

Chapter 16

1. The end result of the independent contractor arrangement with *MOST* real estate licensees is that the company can
 - a. recommend and encourage certain behavior.
 - b. impose rules regarding vacation days, etc.
 - c. require that the salesperson make referrals to the company's affiliated business enterprises.
 - d. wonder if anyone is coming to work that day.
2. The way to manage ICs is to
 - a. ignore their status and do whatever it takes to reach the company's goals.
 - b. be resigned to the fact that they can't be managed.
 - c. set production quotas they must achieve.
 - d. encourage them and show how they will benefit from management's suggestions.
3. All of the following can be used by a broker to foster better performance *EXCEPT*
 - a. efficient company procedures.
 - b. career enhancement meetings.
 - c. ineffective leadership.
 - d. defined job performance activities.
4. What is the primary purpose of a performance interview?
 - a. Criticize what a person does
 - b. Discuss a person's progress and plans
 - c. Identify a person's faults so that he can be corrected
 - d. Identify whether a person should be terminated
5. How does a person recognize the standards for satisfactory performance?
 - a. By reading the job description
 - b. Obtaining positive evaluations from other people in the company
 - c. Agreeing with management decisions
 - d. Meeting measureable outcomes linked to job performance
6. During the process of developing job standards, the manager should remember that
 - a. discussion of past performance is an opportunity to criticize lack of achievement.
 - b. overstated outcomes can help push performance.
 - c. targets for future performance must be realistic.
 - d. the manager sets the standards to meet the overall needs of the company.
7. Evaluating a salesperson's performance in relation to established standards may be done
 - a. independently by the manager.
 - b. in a group process by others in the office.
 - c. by an outside performance testing company.
 - d. by a peer evaluation committee.

8. The salesperson is an IC. In this situation, with regards to performance standards, the manager should
 - a. insist on the salesperson's agreement to the manager's plans.
 - b. gain mutual agreement.
 - c. set listing and selling goals for the salesperson.
 - d. identify what the salesperson has to do to help meet company financial goals.

9. In a real estate office, who is *MOST* likely to require constant feedback and candid advice?
 - a. Millennials
 - b. Baby boomers
 - c. Established top producers
 - d. Those who are meeting their goals

10. How effective are contests and award programs as incentives?
 - a. Contests are more effective than award programs.
 - b. Both can be harmful unless everyone has a chance to win or be recognized.
 - c. Both are suitable for employees but not for ICs.
 - d. The licensing laws prohibit tangible prizes but not intangible awards such as recognition.

11. Which is an example of a negative incentive?
 - a. Praise in private
 - b. Bonuses
 - c. Public reprimand
 - d. Contests

12. One of the major challenges for a manager when evaluating people's performance is to
 - a. find the time to do this.
 - b. be fair and objective with each person.
 - c. overcome the resentment of independent salespeople.
 - d. keep productive salespeople from leaving.

13. Rating performance consists of evaluating actual performance
 - a. in comparison with that of the top producer in the company.
 - b. in relationship to the standards that were benchmarked as satisfactory performance.
 - c. with the performance required to maintain fiscal viability.
 - d. tied to subjective evaluations of the worker by the manager.

14. From time to time, management can enhance employee relations and psychological commitment by
 - a. conducting exit interviews.
 - b. administering an employee survey.
 - c. holding brainstorming sessions.
 - d. dwelling on faults.

15. If the manager has a problem with something a salesperson has done, the manager should
- ignore the problem if the salesperson is an independent contractor.
 - talk to other salespeople to find out what they think about what the salesperson has done.
 - address the problem in the next sales meeting to find a solution.
 - address the problem with the salesperson and agree on a solution.
16. Management announces a new commission structure. Later, when the manager walks into the room, several small groups of salespeople get very quiet. In this circumstance, management
- can feel comfortable that the new commission structure meets everyone's approval.
 - should not feel left out since most people have private conversations from time to time.
 - should recognize that there may be a real problem regarding the new commission structure.
 - can safely ignore such signals.
17. When a salesperson walks into the broker's office and announces that he is leaving the company, the broker should
- ask the person to clean out his desk immediately.
 - increase the commission split to keep the salesperson.
 - inquire about the reason for leaving.
 - protect her company from sabotage.
18. When a manager asks a salesperson to leave the company, the salesperson should
- be surprised.
 - not be surprised.
 - expect a second chance.
 - expect to file a lawsuit.
19. The company's top producer has violated a company policy. The broker had several discussions with the person about this and the salesperson agreed to ways to prevent this from happening again. When the broker learns the problem has reoccurred, the broker's next step is to
- consider whether it's appropriate to terminate the salesperson.
 - exempt the salesperson from the policy.
 - investigate to see if other salespeople are doing the same thing.
 - change the company's policy to retain the top producer.
20. A salesperson has made the decision to leave the real estate company. One of the purposes of the exit interview is to learn
- the real reason for the departure.
 - how much the salesperson dislikes the manager.
 - how much money the salesperson is likely to make at the new company.
 - what the salesperson is likely to tell the community about the company.

