

IDENTIFICATION AND COMPARISON OF THE MANAGEMENT SKILLS
REQUIRED FOR SINGLE UNIT MANAGEMENT AND THE
MANAGEMENT SKILLS REQUIRED FOR MULTI-UNIT
MANAGEMENT IN A SEGMENT OF THE
QUICK SERVICE RESTAURANT
INDUSTRY

BY

PAUL T. SORRENTINO

Bachelor of Science

Oklahoma State University

Stillwater, Oklahoma

1985

Submitted to the Faculty of the
Graduate College of the
Oklahoma State University
in partial fulfillment of
the requirements for
the Degree of
MASTER OF SCIENCE
December 1999

IDENTIFICATION AND COMPARISON OF THE MANAGEMENT SKILLS
REQUIRED FOR SINGLE UNIT MANAGEMENT AND THE
MANAGEMENT SKILLS REQUIRED FOR MULTI-UNIT
MANAGEMENT IN A SEGMENT OF THE
QUICK SERVICE RESTAURANT
INDUSTRY

Thesis Approved:

Bill Ryan

Thesis Adviser

Jeffrey K. Kelly

W. W. Wanda

Wayne B. Powell

Dean of the Graduate College

ACKNOWLEDGEMENTS

I wish to gratefully acknowledge several people without whose support, knowledge and generosity of time, this graduate program and thesis could not have reached its full potential. I wish to thank Dr. Jeff Beck and Dr. Bill Warde who assisted in making this project a more precise research design, by tapping into their experiences of having gone down this road in the past. My sincere gratitude to Dr. Bill Ryan, my thesis adviser as well as my major adviser, who focused my direction again and again, until he led me to the clear path of defining exactly what I was going to research. He allowed me to expand his prior research and apply it to another industry. His time and patience are vastly appreciated.

My deepest thanks to my wife, Melissa, and my children, Vincent and Anthony, for their patience, understanding, sacrifice and love. These wonderful gifts allowed me the time to pursue the degree I sought.

Much gratitude goes to my childhood friend and business partner, Robert Geresi, who was always a positive influence towards my pursuing this degree and never minded covering for me while I was attending classes.

Many thanks to Bill Walsh who generously helped me on my survey and gave me the access and support in making all the Pizza Hut CEOs and Presidents available to respond to the surveys.

A final special thanks goes to my parents, Maria and Frank Sorrentino, who gave me

support that cannot be measured in any other way, but in love. To my mother, Maria, who spent countless hours on the computer, organizing my work and my father, Frank, whose experience and diverse knowledge on all topics seems to be limitless. Both of them have been invaluable to my success.

Circle

Page

1 1

www.ck12.org

4

11/11/11

4

11/11/11

11/11/11

11/11/11

11/11/11

www.ck12.org

IV. REFERENCES	41
Appendix A	41
Appendix B	42
Appendix C	43
Appendix D	44
Appendix E	45

TABLE OF CONTENTS

Chapter	Page
I. INTRODUCTION	1
Statement of the Problem	3
Purpose and Research	3
Population and Methodology	3
Assumptions	4
Limitations	4
Definition of Terms	4
Organization of the Study	5
II. LITERATURE REVIEW	7
Introduction	7
Supervision	14
Restaurant Managers - What Do They Really Do?	15
The Toughest Job in Food Service	18
Multi-Unit Management - Working Your Way Up the Ladder	19
Managing the Managers	21
Multi-Unit Management - Managing at a Distance	24
Managed Services	27
Computer Technology	28
Managing - Week to Week	30
Inventory	30
Compensation	31
III. METHODOLOGY	36
Overview	36
Research Design	36
Population	37
Instrumentation	37
Data Collection Procedures	39
Data Analysis	40

IV. RESULTS.....	41
Response Rate	41
Summary of Respondents.....	42
Respondent Demographics	44
Comparisons of Performance Dimensions.....	60
Summary of Skill Descriptor Ratings.....	66
Correlated T Tests for Performance Dimensions.....	67
V. SUMMARY, CONCLUSIONS, RECOMMENDATIONS.....	72
Summary of the Findings.....	73
Conclusions.....	75
Recommendations	76
REFERENCES.....	79
APPENDIXES	81
Appendix A Permission Letter.....	81
Appendix B Institutional Review Board Approval	83
Appendix C Reliability Analysis.....	85
Appendix D Cover Letter and Instrument.....	87

