects of a firm that it shows.  An organization chart is a graphic illustration of the organization’s management hierarchy and departments and their working relationships. It shows the level of management hierarchy, chain of command, division and type of work, and departmentalization. |

The formal authority or structure within an organization defines the working relationships among the organization’s members and their jobs and is illustrated by an organization chart. An **organization** **chart** is a graphic illustration of the organization’s management hierarchy and departments and their working relationships. Each box represents a position within the organization, and each line indicates the reporting relationships and lines of communication. (An organization chart does not show the day-to-day activities performed or the structure of the informal organization.)

An organization chart shows four major aspects of a firm:

* The level of management hierarchy
* Chain of command
* The division and type of work
* Departmentalization. An organization chart shows how the firm is divided into permanent work units.

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| **RQ 7–8. What does an organization chart show? What doesn’t it show?**  An organization chart is a graphic illustration of the organization’s management hierarchy and departments and their working relationships. It shows the formal authority or structure within an organization. An organization chart does not show the day-to-day activities performed or the structure of the informal organization. |

1. **Departmentalization**

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| LO 7–5. Discuss the difference between internal and external departmentalization.  Internal departmentalization focuses on functions performed within the organization and the resources needed to accomplish the work; this type is also known as functional departmentalization. External departmentalization can be based on the organization’s product(s), its customers, or the territories in which the organization does business. |

**Departmentalization** is the grouping of related activities into units. Departments may have either an internal or an external focus. Departmentalization based on the internal operations or functions that the employees perform and the resources needed to accomplish that work is called *functional departmentalization*. External, or output, departmentalization is based on activities or factors outside the organization; it is referred to more specifically as *product*, *customer*, or *territory* *departmentalization*.

1. **Functional Departmentalization**

Functional departmentalization involves organizing departments around essential input activities, such as production, sales, and finance, which are managerial or technological functions.

The functional approach is the form most widely used by small organizations. Large organizations that have a diversity of products or types of customers or that cover a wide territory cannot departmentalize effectively around functions. Instead, they focus on factors external to the company.

1. **Product (Service) Departmentalization**

Product (service) departmentalization involves organizing departments around goods (or services). Companies with multiple products commonly use product departmentalization.

1. **Customer Departmentalization**

Customer departmentalization involves organizing departments around the needs of different types of customers. The product or service may be the same or slightly different, but the needs of the customer warrant different marketing approaches. Organizations that offer a wide diversity of products often use customer departmentalization, as do some not-for-profit organizations.

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| **RQ 7–9. What is the difference between product and customer departmentalization?**  Product (service) departmentalization involves organizing departments around goods (or services). Customer departmentalization involves organizing departments around the needs of different types of customers. |

1. **Territory (Geographic) Departmentalization**

Territory (geographic) departmentalization involves establishing separate units in each area in which the enterprise does business.

1. **Multiple Departmentalization**

Many organizations, particularly large, complex ones, use several types of departmentalization to create a hybrid structure. Any mixture of types can be used.

1. **Matrix Departmentalization**

Matrix departmentalization combines functional and product departmentalization. With matrix departmentalization, an employee works for a functional department and is also assigned to one or more products or projects. The major advantage of matrix departmentalization is flexibility. The major disadvantage is that each employee has two bosses—a functional boss and a project boss—which violates the unity of command principle.

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| **CSQ 7–6. Matrix departmentalization violates the unity of command principle. Should companies not use matrix departmentalization?**  Answers will vary. Students should realize that it depends on the company. Students should also take into consideration that although matrix departmentalization results in a major disadvantage when each employee has two bosses, it also has the advantage of flexibility and allows the enterprise to temporarily organize for a project. |

1. **Divisional Departmentalization**

A **divisional structure** is based on semiautonomous strategic business units. In essence, this structure creates coordinated companies within a company. Within the divisional structure, any mixture of the other forms of departmentalization may also be used. Divisional structure is common for large, complex global businesses that offer related goods and services.

The *conglomerate* (holding company) *structure* is based on autonomous profit centers. Companies with unrelated diversified business units use the conglomerate structure. Top management focuses on business portfolio management to buy and sell lines of businesses without great concern for coordinating divisions.

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| WORK APPLICATION Example student answer  **7–7. Draw a simple organization chart for an organization you work for or have worked for. Identify the type of departmentalization and staff positions, if any.**  Answers will vary. What I usually do is draw the organization chart for my college. I begin with the president and ask if anyone knows her or his name. Then I ask who reports to the president. I follow the academic chain down to professors. |

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| APPLYING THE CONCEPT Answers  AC 7–3—Departmentalization  b 11. Product (Service). The company is a consulting firm. These are services it offers to its clients. These are not internal functions.  c 12. Customer. The customers have different needs. The books sold to each type of customer are different.  d 13. Territory. These are departmentalized by geographic zone areas.  f 14. Divisional. These are business units in a conglomerate structure.  a 15. Functional. These are internal activities within a functional area of production stages. |

1. **Reengineering and Contemporary Organizational Designs**
2. **Reengineering**

*Reengineering* is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed. As defined, it’s about radical big improvement, not incremental change. An entire company, department, or job can be reengineered. Here we focus on the company and department level, and focus on reengineering the job in the next major section—Job Design.

1. **Horizontal Team Organization**

Many companies are moving away from a hierarchical, top-down focus to a horizontal organization to increase speed of response, individual accountability, flexibility, knowledge sharing, and coordination throughout the organization. Firms are breaking down barriers between departments and using work processes rather than departmental functions to organize units. Teams are commonly used to make important decisions, such as reengineering the organizational structure.

1. **Network, Modular, and Virtual Organizations**

*Networks* are boundaryless interrelationships among different organizations. Network *modular* firms focus on what they do best, outsource the rest to other companies, and coordinate their activities from a small headquarters organization. A network firm may be viewed as a central hub surrounded by a network of outside specialists that change as needed.

A *virtual organization* is a continually evolving network of companies that unite temporarily to exploit specific opportunities or to attain strategic advantages and then disband when objectives are met. E-commerce is making the virtual organization more common.

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| **RQ 7–10. What is the difference between a network structure and a virtual organization?**  Networks are boundaryless interrelationships among different organizations. A network firm may be viewed as a central hub surrounded by a network of outside specialists that change as needed. A virtual organization is a continually evolving group of companies that unite temporarily to exploit specific opportunities or to attain strategic advantages and then disband when objectives are met. The virtual organization has no central hub, as each independent company gives up some control to temporarily become part of a new, larger organizational system. |

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| **CSQ 7–7. What impact does technology have on organizational structure?**  Answers will vary. |

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| **CSQ 7–8. Why has there been a trend toward more team, network, virtual, and learning organizations? Is this a fad, or will it last?**  Answers will vary. |

1. **The Learning Organization**

As discussed in Chapter 2, in a learning organization, everyone in the firm is engaged in identifying and solving problems to continuously improve and achieve the firm’s objectives. There is no agreement about what the learning organization looks or operates like. However, it does use the horizontal team structure with open information and knowledge sharing. Learning organizations are also characterized by decentralized decision making, participative strategy, empowered employees who share responsibility, and a strong adaptive nature.

1. JOB DESIGN

Tasks to be performed by organizations are grouped into functional departments, and the tasks are further grouped into jobs for each employee. **Job design** is the process of identifying tasks that each employee is responsible for completing. Job design is crucial because it affects job satisfaction and productivity.

Empowering employees to be involved in designing their own jobs motivates them to increase productivity.