Chapter 16

1. a Management cannot impose standards on its independent contractor sales agents, but it can recommend, suggest, or encourage certain behavior. The company can, however, require that the salesperson obey laws that relate to real estate activities. 376
2. d The way to manage ICs is to encourage them and show how they will benefit from management's suggestions. 376
3. c A company is responsible for providing compensation, career enhancement and quality in work life by removing barriers like inefficient company procedures, conflicts among workers, and ineffective leadership that hinders performance. 378
4. b The primary purpose of a performance interview is to mutually understand the results of the evaluation and to plan for the coming year. It is not the time to criticize or terminate. 379
5. d Performance criteria generally have results-oriented and behavior-related components tied to a position's job description and the company's business strategies and priorities. The criteria must focus on the most important aspects of a job and be linked with measurable outcomes so the person knows the standards for satisfactory performance. 379
6. c When developing job performance standards, the manager should use the discussion of past performance to praise and listen to frustrations, and to identify skill competencies that can be incorporated for the coming year. Targets for future performance must be realistic because arbitrary or overstated outcomes set up a person to fail. 369
7. a Either the manager can evaluate a salesperson's performance in relation to established standards or the individual can prepare a self-evaluation; such evaluations are private and should not be performed by a group, a peer, or an outside testing company. 379
8. b Developing personal plans is a team effort, and if the salesperson is an IC, mutual agreement over performance standards is essential. 381
9. a Many millennials expect frequent feedback, candid advice, and counsel from their managers, often in digital exchanges. Older generations are geared to more formal and less frequent performance discussions. Established top producers rarely require much feedback. 382
10. b Generally, companies should try to develop contests and awards that are attainable in some way by almost everyone. One of the problems with using contests and award programs as incentives is that sometimes the same people win over and over again, thus demoralizing the rest of the staff. 384
11. c Negative incentives include embarrassment, reprimand, and criticism as motivation for people to change behavior. At best, these only work momentarily. Some people prefer praise in private and are distressed if their achievements are publically acknowledged. 386
12. b The legal reality of evaluations is they must be clearly job performance based, and fairly and equitably administered for each person. Otherwise, the company can have significant legal exposure. 387
13. b Rating is a process of using a formal methodology to evaluate actual performance in relationship to the standards that were benchmarked as satisfactory performance. Hopefully, it can be objective, not subjective. 388
14. b A very useful and simple way to enhance employee relations is by periodically conducting an employee survey to determine worker's feelings about compensation policies, workplace environment and morale, opportunities for professional development, and more. 393
15. d If the manager has a problem with something a salesperson has done, the manager

- should identify the problem before scheduling the meeting. They both need to agree that there is a problem, and together, they should develop mutually acceptable alternatives as possible solutions. The manager should document the discussion in writing. 395
16. c Management should take side conversations that cease very seriously, especially when they follow a major announcement that affects the salesperson's money. Management should ask questions carefully, and be ready to recognize that the sales agents may perceive the new commission structure as flawed. 397-398
 17. c When a salesperson walks into the broker's office and resigns, the broker should explore the reason for leaving and where the person is going. While it may not be possible to prevent this loss, the broker should learn about company problems to prevent others from leaving. The broker should not permanently close the door. 399
 18. b Once a decision to terminate is made, the salesperson should not be surprised. The grounds for termination should be problem or production oriented and should have been discussed earlier. 402-403
 19. a To show fair and even-handed application of the rules and penalties, the company may have to consider letting even a top producer go. The company should document warnings, evidence of the conduct, etc. Termination is always the last resort. 404
 20. a The exit interview is the time to listen to what the person has to say about the manager, the company and, by listening carefully, what the salesperson is likely to say about the company to the community. 404