LIST OF TABLES

Table	Page
I. Summary of Respondents	42
II. Respondent Demographics	44
III. Respondents Demographics for Franchises with Multi-Unit Managers	53
IV. Comparison of Financial Management Skill Descriptor Ratings.....	60
V. Comparison of Food Service Operations Management Skill Descriptor Ratings	61
VI. Comparison of Marketing and Promotions Management Skill Descriptor Ratings	62
VII. Comparison of Facilities and Safety Management Skill Descriptor Ratings.....	63
VIII. Comparison of Human Resources Management Skill Descriptor Ratings	64
IX. Summary of Mean Skill Descriptor Ratings	66
X. Correlated t-test for Financial Management	67
XI. Correlated t-test for Food Service Operations.....	68
XII. Correlated t-test for Marketing and Promotions Management.....	69
XIII. Correlated t-test for Facilities and Safety Management	70
XIV. Correlated t-test for Human Resources Management	71

CHAPTER I

INTRODUCTION

Full service restaurants, historically, have been the largest contributors to the food service industry's sales. In 1995, the fast food or Quick Service Restaurant (QSR) segment of the industry exceeded the full service restaurant industry's sales for the second year in a row (Muller and Campbell, 1995). In 1997, the United States restaurant industry employed an estimated 9.5 million and is projected to employ 11 million by the year 2005. This growth, in turn, increased the need for managers from 660 thousand to 1.5 million (44%) (Patil and Chung, 1998).

The growth of the food service industry is not just occurring in the United States but internationally as well. In Hong Kong, the fast food gross receipts increased from \$63 million in 1990 to \$83+ million in 1991. The number of QSR restaurants jumped from 377 to 1040 with employees increasing from 3848 to 22,247 (Lan and Khan, 1995). The demand for employees and managers is constantly increasing as industry growth, combined with unemployment, heightens competition among all industries for managers and entry level workers (Patil and Chung, 1998).

The QSR segment has diversified itself from just offering hamburgers to serving other foods such as Italian, Mexican, Chinese, bagels, chicken, and fish. The demographics and diversity of food service customers and employees, in turn, have also broadened. Diversity in the food service industry in the past, was thought about as only age and gender. Diversity today, encompasses age, tenure in an organization, educational

background, gender, physical abilities, economic status, life style, religion and ethnicity (Woods and Sciarini, 1995).

Finding the people to manage restaurants has become a significant task. Craig Eirich, President of the ten store chain Garden Cafe in Omaha, Nebraska feels that this is the key problem facing many QSRs today. As expansion in the QSR industry continues in a strong growth mode, the need for trained managers has become a priority (Breuhaus, 1998). Annual restaurant employees turnover ranges from 150 to 200 percent and the annual turnover rate for general managers is often as high as 33 percent. Companies need to do something to curb this trend and to put more emphasis on training and management skills (Bernstein, 1998).

Many QSRs promote their successful single unit managers (a person who oversees a single unit restaurant) to multi-unit managers (oversight of two or more units). Prior research (Umbreit, 1989, Ryan, 1992), has also indicated that the majority of multi-unit managers are promoted from within the organization. If training programs were available, these programs focused on developing successes as single unit managers, not as multi-unit managers. George Rice (as reported in Bernstein, 1998), the President of GDR Enterprises who coordinated the Industry of Choice Employment survey, noted that this lack of training leads to management turnover, and that although chains spend a total of \$2 billion annually in training programs, there is a need to improve performance reviews and to establish clearer advancement and career paths.

Statement of the Problem

Training programs currently used in the food service industry do not adequately prepare individuals for success as multi-unit managers.