Jobs may be simplified or they may be expanded.

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| **RQ 7–11. What is job design, and why is it necessary?**  Job design is the process of identifying tasks that each employee is responsible for completing. Job design is crucial because it affects job satisfaction and productivity. Empowering employees to be involved in designing their own job motivates them to increase productivity. |

1. **Job Simplification**

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| LO 7–6. Explain the difference between job simplification and job expansion.  Job simplification is used to make jobs more specialized by eliminating or combining and/or changing the sequence of work. Job expansion is used to make jobs less specialized by rotating employees, enlarging the job, and/or enriching the job to make it more interesting and challenging. |

*Job simplification* is the process of eliminating or combining tasks and/or changing the work sequence to improve performance. Job simplification makes jobs more specialized. It is based on the organizing principle of division of labor and Taylor’s scientific management. The idea behind job simplification is to work smarter, not harder. A job is broken down into steps (flowchart), and employees analyze the steps to see if they can:

* ***Eliminate*.** Does the task, or parts of it, have to be done at all? If not, don’t waste time doing it.
* ***Combine*.** Doing similar things together often saves time.
* ***Change sequence*.** Often a change in the order of doing things results in a lower total time.

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| WORK APPLICATION Example student answer  **7–8. Describe how a job at an organization you work for or have worked for could be simplified. Be sure to specify if you are eliminating, combining, or changing the sequence of the job.**  When I worked at Shore Co., I had to keep track of the present employees. We used to use lists of names for each department. However, with the high turnover rate, the lists were always a mess and had errors, so we bought a big board that had magnets. We divided the board up into departments, then we put employees’ names on magnets and put them in their departments. We “eliminated” paper lists and “combined” all the lists on one big board. It was a lot simpler to put new magnets up when employees were hired, move them to a new department when they were transferred, or take them off when they left. |

1. **Job Expansion**

*Job expansion* is the process of making jobs less specialized. Jobs can be expanded through rotation, enlargement, and enrichment.

1. **Job Rotation**

Job rotation involves performing different jobs in some sequence, each one for a set period of time.

Related to job rotation is *cross-training*. With cross-training, employees learn to perform different jobs so they can fill in for those who are not on the job.

1. **Job Enlargement**

Job enlargement involves adding tasks to broaden variety. Unfortunately, adding more tasks to an employee’s job is often not a great motivator.

1. **Job Enrichment**

**Job enrichment** is the process of building motivators into the job itself to make it more interesting and challenging. Job enrichment works for jobs of low motivation potential and employees who are ready to be empowered to do meaningful work. A simple way to enrich jobs is for the manager to delegate more responsibility to employees to make a job satisfying.

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| **CSQ 7–9. When focusing on jobs, is it better to use job simplification or job expansion?**  Answers will vary. |

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| WORK APPLICATION Example student answer  **7–9. Describe how a job at an organization you work for or have worked for could be expanded. Be sure to specify if you are using job rotation, job enlargement, or job enrichment and to be explicit about how the job is changed.**  At the shipping warehouse, delegating more responsibility to employees could be, and should be, used for job enrichment to help keep employees from getting bored and going through the motions like they do. They could get rid of the production supervisor and use self-managed teams to get the job of making boxes done. |

1. **Work Teams**

The traditional approach to job design has been to focus on individual jobs. Recently, there has been a trend toward designing jobs for work teams—or, to be more accurate, teams are redesigning members’ jobs. The development of work teams is a form of job enrichment. Two common types of work teams are integrated teams and self-managed teams.

1. **Integrated Work Teams**

Integrated work teams are assigned a number of tasks by a manager, and the team in turn gives specific assignments to members and is responsible for rotating jobs. Unlike members of self-managed teams, most members have no input in each other’s work.

1. **Self-Managed Work Teams**

Self-managed work teams are assigned a goal, and the team plans, organizes, leads, and controls to achieve the goal. Usually, self-managed teams operate without a designated manager; the team is both manager and worker. Teams commonly elect their own members and evaluate each other’s performance.

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| **RQ 7–12. What is the difference between an integrated work team and a self-managed work team?**  Integrated work teams are assigned a number of tasks by a manager, and the team in turn gives specific assignments to members and is responsible for rotating jobs. Self-managed work teams are assigned a goal, and the team plans, organizes, leads, and controls to achieve the goal. Usually, self-managed teams operate without a designated manager; the team is both manager and worker. |

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| WORK APPLICATION Example student answer  **7–10. Describe how an organization you work for or have worked for uses, or could use, teams. Be sure to specify if the teams are integrated or self-managed.**  I work in the training department of a supermarket. We train managers in several of the topics in this book. However, each course covers only one topic in one day and is taught by one trainer. I think they should integrate some of the topics to make combined courses so managers can see the interrelationship between the management functions. The new courses could be developed and taught by self-managed teams. |

1. **The Job Characteristics Model**

The job characteristics model provides a conceptual framework for designing or enriching jobs. The model can be used by individual managers or by members of a team. Users of the **job characteristics model** focus on core job dimensions, psychological states of employees, and the strength of employees’ need for growth.

Five core dimensions can be fine-tuned to improve the outcomes of a job in terms of employees’ productivity and their quality of working life:

1. *Skill variety* is the number of diverse tasks that make up a job and the number of skills used to perform the job.
2. *Task identity* is the degree to which an employee performs a whole identifiable task.
3. *Task significance* is an employee’s perception of the importance of the task to others—the organization, the department, coworkers, and/or customers.
4. *Autonomy* is the degree to which the employee has discretion to make decisions in planning, organizing, and controlling the task performed.
5. *Feedback* is the extent to which employees find out how well they perform their tasks.

***Note:*** *The following is in Exhibit 7–9 but is not discussed in the text section of the book.*

Three states, known as critical psychological states, are developed through core job dimensions that determine a job’s personal and work outcomes:

1. *Experienced meaningfulness of work* is based on skill variety, task identity, and task significance.
2. *Experienced responsibility for work* is based on autonomy. The greater the autonomy, the greater the experienced responsibility for work, and the greater the personal and work outcomes.
3. *Knowledge of the results of work* is based on feedback. The greater the feedback, the greater the knowledge of the results of the work, and the greater the personal and work outcomes.

Performance and work outcomes are the four benefits of the critical psychological states that are created by the five core job dimensions. They are:

1. *High internal work motivation*
2. *High-quality work performance*
3. *High satisfaction with the work*
4. *Low absenteeism and turnover*

Employee growth-need strength determines the employees’ interest in having the five core dimensions improved, which determines the critical psychological states and the personal and work outcomes. Generally, the stronger the employee’s growth-need, the more interested she or he is in improving the five core dimensions and the critical psychological states, and the greater the personal and work outcomes.

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| **RQ 7–13. Why is the strength of employees’ need for growth important to the job characteristics model?**  The core job dimensions, critical psychological states, and personal and work outcomes are all dependent on employee growth-need strength. The greater the employee’s strength, the better the results. |

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| APPLYING THE CONCEPT Answers  AC 7–4—Job Designs  a 16. Job simplification. McDonald’s eliminated the time of signing a credit card slip in order to speed up service.  f 17. Job characteristic model. These are the five core job dimensions.  c 18. Job enlargement. Adding new tasks to a job is enlarging it.  b 19. Job rotation. The person will do his or her usual job, then rotate to the cash register, and rotate back to his or her usual job.  d 20. Job enrichment. Delegating challenging tasks is a simple way to enrich jobs. |

1. ORGANIZING YOURSELF AND DELEGATING

Successful managers are effective at setting priorities and delegating work. Recall that planning entails setting objectives and that organizing is the process of delegating and coordinating resources to achieve objectives. Thus, prioritizing objectives is important, because some objectives are more important than others; as a manager, you get the work done by delegating it to employees.

