

## Section Answer Keys

# Chapter 11 Management Skills

## Section 11.1 Management Structures

### Review Key Concepts

1. A vertical organization is a chain-of-command, hierarchical structure where the tasks and responsibilities of each level of the organization are clearly defined. In a horizontal organization, top management shares decision-making with self-managing teams of workers who set their own goals and make their own decisions.
2. Personnel costs are reduced in a horizontal organization because fewer managers are required. Members of self-managed teams are empowered as they are given authority to make their own decisions, complete their tasks, and coordinate their activities with other groups within the company.
3. The three levels are top management, middle management, and supervisory-level management.

### Practice Academics

#### English Language Arts

4. Students should write a half-page report explaining how a company can be organized for either vertical management or horizontal management. For vertical management, the titles and functions of each position must be established. For example, the CFO (chief financial officer) would be in charge of all financial operations. Those middle managers that report to each top management person must then be established. Under this level are the supervisors who report to each middle manager. For horizontal management, employees should be organized into teams by process, rather than function. For example, in a sporting goods store, all employees who are responsible for customer service would be part of one team. These teams would be self-managing, making their own decisions and prioritizing their tasks.

#### Mathematics

5. \$1,621,510  $(3,685,250 + [3,685,250 \times 1.10] \times 0.40)$