Purpose and Research Questions

This study is a follow up from prior research by Ryan (1992), conducted in a different segment of the hospitality industry. The purpose of this study was to identify and compare the management skills required for single unit management and the management skills required for multi-unit management in a segment of the quick service restaurant industry. The specific research questions for the study were:

1. What management skills are utilized or required for success at the single unit level and multi-unit level in the segment of the quick service restaurant industry?
2. Are there similarities or differences between the management skills utilized or required for success at the single unit level and multi-unit level in the segment of the quick service restaurant industry?

Population and Methodology

The population utilized in the research was the franchisees of record as of August 31, 1999 of Pizza Hut, Inc. A census of the population was attempted. A survey developed in

prior research (Ryan, 1992) was utilized to collect the data. Statistical tests were used to describe the data returned.

Assumptions

The following assumptions were accepted in order to conduct the study:

1. Respondents answered the surveys honestly and in an unbiased fashion.
2. Respondents related their professional opinion, not a personal attitude or opinion.
3. The person to whom the survey was sent actually completed the questionnaire.

Limitations

The following conditions describe the limitations imposed on this study:

1. The surveys were sent to the person who was the franchisee of record. If the franchisee was a partnership or corporation, then the survey was sent to the president or the chief executive officer.
2. A census of all franchisees of Pizza Hut, Inc. was attempted for this study. As a result the findings may be limited to this population and not generalizable to the other quick service restaurants or segments of the hospitality industry.

Definition of Terms

The following definitions and terms were used for this study:

Franchisee: Any owner, operator, corporation or partnership who conducts business

as a subsidiary of a parent corporation and operates one or more single units.

Multi-unit manager (MUM): “The individual with responsibility for the direct supervision of more than one single unit manager. This position is also identified as a manager or managers”. (Ryan, 1992, p. 7).

Pizza Hut, Inc.: The parent company who originated the business and operates 646 stores of their own and from which franchises are derived. Three types of Pizza Hut operations include:

Red Roof: Dine-in; carry out; no delivery.

RBD: Restaurant base delivery, which delivers and has dine-in;

Delco: Delivery service only.

Quick service restaurant (QSR): not considered fine dining and can range from a hamburger establishment to waitress service.

Single unit manager (SUM): The individual with overall responsibility for the operation of one restaurant facility, whether it be dine-in, delivery only or restaurant base delivery.

Organization of the Study

Chapter I introduces background information related to the problem this study addresses and includes the statement of the problem, purpose and research questions, population and methodology, assumptions, limitations, definition of terms, and the organization of the study. Chapter II reviews the literature related to management styles, single unit managers and multi-unit managers. Chapter III identifies methodology of this study. Chapter IV describes the findings of the research study. Chapter V contains

conclusions, future implications and the author's recommendations based on the findings of the study.

CHAPTER 1

INTRODUCTION

1.1 Background

1.2 Statement of the Problem

13

1.3 Objectives of the Study

14

1.4 Significance of the Study

LITERATURE REVIEW

Introduction

In August 1998 a meeting of more than 150 executives, representing both operators and suppliers of chain restaurants, was held in Carlsbad, California. This two day conference was sponsored by Chain Leader and its sister publication, Restaurants and Institutions (Bernstein, Oct 1998). This conference, in its seventh year, had in attendance well known industry leaders, such as Raymond Schoenbaum (Shoney's, Inc.), John Wooley (Schlotzsky's), Mario Vera (Coca Cola), Dr. David Butler (Cornell University) and Richard Rivera (Red Lobster). These executives were gathered to discuss "issues of the day", one of which was training and development.

A common issue for these leading chain executives in the late 1990's was the training and retention of trained employees. Red Lobster President Richard Rivera indicated that hiring top-notch employees in the tight labor market is difficult, but the real challenge is retaining employees in order to prevent turnover.

Ray Schoenbaum, Vice-Chairman of Shoney's stated that staffing challenges were more than just company-specific. He further added that employees are literally begging for advancement in the restaurant industry and a complete rethinking is needed to encourage these employees to keep growing professionally. The problem is, managers are trained, put out on the floor and then for the next five years nothing else is done. The restaurant industry is missing out because it does not spend the time and money on consistent

training. The industry should learn from retailers like Home Depot, that there is no substitute for repeated and consistent training (Bernstein, 1998).