1. **Setting Priorities**

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| LO 7–7. Explain how to set priorities by answering three priority questions and determining whether activities have high, medium, or low priority.  A manager first answers yes or no to the three priority questions: (1) Do I need to be personally involved because of my unique knowledge or skills? (2) Is the task my responsibility, or will it affect the performance or finances of my department? (3) When is the deadline—is quick action needed? Depending on the answers to these questions, the manager delegates the task or assigns it a high, medium, or low level of priority. |

As a manager, you’ll be required to carry out several tasks at any given time. How you select the priority order in which these tasks will be completed will affect your success. To prioritize successfully, make a to-do list of tasks that you must perform and then assign each task a priority. After prioritizing tasks, focus on accomplishing only one task at a time.

1. **Priority-Determination Questions**

You should answer “yes” or “no” to the following three **priority-determination questions** about each task that needs to be completed:

1. *Do I need to be personally involved because of my unique knowledge or skills?*
2. *Is the task my responsibility, or will it affect the performance or finances of my department?*
3. *When is the deadline—is quick action needed?*
4. **Assigning Priorities**

After answering the three questions, you can assign a high, medium, or low priority to each activity:

* ***Delegate (D) priority:*** If the answer to question 1 is no, the task is delegated and it is not necessary to answer questions 2 and 3. However, planning how to delegate the task now becomes a priority.
* ***High (H) priority:*** Assign the task a high priority if you answer yes to all three questions.
* ***Medium (M) priority:*** Assign the task a medium priority if you answer yes to question 1 but no to one of the remaining two questions.
* ***Low (L) priority:*** Assign the task a low priority if you answer yes to question 1 but no to both questions 2 and 3.

1. **The Prioritized To-Do List**

Exhibit 7–10 is a prioritized to-do list that you can copy and use on the job. Follow these steps when using the prioritized to-do list:

1. *Write the task* that you must perform on the task line.
2. *Answer the three priority questions* by placing a Y (yes) or N (no) in the relevant column. Also place the deadline and time needed to complete the task in the relevant column. The deadline and time needed are used with lower-level priorities that change into high priorities as the deadline approaches.
3. *Assign a priority* to the task by placing the letter D (delegate), H (high), M (medium), or L (low) in the priority column.
4. *Determine which task to complete now*. You may have more than one high-priority task, so select the most important one. When all high priorities are completed, go to medium-priority tasks followed by low-priority tasks.

Update the prioritized to-do list and add new tasks. As time passes, the medium- and low-priority tasks become high-priority tasks. There is no set rule for how often to update, but do it at least daily. As new tasks come up, be sure to add them to your to-do list and prioritize them. In doing so, you will avoid the tendency to put off a high-priority task to work on a lower-level task.

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| **RQ 7–14. Why is it important to update priorities on a to-do list?**  As time passes, medium- and low-priority tasks may become high-priority tasks. Also, new tasks come up and will need to be added to the list. |

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| WORK APPLICATION Example student answer  **7–11. List three to five tasks you must complete in the near future and prioritize them using Exhibit 7–10.**  1. *High priority:* Greet the doctor’s patients and bring them to the examining room with their folder. We try to get patients in and out as fast as we can.  2. *Medium priority:* File patient folders in the file cabinet. They can wait; however, if you wait too long, documents can fall out and get placed in the wrong files or get lost.  3. *Low priority:* Study for school. I can study at work, as long as there are no patients waiting or no folders to be filed. |

1. **Delegating**

*Delegation* is the process of assigning responsibility and authority for accomplishing objectives. Telling employees to perform tasks that are part of their job design is issuing orders, not delegating. Delegating refers to giving employees new tasks.

1. **Benefits of and Obstacles to Delegating**

When managers delegate, they have more time to perform high-priority tasks. Delegation trains employees and improves their self-esteem; it is a means of enriching jobs and can result in improved personal and work outcomes.

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| **CSQ 7–10. Are setting priorities and delegating really all that important?**  Yes. As a manager, you’ll be required to carry out several tasks at any given time. How you select the priority order in which these tasks will be completed will affect your success.  When managers delegate, they have more time to perform high-priority tasks. Delegation trains employees and improves their self-esteem; it is a means of enriching jobs and can result in improved personal and work outcomes. |

Obstacles include the following: Managers become used to doing things themselves; managers fear that employees will fail to accomplish the task or will show them up; managers believe that they can perform the task more efficiently than others can.

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| WORK APPLICATION Example student answer  **7–12. Describe an obstacle to delegation or sign of delegating too little that you have observed.**  I worked in the office at Kennedy’s and observed a supervisor who had the “I can do it faster attitude” and poor delegation skills. Making things worse, the manager would sometimes start by trying to delegate and would give up and say, “Oh, why don’t I do this and you keep on with what you are doing?” The employee would not have a chance and would feel like an idiot. |

1. **Delegation Decisions**

Successful delegation is often based on selecting what to delegate and to whom to delegate it. Exhibit 7–11 suggests what to delegate and what not to delegate.

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| **RQ 7–15. As a simple guide, what one question can a manager ask to determine what and what not to delegate?**  “Do I need to be personally involved because of my unique knowledge or skills?” This is the first priority-determination question. If the answer is no, delegate; if it is yes, don’t delegate the task. |

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| JOIN THE DISCUSSION: ETHICS & SOCIAL RESPONSIBILITY – 7–2  Delegating Destroying Documents  Answers will vary based on opinion. |

1. **The Delegation Process**

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| LO 7–8. List the four steps in the delegation process.  The steps in the delegation process are (1) explain the need for delegating and the reasons for selecting the employee; (2) set objectives that define responsibility, level of authority, and deadline; (3) develop a plan; (4) establish control checkpoints and hold employees accountable. |

After determining what to delegate and to whom, you must plan for and delegate the tasks. The steps in the delegation process are (1) explain the need for delegating and the reasons for selecting the employee; (2) set objectives that define responsibility, the level of authority, and the deadline; (3) develop a plan; (4) establish control checkpoints and hold employees accountable.

**Step 1. Explain the need for delegating and the reasons for selecting the employee.** It is helpful for an employee to whom you delegate a task to understand why the assignment must be completed and to realize the importance of the task. Telling employees why they were selected should make them feel valued. Don’t use the “it’s a lousy job but someone has to do it” approach. Be positive; make employees aware of how they may benefit from the assignment. If step 1 is completed successfully, employees should be motivated, or at least willing, to do the assignment.

**Step 2. Set objectives that define responsibility, level of authority, and deadline.** The objectives should clearly state the result the employee is responsible for achieving by a specific deadline. Define the level of authority the employee has.

**Step 3. Develop a plan.** Once the objectives are set, a plan is needed to achieve them. The level of autonomy for developing the plan to accomplish the task should be based on the employee’s capability level. Make sure instructions for completing the task are clear; writing them down helps.

**Step 4.** **Establish control checkpoints and hold employees accountable.** For simple, short tasks, a deadline without control checkpoints is appropriate. However, when tasks have multiple steps and/or will take some time to complete, it is often advisable to check progress at predetermined times (control checkpoints). This approach builds information flow into the delegation system from the start. When establishing control, consider the employee’s capability level. The lower the capability, the more frequent the checks; the higher the capability, the less frequent the checks.

The four steps of the delegation process are summarized in Model 7–1.

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| **RQ 7–16. Why is each of the four steps in the delegation process necessary?**  **Step 1. Explain the need for delegating and the reasons for selecting the employee.** It is helpful for an employee to whom you delegate a task to understand why the assignment must be completed and to realize the importance of the task.  **Step 2. Set objectives that define responsibility, level of authority, and deadline.** Employees need to know what they are responsible for accomplishing and by when. The level of authority needs to be specified to ensure that employees perform the task(s) to specification.  **Step 3. Develop a plan.** Without a plan, how can the objective be met?  **Step 4. Establish control checkpoints and hold employees accountable.** Without control checkpoints and accountability, employees may not accomplish the objective. |

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| WORK APPLICATION Example student answer  **7–13. Select a manager you work for or have worked for and analyze how well he or she implements the four steps of delegation. Which steps does the manager typically follow and not follow?**  **Step 1. Explain the need for delegating and the reasons for selecting the employee.** Poor. I was never told this.  **Step 2. Set objectives that define responsibility, level of authority, and deadline.** Good. I knew what had to be done by when, but the level of authority was not always clear.  **Step 3. Develop a plan.** Good. I had the authority and resources needed and usually the autonomy to do the job the way I wanted to.  **Step 4. Establish control checkpoints and hold employees accountable.** Fair. We did not have checkpoints very often. They would have helped some of the times when the boss said, “This isn’t what I asked for” at the end of the tasks and I would have to redo the work. The supervisor almost always checked and evaluated my completed work and held me accountable. |

LEARNING OUTCOMES AND ANSWERS

The chapter summary is organized to answer the learning objectives for Chapter 7. They are also found at the end of the chapter and can be used as short-answer questions on exams.

*These learning objectives are included in the test bank in the concept section.*

**7–1. Explain the difference between a mechanistic and organic organization and the environment in which each is more effective**

*Mechanistic* organizations are bureaucratic, focusing on following procedures and rules through tight controls. They have specialized jobs, with decisions being made by top managers. Conversely, *organic organizations* are flexible with minimal focus on procedures and rules. They have broadly defined jobs, with decisions being made at lower levels. Mechanistic organization tends to be effective in stable environments, whereas organic organization tends to work well in dynamic environments.

**7–2. Discuss the difference between formal and informal authority and centralized and decentralized authority.**

Formal authority involves sanctioned relationships and ways of getting the job done, whereas informal authority involves unsanctioned relationships and ways of getting the job done. With centralized authority, top managers make important decisions; with decentralized authority, middle and first-line managers make important decisions.

**7–3. List and briefly explain the four levels of authority.**

(1) *The authority to inform*—the person simply presents an alternative. (2) *The authority to recommend*—the person presents alternatives and suggests one. (3) *The authority to report*—the person takes action and then tells the boss. (4) *Full authority*—the person takes action and does not have to tell the boss about it.

**7–4. Explain what an organization chart is and list the four aspects of a firm that it shows.**

An organization chart is a graphic illustration of the organization’s management hierarchy and departments and their working relationships. It shows the level of management hierarchy, chain of command, division and type of work, and departmentalization.

**7–5. Discuss the difference between internal and external departmentalization.**

Internal departmentalization focuses on functions performed within the organization and the resources needed to accomplish the work; this type is also known as functional departmentalization. External departmentalization can be based on the organization’s product(s), its customers, or the territories in which the organization does business.

**7–6. Explain the difference between job simplification and job expansion.**

Job simplification is used to make jobs more specialized by eliminating or combining and/or changing the sequence of work. Job expansion is used to make jobs less specialized by rotating employees, enlarging the job, and/or enriching the job to make it more interesting and challenging.

**7–7. Explain how to set priorities by answering three priority questions and determining whether activities have high, medium, or low priority.**

A manager first answers yes or no to the three priority questions: (1) Do I need to be personally involved because of my unique knowledge or skills? (2) Is the task my responsibility, or will it affect the performance or finances of my department? (3) When is the deadline—is quick action needed? Depending on the answers to these questions, the manager delegates the task or assigns it a high, medium, or low level of priority.

**7–8. List the four steps in the delegation process.**

The steps in the delegation process are (1) explain the need for delegating and the reasons for selecting the employee; (2) set objectives that define responsibility, level of authority, and deadline; (3) develop a plan; (4) establish control checkpoints and hold employees accountable.

WORK APPLICATION SAMPLE ANSWERS

(Most of the answers are actual student answers or based on student answers. You may give these answers as part of your lecture before, after, or in place of getting student answers.)

*These work applications are included in the test bank in the application section* (list the #7 before each question).

**7–1. Follow the chain of command from your present position (or one you held in the past) to the top of the organization. Start by identifying anyone who reported to you, then list your boss’s title, your boss’s boss’s title, and on up to the top manager’s title.**

I worked as a teller for a bank, and no one reported to me. My boss was the head teller, and her boss was the branch manager. The five branch managers reported to the president.

**7–2. Identify your boss’s span of management, or your own if you are or were a manager. How many levels of management are there in your organization? Is it a flat or a tall organization?**

At the bank, my head teller had around ten tellers, but only three to seven worked at any given time. There are three levels: president, branch managers, and head tellers. It’s a tall organization for its size. They could get rid of the head tellers to flatten the structure.

**7–3. Does an organization you work for or have worked for emphasize following the standing procedures or being flexible? Explain your answer.**

The clothing store I work for emphasizes following standing procedures. I’m in the situation listed in the book where people return merchandise. If I ever gave a cash refund without a sales slip, I’d be in big trouble.

**7–4. Identify and explain your level of authority for a specific task in an organization.**

Working as a mechanic at a gas station, I had the authority to report. My boss, the owner, would give me a job such as fixing the brakes. When I was done, the boss would check my work and take the car for a test drive.

**7–5. Describe the type of authority (centralized or decentralized) used in an organization you work for or have worked for.**

Cortney most definitely utilizes centralized authority. Not only are important decisions made by the president of this small company, but so are most decisions. For example, the company has about 70 employees, and the president has to interview new employees before they can be hired.

**7–6. Identify one or more line and staff positions in an organization you work for or have worked for. Also, indicate whether the staff positions are general staff or specialist staff.**

One of the staff positions at the container company I worked for was the personnel director. He was a specialist staff who assisted the other department managers in recruiting and selecting employees. I got my job in production through the personnel office.

**7–7. Draw a simple organization chart for an organization you work for or have worked for. Identify the type of departmentalization and staff positions, if any.**

Answers will vary. What I usually do is draw the organization chart for my college. I begin with the president and ask if anyone knows her or his name. Then I ask who reports to the president. I follow the academic chain down to professors.

**7–8. Describe how a job at an organization you work for or have worked for could be simplified. Be sure to specify if you are eliminating, combining, or changing the sequence of the job.**

When I worked at Shore Co., I had to keep track of the present employees. We used to use lists of names for each department. However, with the high turnover rate, the lists were always a mess and had errors so we bought a big board that had magnets. We divided the board up into departments, then we put employees’ names on magnets and put them in their departments. We “eliminated” paper lists and “combined” all the lists on one big board. It was a lot simpler to put new magnets up when employees were hired, move them to a new department when they were transferred, or take them off when they left.