Robert Reich, former Harvard Law Professor and Secretary of Labor in President Clinton's first administration, warned that there is too much turnover among restaurant employees and that the quality of training must improve. As reported in Bernstein (1998), the restaurant industry is taking a bad rap, for consumers perceive the hospitality industry is against minimum wage increases. The hospitality industry should project the fact that they are the nation's largest employer and that they have "excellent career paths so that it can become a true industry of choice" (Bernstein, 1998, p.74).

George Rice, President of GDR Enterprises, estimates that in his restaurants, employee turnover averages 150 to 200 percent and the annual turnover rate for unit general managers as high as 33 percent (Bernstein, 1998). He further claims that chains spend two billion dollars annually in training but not nearly enough emphasis on product sales skills, responsible alcohol training, and sexual harassment situations. These shortcomings also lead to management turnover. To retain talented employees, the industry needs improved performance reviews and much clearer advancement career paths.

The problem of training and retention has not just reared its ugly head recently. This problem may have begun as a small snowball twenty years ago and is not just a current problem. It appears to be reaching avalanche proportions with no visible signs of stopping. This is in spite of the fact, many QSRs have experimented with offering managers innovative concepts, such as stock options, higher pay, and clearer advancement career paths.

A challenge facing the restaurant industry may be attributed to the aging of the

baby-boomer generation. For instance, the advancing age of baby boomers means a relative shortage of young managerial talent. Low unemployment means intense competition among all industries for managers and even for entry-level workers. Add to this the unfavorable public image of employment in the restaurant industry and the competitive environment for employees and this limits and/or worsens the efforts of the industry to hire talented personnel.

The age of baby boomers is approximately between the late 30's to the early 50's. The individuals in the next younger age group (mid 20's to the mid 30's) are referred to as the "baby busters". This group is considered to be the group that will fill most of the food-service industry's managerial positions in the next decade. The U.S. restaurant industry, which employed 9.5 million individuals in 1997, is projected to employ 11 million by the year 2005 and the need for managers alone in the restaurant industry may increase by 44 percent, to 1.5 million (Patil and Chung, 1998). The number of baby busters is expected to be 11.1 percent lower than the number of baby boomers by the year 2000. Such a drop in the pool for managerial talent is a tremendous challenge for an industry already hard-pressed to fill existing positions with quality employees. Not only are there fewer potential restaurant managers, but the industry will need to attract good talent who otherwise would be filling or looking for non-restaurant positions. To make matters worse, employment in the restaurant industry has long been considered a temporary job, not a lifetime career (Patil and Chung, 1998).

The projected industry growth and the anticipated increase in managerial positions to be filled will challenge chain restaurants in their ability to identify qualified candidates for single unit managers and multi-unit managers, then attract, hire and retain them. With

the shrinking labor pool, above average chain restaurant turnover rates, and turnover costs representing a significant concern to restaurant executives, companies are compelled to find methods to attract the best single and multi-unit managers and ensure that they stay (Patil and Chung, 1998).

By 1994, it appeared that Taco Bell had achieved the answer to training single and multi-unit managers. So much so that John Martin, Taco Bell's CEO was honored as the Innovator of the Year at the annual Multi-Unit Food Service Operators' conference in October 1994. In his eleven years as Taco Bell's CEO, he was identified as a pioneer in the QSR industry. His willingness to question and change industry assumptions helped Taco Bell grow from a \$500 million regional chain to a \$4.5 billion national company (Durnford, 1997).

During the early '90s, Taco Bell's growth was the hottest topic in the QSR industry. One corporate change that was made was to eliminate every Taco Bell unit kitchen and shift to a commissary preparation operation. This created product consistency and reduced unit labor costs. This mode of operation also allowed the CEO to reduce an expense that provided little value to the customer--middle management--and the related salaries and overhead. Martin's goal was for Taco Bell restaurant managers to act as franchisees who would be totally responsible for customer satisfaction, store sales and profitability. In 1990 and 1991, Taco Bell replaced 380 managers (320 district managers and 60 area managers) with 90 "market managers" (MMs), a title that had never before been used in the restaurant industry (Pizza Hut and KFC soon took up the title). By doing this, Martin eliminated the authoritative control of and the continued dependence on middle managers (Durnford, 1997).