**7–9. Describe how a job at an organization you work for or have worked for could be expanded. Be sure to specify if you are using job rotation, job enlargement, or job enrichment and to be explicit about how the job is changed.**

At the shipping warehouse, delegating more responsibility to employees could be, and should be, used for job enrichment to help keep employees from getting bored and going through the motions like they do. They could get rid of the production supervisor and use self-managed teams to get the job of making boxes done.

**7–10. Describe how an organization you work for or have worked for uses, or could use, teams. Be sure to specify if the teams are integrated or self-managed.**

I work in the training department of a supermarket. We train managers in several of the topics in this book. However, each course covers only one topic in one day and is taught by one trainer. I think they should integrate some of the topics to make combined courses so managers can see the interrelationship between the management functions. The new courses could be developed and taught by self-managed teams.

**7–11. List three to five tasks you must complete in the near future and prioritize them using Exhibit 7–10.**

1. *High priority:* Greet the doctor’s patients and bring them to the examining room with their folder. We try to get patients in and out as fast as we can.
2. *Medium priority:* File patient folders in the file cabinet. They can wait; however, if you wait too long, documents can fall out and get placed in the wrong files or get lost.
3. *Low priority:* Study for school. I can study at work, as long as there are no patients waiting or no folders to be filed.

**7–12. Describe an obstacle to delegation or sign of delegating too little that you have observed.**

I worked in the office at Kennedy’s and observed a supervisor who had the “I can do it faster attitude” and poor delegation skills. Making things worse, the manager would sometimes start by trying to delegate and would give up and say, “Oh, why don’t I do this and you keep on with what you are doing?” The employee would not have a chance and would feel like an idiot.

**7–13. Select a manager you work for or have worked for and analyze how well he or she implements the four steps of delegation. Which steps does the manager typically follow and not follow?**

**Step 1. Explain the need for delegating and the reasons for selecting the employee.** Poor. I was never told this.

**Step 2. Set objectives that define responsibility, level of authority, and deadline.** Good. I know what had to be done by when, but the level of authority was not always clear.

**Step 3. Develop a plan.** Good. I had the authority and resources needed and usually the autonomy to do the job the way I wanted to.

**Step 4. Establish control checkpoints and hold employees accountable.** Fair. We did not have checkpoints very often. They would have helped some of the times when the boss said, “This isn’t what I asked for” at the end of the tasks when I would have to redo the work. The supervisor almost always checked and evaluated my completed work and held me accountable.

REVIEW QUESTION ANSWERS

*These review questions are included in the test bank in the concept section.* list the #7 before each question).

**7–1. What is the difference between unity of command and unity of direction?**

The principle of unity of command requires that each employee should report to only one boss. The principle of unity of direction requires that all activities be directed toward the same objectives.

**7–2. What is the relationship between the chain of command and the span of management?**

Chain of command is the clear line of authority from the top to the bottom of an organization. The span of management refers to the number of employees reporting to a manager. The span of management in an organization is related to the number of its organizational levels, or its chain of command. The fewer employees supervised, the smaller or narrower the span of management. The more employees supervised, the greater or wider the span.

**7–3. What do the terms *differentiation* and *integration* mean?**

Differentiation refers to the need to break the organization into departments, and integration refers to the need to coordinate the departmental activities.

**7–4. What is the difference between responsibility and authority?**

Responsibility is the obligation to achieve objectives by performing required activities. Authority is the right to make decisions, issue orders, and use resources.

**7–5. Can accountability be delegated?**

No. Managers are accountable for everything that happens in their departments. Managers delegate responsibility and authority to perform tasks but can never delegate accountability.

**7–6. How does the scope of authority change throughout an organization, and what is the flow of responsibility, authority, and accountability?**

The scope of authority is a hierarchy that narrows as it flows down the organization. Responsibility and authority are delegated and flow down the organization, whereas accountability flows up the organization.

**7–7. What is the difference between general staff and specialist staff?**

General staff work for only one manager and help the manager in any way needed. Specialist staff help anyone in the organization who needs it.

**7–8. What does an organization chart show? What doesn’t it show?**

An organization chart is a graphic illustration of the organization’s management hierarchy and departments and their working relationships. It shows the formal authority or structure within an organization. An organization chart does not show the day-to-day activities performed or the structure of the informal organization.

**7–9. What is the difference between product and customer departmentalization?**

Product (service) departmentalization involves organizing departments around goods (or services). Customer departmentalization involves organizing departments around the needs of different types of customers.

**7–10. What is the difference between a network structure and a virtual organization?**

Networks are boundaryless interrelationships among different organizations. A network firm may be viewed as a central hub surrounded by a network of outside specialists that change as needed. A virtual organization is a continually evolving group of companies that unite temporarily to exploit specific opportunities or to attain strategic advantages and then disband when objectives are met. The virtual organization has no central hub, as each independent company gives up some control to temporarily become part of a new, larger organizational system.

**7–11. What is job design, and why is it necessary?**

Job design is the process of identifying tasks that each employee is responsible for completing. Job design is crucial because it affects job satisfaction and productivity. Empowering employees to be involved in designing their own job motivates them to increase productivity.

**7–12. What is the difference between an integrated work team and a self-managed work team?**

Integrated work teams are assigned a number of tasks by a manager, and the team in turn gives specific assignments to members and is responsible for rotating jobs. Self-managed work teams are assigned a goal, and the team plans, organizes, leads, and controls to achieve the goal. Usually, self-managed teams operate without a designated manager; the team is both manager and worker.

**7–13. Why is the strength of employees’ need for growth important to the job characteristics model?**

The core job dimensions, critical psychological states, and personal and work outcomes are all dependent on employee growth-need strength. The greater the employee’s strength, the better the results.

**7–14. Why is it important to update priorities on a to-do list?**

As time passes, medium- and low-priority tasks may become high-priority tasks. Also, new tasks come up and will need to be added to the list.

**7–15. As a simple guide, what one question can a manager ask to determine what and what not to delegate?**

“Do I need to be personally involved because of my unique knowledge or skills?” This is the first priority-determination question. If the answer is no, delegate; if it is yes, don’t delegate the task.

**7–16. Why is each of the four steps in the delegation process necessary?**

**Step 1. Explain the need for delegating and the reasons for selecting the employee.** It is helpful for an employee to whom you delegate a task to understand why the assignment must be completed and to realize the importance of the task.

**Step 2. Set objectives that define responsibility, level of authority, and deadline.** Employees need to know what they are responsible for accomplishing and by when. The level of authority needs to be specified to ensure that employees perform the task(s) to specification.

**Step 3. Develop a plan.** Without a plan, how can the objective be met?

**Step 4. Establish control checkpoints and hold employees accountable.** Without control checkpoints and accountability, employees may not accomplish the objective.

COMMUNICATION SKILLS ANSWERS

Applications may also be used as class discussion questions or written assignments to develop communication skills.

*These communication skills questions are included in the test bank in the skills section* (list the #7 before each question).

**7–1. Does formal organizational structure really matter? In other words, shouldn’t management just focus on getting the work done?**

Yes. Formal organizational structure matters because the firm must be logically organized to achieve objectives.

**7–2. How is division of labor (specialization of jobs) used in the medical profession and in schools? How does the restaurant industry use specialization?**

In the medical profession, there are doctors and nurses and other specialty jobs. Teachers in many junior and senior high schools specialize in teaching one subject area. Many restaurants offer a limited menu often focusing on ethnic foods (Italian, Mexican, and Chinese food) or types of food (steak, seafood, and burgers and fries).

**7–3. Is centralized or decentralized authority better?**

Answers will vary. Students should realize that it depends on the situation and the company.

**7–4. As firms grow, should they have division of labor and add staff positions? Give examples with your answer.**

Generally, the answer is yes to both. For example, as firms add employees, they need to keep records for the firm and for the government for tax purposes. Doing so takes specialization and staff.

**7–5. Chandler suggested that structure should follow strategy. Should a firm develop the strategy first and then develop the organization structure? Why or why not?**

Yes. If the structure doesn’t match the strategy, how will the firm effectively implement it?

**7–6. Matrix departmentalization violates the unity of command principle. Should companies not use matrix departmentalization?**

Answers will vary. Students should realize that it depends on the company. Students should also take into consideration that although matrix departmentalization results in a major disadvantage when each employee has two bosses, it also has the advantage of flexibility and allows the enterprise to temporarily organize for a project.

**7–7. What impact does technology have on organizational structure?**

Answers will vary.

**7–8. Why has there been a trend toward more team, network, virtual, and learning organizations? Is this a fad, or will it last?**

Answers will vary.

**7–9. When focusing on jobs, is it better to use job simplification or job expansion?**

Answers will vary.

**7–10. Are setting priorities and delegating really all that important?**

Yes. As a manager, you’ll be required to carry out several tasks at any given time. How you select the priority order in which these tasks will be completed will affect your success.

When managers delegate, they have more time to perform high-priority tasks. Delegation trains employees and improves their self-esteem; it is a means of enriching jobs and can result in improved personal and work outcomes.

APPLYING THE CONCEPT ANSWERS

*There are similar questions in the test bank in the application section.*

AC 7–1—Principles of Organization

a 1. Unity of command and direction. Having two bosses violates the unity of command principle.

b 2. Chain of command. The manager is following the downward chain of command.

e 3. Coordination. The head nurse is coordinating the organization’s resources through ordering or instructing employees to do their jobs rather than truly delegating new tasks to them.

f 4. Balanced responsibility and authority. The employee was not given a key to the mailbox; therefore, Sara delegated the assignment without authority.

d 5. Division of labor. They specialize by business functions.

AC 7–2—Authority

g 6. Decentralized. Having autonomy to make important decisions is decentralization.

c 7. Level of authority. This constitutes the authority to recommend.

a 8. Formal. They are following the formal chain of command.

e 9. Staff. This is a human resources staff person who is advising and assisting with hiring.

b 10. Informal. Within the informal organization, people develop patterns of relationships and can communicate outside the chain of command.

AC 7–3—Departmentalization

b 11. Product (Service). The company is a consulting firm. These are the services it offers to its clients. These are not internal functions.

c 12. Customer. The customers have different needs. The books sold to each type of customer are different.

d 13. Territory. These are departmentalized by geographic zone areas.

f 14. Divisional. These are business units in a conglomerate structure.

a 15. Functional. These are internal activities within a functional area of production stages.

AC 7–4—Job Designs

a 16. Job simplification. McDonald’s eliminated the time of signing a credit card slip in order to speed up service.

f 17. Job characteristics model. These are the five core job dimensions.

c 18. Job enlargement. Adding new tasks to a job is enlarging it.

b 19. Job rotation. The person will do his or her usual job, then rotate to the cash register, and rotate back to his or her usual job.

d 20. Job enrichment. Delegating challenging tasks is a simple way to enrich jobs.

CASE ANSWERS

Costco

**7–1.** Does Costco appear to follow the unity of command principle of organization? Yes. The CEO is the leader and he passes along directions to the store-level managers, who then report to their store-level employees.

**7–2.** Did the organizational change of buying the Price Club affect the chain of command by making it a flat organization? No. The purchase of Price Club and the resultant merger of their organizational structures did create some initial conflict. If anything, the merger created extra levels of managers—not a flatter organization.

**7–3.** Why was coordination probably the most important principle of organization in Costco’s merger with Price Club? A merger needs to be managed or it can go badly for both companies. Both companies believe in selling large quantities of items at low prices, which allowed for better coordination. Although there was conflict between the two management teams at first, their differences faded quickly.

**7–4.** Does Costco’s organizational structure reflect centralized or decentralized authority? Costco is a pretty centralized company since all of their stores run very much alike. However, employees are treated very well and feel valuable even though they are really just following orders set by the top management.

**7–5.** Based on Chandler’s theory, how has strategy at Costco affected its structure? Costco was greatly helped by the acquisition of Price Club. Its strategy for growth was quite successful. Buying Price Club helped it have more stores much quicker than if it had to build them. Subsequently, Costco has built an organizational structure of quality top-level managers and many new stores.

**7–6.** Would Costco be considered a learning organization? Why or why not? Costco has learned from its mistakes (although there have only been a few) and continues to improve its company. Costco recently switched to Pepsi to lower the cost of the soda that is part of the hot dog and soda sold for $1.50.

**7–7.** How can Costco use the job characteristics model? Answers could vary, but store-level employees do not have a lot of job variety—they tend to do the same job and do it well. They do have job identity—they tend to help you from the start of the purchase to payment. They like to talk about how they use the products themselves. Task significance is high—they feel like their jobs are important at Costco. Autonomy is low since they don’t get the freedom to try that many different things. Employees do receive regular feedback about their progress.

**Cumulative Case Questions**

**7–8.** Which environmental forces affected Costco decision to change its strategy and structure? (Chapter 2) Walmart and its own warehouse stores. Sam’s Club’s also entered the warehouse club market. Costco had to up its game and strategies to beat Walmart.

**7–9.** Is the use of the decision-making model appropriate in deciding how to change Costco? (Chapter 3) Costco uses its down home strategy (it is headquartered in the state of Washington) to decide on making product and store decisions. We believe Costco makes deliberate but well-thought-out decisions.

**7–10.** What are Costco’s strategies at the corporate and business levels? (Chapter 4) Costco acquired Price Club—even though Price Club was started before Costco. Since that time, Costco has grown all over the world. For example, it opened a new store in Australia in 2011. It has also opened a car wash locations as a sign it will diversify into unrelated businesses. At the business level, Costco continues to use positive public relations and low price per units to drive customers to its stores.

SKILL BUILDER 7–1 IDEAS AND ANSWERS

**Setting Priorities**

*Total Time* (10–30 minutes)

The actual skill development comes through students learning to answer the priority-determination questions and selecting a priority. I usually use option 2 without calling on someone for every task; it takes me around 15 minutes.

Doing Skill Builder 7–1 in Class

**Objective**

To improve your skill at setting priorities.

**Preparation**

Students should have assigned a priority to the ten tasks on the to-do list preparation before class.

**Experience**

Students will get feedback on how well they prioritized.

*Procedure* (10–30 minutes)

*Option 1.* Break the class into groups of 4 to 6 and have students share their priorities. Have them try to reach a group consensus on each of the ten priorities. After a group has finished, one member records priorities for the entire class to see. After all groups have finished, go over the recommended answers.

*Option 2.* Call on students to give their priorities to each task. Go over the recommended answer for each item after a student gives a priority.

*Option 3.* Go over the recommended answers without student involvement.

**Conclusion**

Lead a class discussion and/or make concluding remarks.

**Sharing**

Volunteers give their answers to the Apply It section.