With this managerial reorganization, the MM supported 20 outlets as opposed to a district manager supervising five restaurants. By removing supervisory levels, each restaurant manager, the same as a single unit manager, was retitled to general manager. In addition, this person was required to increase sales and make decisions that were previously made by district managers. Crew members also had their job responsibilities reorganized and took more ownership of store operations.

A Harvard Business School case study (Durnford, 1997) described this as “unit self-sufficiency”. This corporate structure forced decision-making responsibility to the lowest possible level. Front line crew members were empowered to make decisions that formerly had been reserved for store managers. If a customer received an incorrect order, the crew member could correct the problem immediately without asking for the manager’s permission; if the drink dispenser broke down, a crew member could authorize its repair (Durnford, 1997).

To empower crew members and encourage self-sufficiency, Taco Bell began experimenting with team-managed units (TMU’s). TMU’s were restaurants where empowered employees, working in teams, were given the opportunity to run the restaurants with little or no day-to-day supervision. Employees would no longer be called crew members, instead they would be called “team members”.

The idea of TMU’s came about mostly from the total quality management (TQM) movement. One of the key themes of TQM is employee empowerment. It preaches that the most far-reaching way to empower employees is to put them into self-directed work teams (SDWT). The concept of SDWT was used by Volvo in their automotive plant. It was first originated approximately 50 years ago in the coal mines of England.

A working definition of SDWT was developed by the Association for Quality and Participation and is as follows:

Self-directed team: A group of employees who have day-to-day responsibility for managing themselves and the work they do with a minimum of direct supervision.

Members of the self-directed teams typically handle job assignments, plan and schedule work, make production and service related decisions, and take action on problems. Early research found that SDWTs increase productivity, increase flexibility, increase customer satisfaction and reduce the need for excessive supervision (Durnford, 1998).

Taco Bell gave its team members tremendous supervisory responsibility. In addition to their service and production duties, team members interviewed and hired fellow team members, created team schedules, conducted team evaluations, ordered and received food, recorded inventories, controlled food and labor costs, audited cash drawers and made daily cash deposits. This was a great departure from the industry's norm of hiring low-skilled workers who had no authority and had to follow strict operating procedures under a command-and-control style of management.

Training was the key to the teams' functioning. To implement TMU's, MM's and GM's devoted a great amount of time to train team members. Managers held weekly staff-training sessions, as well as doing much on the job training. The idea was that once the team members began acquiring their new skills and tools, the managers would gradually be removed from the units.

In addition to all the training, team unit managers and MM's also provided 24-hour

telephone support. Whether for information or encouragement, help was always available. TMUs required a radical change in the general manager's role. The GM no longer was the restaurant enforcer and problem solver, but instead a coach and support person. Despite skepticism from managers and team members, initial results were promising. Many team members took the reorganization as a challenge and felt a great deal of ownership and pride. A crew member said, "Before we went to teams the managers would always harp on us about portion control and food costs. We would always do what they said but always knew that it was their problem. Now that the managers are gone, we are watching the portions very closely because it is our store" (Durnford, 1997, p.78). This type of employee ownership convinced managers that costs could be controlled even without a manager's continual presence. It finally appeared that the QSR industry had an individual who came up with ideas that would work.

Two years after John Martin won the award as the 1994 Innovator of the Year, he lost his job due to six quarters of flat or declining same-store sales. The sensational growth in the late 1980s and early 1990s had come to an end. By 1995 same-store sales decreased by 4 % and another 2 % in 1996.

It was Taco Bell who ignited the "value wars" that continue to this day and, with 6500 traditional units, Taco Bell makes up 70 % of the entire Mexican QSR market. However, when the other QSR chains started to compete with their own value-meal programs, customers abandoned Taco Bell. It turned out that Taco Bell's low prices were the firm's sole point of differentiation, not their training or concept of re-organization.