*Answers to the Ten Priorities*

1. High. Yes to all three questions. A quality product is your primary responsibility.
2. Delegate. No to question 1; no need to answer questions 2 and 3. Have Michele tell the salesperson that you don’t do any purchasing. Send him and all salespeople to the purchasing office.
3. Medium. Yes to questions 1 and 2 and no to question 3. You can call Molly for an appointment soon; it is not necessary to drop everything and see her now. You can see her after the other high priorities are completed.
4. High. Yes to all three questions. If you’re going to increase production by 20 percent, you’d better start planning very soon. Hiring skilled employees and getting new equipment often takes longer than one month.
5. Medium. Yes to questions 1 and 2 and no to question 3. It is important to decrease your turnover rate, but it can wait until the production problem is solved and the 20 percent increase in production is planned.
6. Delegate or Low. Not knowing who he is or why he is calling makes it impossible to answer the three questions. However, you can assume it’s not important. Have Michele call to determine what he wants or wait for him to call you back.
7. Medium. Yes to questions 1 and 2 and no to question 3. You don’t know what happened, but you can assume it’s important, but it is not an emergency. If it were an emergency, he wouldn’t ask for an appointment. Schedule the meeting for later.
8. Low. Yes to question 1 and no to questions 2 and 3. It is not the production manager’s job to meet customers, and you should not drop everything to meet with the customer. Taking on new customers without solving the quality problem and the need to increase production can create more problems. However, it would be helpful to the company to meet the customer. Schedule a luncheon meeting. You can talk over lunch and get a free meal from the salespeople for your time and effort.
9. High. Yes to all three questions. You will look rather foolish if you go to see John without an explanation and suggested solution for the quality problem. Try to schedule a meeting after you have had a chance to investigate the decreased quality and to come up with a tactical plan to solve the problem. If you simply go to your boss and say you don’t know what the problem is, you will look bad. If you go to your boss stating the problem and how you are taking corrective action to solve it, you will look much better.
10. Low. Yes to question 1 and no to questions 2 and 3. Read it when you have a free moment. Just because it came from the president does not mean it should get a high priority.

The first thing you should do is work to solve the quality problem. Second, quickly let your boss know how you are solving the problem and/or get his ideas. Third, plan to increase production. If there is a delay on quality, work on increasing production in between.

I tell students that it is not recommended to prioritize all ten tasks at once because new ones will come up before you finish the list, and you don’t want to waste time by renumbering the list over and over again. Just look at the high priorities, and don’t make the mistake of prioritizing everything, or most things, as high.

Testing on Skill Builder 7–1

Five situations similar to the ten in this exercise are in the Test Bank and in this Skill Builder section. However, I tell students during the exercise that the test questions will not be on a prioritized to-do list. I tell students they need to know the three priority-determination questions and when to assign each of the four alternative priorities. I usually give full credit if they get the second-best alternative based on answering the questions. The test format is below, and the instructions are as follows:

Instructions

Write the numbers 1, 2, and 3. To the right of each number 1 through 3, write the priority-determination questions. To the left of the numbers, write yes or no as the answer to each question. On the priority line, write the priority.

**Note**: This is how I ask students to format the questions. (Lines do not appear on the test itself.)

A situation is given.

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Priority

If you plan to test students, be sure to explain this format.

Test Questions and Answers 7–1 (Also found in Test Bank)

Instructions

Write the numbers 1, 2, and 3. To the right of each number 1 through 3, write the priority-determination questions. To the left of the numbers, write yes or no as the answer to each question. On the priority line, write the priority.

Questions:

Priority:

1. The human resources manager sent you, a middle manager, a memo asking for a list of all your employees with their job titles. It is due in one week. Making the list should be what level of priority for you?

Solution

No 1. Do I need to be personally involved because of my unique knowledge or skills?

2. Is the task my responsibility, or will it affect the performance or finances of my department?

3. When is the deadline—is quick action needed?

Delegate Priority

Second-Best Answer

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

No 2. Is the task my responsibility, or will it affect the performance or finances of my department?

No 3. When is the deadline—is quick action needed?

Low Priority

1. You are the manager of a small local stock brokerage branch. The telephone lines just went dead. The secretary is out sick today, so you are covering for her. Getting the telephones fixed should be what level of priority?

Solution

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

Yes 2. Is the task my responsibility, or will it affect the performance or finances of my department?

Yes 3. When is the deadline—is quick action needed?

High Priority

Second-Best Answer

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

Yes 2. Is the task my responsibility, or will it affect the performance or finances of my department?

No 3. When is the deadline—is quick action needed?

Medium Priority

1. You have to submit your department budget in two weeks. There will be very few changes from last year. Preparing the budget should be what level of priority?

Solution

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

Yes 2. Is the task my responsibility, or will it affect the performance or finances of my department?

No 3. When is the deadline—is quick action needed?

Medium Priority

Second-Best Answer

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

Yes 2. Is the task my responsibility, or will it affect the performance or finances of my department?

Yes 3. When is the deadline—is quick action needed?

High Priority

1. You are a supervisor of a medical ward. You just checked your mail. You got the latest copy of *Supervision*, amonthly magazine giving ideas on how to be an effective supervisor. Reading the magazine should be what level of priority?

Solution

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

No 2. Is the task my responsibility, or will it affect the performance or finances of my department?

No 3. When is the deadline—is quick action needed?

Low Priority

Second-Best Answer

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

Yes 2. Is the task my responsibility, or will it affect the performance or finances of my department?

No 3. When is the deadline—is quick action needed?

Medium Priority

1. You are the manager of a retail chain. You just returned from lunch and got this message: “Chris called, return the call.” Chris is a personal friend. Calling Chris back during company time should be what level of priority?

Solution

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

No 2. Is the task my responsibility, or will it affect the performance or finances of my department?

No 3. When is the deadline—is quick action needed?

Low Priority

Second-Best Answer

Yes 1. Do I need to be personally involved because of my unique knowledge or skills?

No 2. Is the task my responsibility, or will it affect the performance or finances of my department?

Yes 3. When is the deadline—is quick action needed?

Medium Priority

Grading

I give half credit for writing the steps and half credit for the yes/no answers and level of priority.

SKILL BUILDER 7–2 IDEAS AND ANSWERS

**Organizational Structure at Your College**

*Total Time* (0–30 minutes)

The real skill development comes from the preparation for this exercise. You can have students do the preparation only, and it can be passed in. I use option 1, which takes around 10 to 12 minutes.

Doing Skill Builder 7–2 in Class

**Objective**

To better understand organizational structures.

**Preparation**

Students should have completed the preparation section before class.

**Experience**

Students will share their analysis of the organizational structure.

*Procedure* (8–20 minutes)

*Option 1.* Lead a class discussion by calling on students to give their answers for each question of the preparation section.

*Option 2.* Break the class into groups of 3 to 5 and have students share their answers for each question of the preparation section.

**Conclusion**

Lead a class discussion and/or make concluding remarks.

**Sharing**

Volunteers give their answers to the Apply It section.

Testing on Skill Builder 7–2

The preparations for this exercise can also be typed and passed in as an individual or group project and graded.

Test Questions and Answers (Also found in the Test Bank)

1. Refer to Exhibit 7–2. How are the principles of organization followed? (Be sure to include the span of management and division of labor.)

Solution

Answers will vary.

1. Identify line and staff positions. Is authority centralized or decentralized?

Solution

Answers will vary.

1. What type of departmentalization is used? Draw its organizational chart.

Solution

Answers will vary.

1. Describe the job design of faculty members.

Solution

Answers will vary.

1. Identify some of the current priorities and types of assignments delegated.

Solution

Answers will vary.

BEHAVIOR MODELING IDEAS

**Delegating**

In the video, Steve, production manager, delegates the completion of production output forms to Dale, following the steps in the delegation process.

This video may be shown as an independent activity, or it may serve as a behavior model as part of Skill Builder 7–3.

Showing the video takes around 4.5 minutes. After viewing the video, you may ask the class questions such as:

1. What did you like about the way the manager delegated?
2. What didn’t you like about the way the manager delegated?
3. What would you do differently if you were the manager in this situation?

**Note:** I’ve had students make the comment that they have never had a manager that delegates like the manager in the video and that most managers don’t delegate like that. That is exactly the point of the video—it is showing how things can and should be, not as they are. Sometimes students will comment that they have had managers that delegate in a similar manner.

SKILL BUILDER 7–3 IDEAS AND ANSWERS

**Delegating Authority**

*Total Time* (15–50 minutes)

**15 minutes:** To keep the exercise to 15 minutes, don’t show the video and do one delegation task rather than all three.

**30 minutes:** To keep the exercise to 30 minutes, use groups of two rather than three and eliminate the observer role. Both students can fill out the observer sheet together.

**Note**: The time to do this exercise varies with the students’ experience. People with full-time work experience tend to be more thorough in the delegation and integration, taking more time than students without full-time work experience. Give them a set time limit for each procedure; however, if they need more or less time, adjust as needed.

Walking around and observing helps keep the students focused on the exercise. I also tell them not to go on to the next delegation task until told to do so so that some groups don’t rush through all three in about 10 minutes.

*Recommended approximate time for a 50-minute period:*

8:00 Start with an overview of the exercise;

show and discuss the Behavior Modeling video 10 minutes

8:10 Procedure 1 12 minutes

8:22 Procedure 2 12 minutes

8:34 Procedure 3 12 minutes

8:46 Conclusion 2 minutes

8:48 Apply It 2 minutes

8:50

Doing Skill Builder 7–3 in Class

**Objective**

To develop delegating skills.

**Preparation**

Students should have read the text discussion on delegating and understand the steps of the delegation process.

**Experience**

Students will role play by delegating a task following the steps of the delegation process and receive feedback on how well they delegated.

*Procedure 1* (10–15 minutes)

Break the class into groups of three. Each person in the group will role play delegating one of the three tasks given in the exercise to another member of the group, following the steps described in the text (explaining, setting objectives, and developing a plan). The third group member will observe and evaluate the delegation of the task using an evaluation form (which will be supplied by the instructor). (The instructor should provide instructions on how to use the form.) After the delegation, the group should discuss how effectively the delegator delegated. Do not proceed to the next delegation task until told to do so.

*Procedure 2* (10–15 minutes)

Same as procedure 1, except that group members should switch roles. Do not proceed to the next delegation task until told to do so.

*Procedure 3* (10–15 minutes)

Same as procedure 1, except that group members should switch roles.

**Conclusion**

Lead a class discussion and/or make concluding remarks.

**Sharing**

Volunteers give their answers to the Apply It section.

Testing on Skill Builder 7–3

Three delegation situations are in the Test Bank and in this Skill Builder section. If you plan to test students on delegation, be sure to explain the test format, which is: Students are to write the four steps of the delegation process followed by what they would say for each step. Reading the exam instructions following the situation is very helpful.

Test Questions and Answers 7–3 (Also found in Test Bank)

Instructions

Write each step of the delegation process, followed by what you would say for each step.

1. **The Delegation Process.** You are a college professor and advisor of students. You have received the grade reports for your advisees. You have a file folder for each advisee, which contains a form to record grades on. You are going to delegate the task of recording grades to your graduate assistant. It should not take more than a couple of hours to do the task. You will teach your graduate assistant how to record and file the grades during your delegation of the task. For this step of the delegation process, just state that you will teach the graduate assistant how to do the task.

Solution

**Step 1. Explain the need for delegating and the reasons for selecting the employee.**

As my graduate assistant, part of your job is to record grades for me.

**Step 2. Set objectives that define responsibility, level of authority, and deadline.**

The objective is to record all advisee student grades and file them before you leave today. You have the authority to report. Just let me know that they are done.

**Step 3. Develop a plan.**

Teach the graduate assistant how to record the grades.

**Step 4. Establish control checkpoints and hold employees accountable.**

I’ll watch you do one as a control, then you can finish on your own. I don’t really care what time you do them, as long as you do them today.

1. **The Delegation Process.** You are a production manager in a large company. You have received a request for information on your department by the new human resources manager. You are going to delegate the task of writing the answers to the questions to provide the information that the human resources manager wants to your secretary, Chris. Chris has worked for you for several years and should be able to word process the information without any help from you. It shouldn’t take more than a couple of hours to record the information.

Solution

**Step 1. Explain the need for delegating and the reasons for selecting the employee.**

Hi, Chris. I got this request for information from the new human resources manager. Please word process the answers to the questions to save me the time of doing it.

**Step 2. Set objectives that define responsibility, level of authority, and deadline.**

The objective is to word process the answers within one week. You have the authority to report. Type the answers and give the report to me to check over and sign.

**Step 3. Develop a plan.**

There is no need for a plan because Chris can handle the job without directives.

**Step 4. Establish control checkpoints and hold employees accountable.**

When it’s ready, give it to me to check and sign. Then you’ll put it through interoffice mail.

1. **The Delegation Process.** You are a marketing manager in a medium-sized company. Your computer is getting outdated, so you have decided to get a new one. You’re not sure what make, model, or features to select. You are busy and don’t want to spend a lot of time making the selection. You have decided to let your trustworthy secretary, Chris, check out available models, tell you about the best three, and suggest one model for you. You’d like the new computer in one week.

Solution

**Step 1. Explain the need for delegating and the reasons for selecting the employee.**

Hi, Chris. I need a new computer. I’m not sure what make, model, or features to get. I know you’re more knowledgeable than I about computers, so I’d like you to help me make the selection.

**Step 2. Set objectives that define responsibility, level of authority, and deadline.**

The objective is to check various computer models and to present the best three to me within one week. You have the authority to recommend. I’d like you to suggest one of the top three for me to select.

**Step 3. Develop a plan.**

The plan has been made clear in Step 2.

**Step 4. Establish control checkpoints and hold employees accountable.**

When you have selected the top three with your recommendation, let me know. Just be sure to get it done within one week.

Grading

I give half credit for writing the steps of the delegation process and half credit for their answers. What students write will vary from that in the solutions. You need to make the call on the value of what they write for each step.

SKILL BUILDER 7–4 IDEAS AND ANSWERS

**Job Simplification**

*Total Time* (0–20 minutes)

The real skill development comes from the preparation for this exercise. You can choose to spend no class time on the exercise.

Doing Skill Builder 7–4 in Class

**Objective**

To improve your skills at job simplification.

**Preparation**

Students should have completed the preparation section before class.

**Experience**

Students will share their flowcharts with other students who will give them feedback.

*Procedure 1* (5–10 minutes)

Break students into groups of 3 to 4. Have them analyze each other’s flowcharts and give feedback on how to improve the flowcharts.

*Procedure 2* (5–10 minutes)

Have volunteers share how they will improve their flowcharts.

**Conclusion**

Lead a class discussion and/or make concluding remarks.

**Sharing**

Volunteers give their answers to the Apply It section.