The new leadership of Taco Bell has implemented more management involvement. Taco Bell is increasing the number of middle managers using a new title, restaurant

support manager (RSM) with the responsibility to manage only 10 stores. In addition, Taco Bell abandoned Team Managed Units (TMU's). Despite initial successes, the concept could not be sustained because crew members required a great deal of training to become effective team leaders. It appears that the transition from a command-and-control style of QSR management to a self-directed style of management came about too quickly. QSR was an industry where employees were seldom trusted even to show up on time, managers found it difficult to trust employees with the key to the safe when on some occasions night sales somehow failed to be deposited. The switch from total control to no control was just too much for Taco Bell to handle effectively (Durnford, 1998).

Supervision

An entrepreneur may possess charismatic qualities as a leader yet may lack the administrative capabilities required for overall effective management and therefore may need to hire a staff to make up for these deficiencies. Essentially, good management is achieving objectives through others and leadership is involved in both entrepreneurship and management (Mackenzie, 1969).

There are many personal and professional characteristics required for effective supervision. Few people can ever master all of them in a lifetime. In addition, few will ever, in their careers as supervisors, have the opportunity to apply all the varied skills. This raises the question as to which skills should be taught (Enderwood, 1980).

Some supervisors believe that personal characteristics can be separated from professional skills. The truth is that each complements the other. Personal conduct

directly impacts upon professional skills and the reverse is also true. There is no way to be a caring manager on the job and a non-caring person away from the job (Enderwood, 1980).

Being a supervisor does not make one a leader. Initially when a person is promoted to a supervisory role, that person is respected for having the new position but what actually is respected is the position itself. The person will gain respect only when the needs of the people being supervised are met. The first step a newly appointed supervisor should take is to ascertain the group members' needs and what can be done to satisfy them within the organization's guidelines. This action creates an atmosphere conducive to achieving work objectives (Enderwood, 1980).

Restaurant Managers - What Do They Really Do?

When developing a managerial training program, it is necessary to first determine what managers actually do. As of early 1984 relatively meager efforts had been devoted to find out, but restaurant managers were continuously bombarded by advertisements for books, seminars and executive-development programs designed to enhance managerial performance (Ferguson and Berger, 1984).

The conventional description of managers is that they plan, organize, coordinate and control. Somehow they must do this while being interrupted by telephone calls and informational meetings on a frequent basis. Therefore, when developing a good training program the actual question to be answered is, what do managers do on a day-to-day basis (Ferguson, and Berger, 1984)? To obtain this information Ferguson and Berger worked

with nine restaurant managers, actually watching and recording what each one did over a period of eight hours a day for a week. Information about the meetings they attended, the people with whom they spoke and the mail they received was also collected. Management literature suggests that, as a research method, direct observation is a logical step for those involved with the science of management. In addition, the structured-observation method provided information as to what managers do, not their psychological makeup (Ferguson and Berger, 1984).

Ferguson and Berger's findings were that managers' days are hectic, fast-paced and fragmented, with brief and numerous interactions with employees. Oral communication was the preferred method over written communication. Another finding was that managers generally lack a day-to-day plan for their jobs and, as a result, function in a reactive mode rather than a proactive manner.

Other findings indicated that restaurant activities seem further from the textbook description of planner, organizer, coordinator and controller than in other industries. Planning was more like reacting, organizing was simply carrying on the business, coordinating was more like juggling, and controlling was reduced to full-time watching.

The number of contacts, consisting of telephone calls, unscheduled and scheduled meetings, was mind-boggling. The managers spent nearly 50% of their time in a reactive mode. Quick decision making, whether right or wrong, was a necessity. Most multi-unit managers claimed that they did not have written policies and that their major weaknesses were "lack of patience and lack of total perception". In essence, they needed a better understanding of human behavior (Ferguson and Berger, 1984).

The research effort revealed what managers do as opposed to what they should do. Some consideration must be given to the restaurant environment to see if managers are

forced into a behavioral way of operating as opposed to a textbook description. Since customers make demands that must be fulfilled immediately, one cannot waste time reviewing a standard of operations manual as one might in another industry. During operating hours there can only be one consideration--satisfying the customer (Ferguson and Berger, 1984).

Most of the textbook concepts of management have been strongly influenced by manufacturing dominated companies with mass markets, where managers operate in relative solitude. Restaurants are unique in that the product must be ordered, fabricated, delivered, consumed and serviced in the presence of the consumer, while simultaneously, the manager must respond to employees, vendors and other customers (Ferguson and Berger, 1984).

It appears that the issues stated above are not truly addressed in management training programs, namely, what restaurant managers actually do as opposed to what is being taught in a classroom. Although not a small task, future studies should focus on ways in which managers can perform their duties and achieve optimal results so that less effort may be spent on minor details and more on long term issues.

Although the above may not appear as a QSR problem, in reality it is. Before any training program can be developed and conducted, the instructors must have a clear concept of what skills must be taught and developed in order to teach managers how to effectively manage and successfully conduct themselves in problematic situations.

Every level of management feels the squeeze of trying to balance a genuine concern for their employees with the need for profit (Lefever, 1989). Single unit managers have many tasks to perform but they do not necessarily have all the skills or special knowledge required to do everything within their position description. He/She must analyze a task to

determine what skill level is needed and be able to delegate the task to a subordinate, according to that person's ability (Rees, 1998). Single unit managers face the daily pressures of an unstable labor pool, escalating food costs and constant demand from their bosses. Ultimately, their actions can make or break an operation (Weinstein, 1989).

The Toughest Job in Food Service

Before a person becomes a multi-unit manager, percentages indicate that the individual was a single unit manager. A single unit manager is the key person in many QSR facilities as far as the customer is concerned.

Unfortunately, the job's high stress often translates into heavy and costly turnover. In 1989, the estimated recruiting and retaining a replacement for managers was estimated at \$25,000. One of the main reasons for losing unit managers was frustrations such as, 60-70 hour work weeks, not being allowed to make decisions, and people leaving without notice, causing the unit manager to do double duty (Weinstein, 1989).

If single unit managers keep resigning, then where will multi-unit managers come from? Greyhound Food Management, Inc. believes in promotion from within and this retains good people for them. Foodmaker, Inc. has quarterly operations update meetings where corporate vice-presidents meet with unit managers to share financial and personnel developments. At Kentucky Fried Chicken (KFC), they boast of the lowest managerial turnovers (14%) in 1988. One reason may be that unit managers have the opportunity to become co-owners of units. Wendy's sharp drop in manager turnover can be attributed to a companywide cash incentive program. McGuffey's added benefits for hourly employees

such as, dental insurance and profit sharing. Also, a restructured training program reduced employee turnover at McGuffey's from 220% to below 50% in two years and management turnover also dropped from more than 25% to 10%.

Multi-Unit Management - Working Your Way Up the Ladder

Many supervisors working for restaurant chains aspire to climb up the corporate ladder by first becoming single unit managers. By proving oneself to be a good worker and successfully interviewing, a line employee is often promoted to single unit manager. The first step in this process may be an interview, oral or written or both and if successful, the employee enters a training program. This training program may consist of early rising, commencing work at 4 a.m., cooking, cleaning, taking inventory, counting receipts, with someone overseeing the training. This scenario may continue for eight weeks and upon completion, the individual is promoted to Assistant Manager. With this title comes long, hard hours - ten hour shifts. In three months or so, with much hard work and some luck, the Assistant Manager may be promoted to Manager. At the manager level serious competition begins, with several single unit managers vying for the next available multi-unit manager's position (Lefever, 1989).

Competition begins with the district multi-unit manager observing the performance of the various single unit managers, arriving unannounced, day or night and conducting sanitation inspection, labor analysis or cash reconciliation. These visits could take place two or three times daily and can create subtle intimidation for the single unit manager. Once the district manager is satisfied that everything is under control, the visits may

decrease to once a week and before long, the district manager is showcasing the unit to corporate executives (Lefever, 1989).

The district manager also has the duty of setting costs and sales goals for the single units. When goals are achieved, the single unit manager receives a bonus as does the district manager. The key to these bonuses is controlling food costs. Through all this, the single unit manager learns the art of multi-unit management (Lefever, 1989).

When the regional Vice President asks the district manager if the single unit manager is ready to be trained as a multi-unit manager, the district manager could become fearful of losing a valuable unit manager. Up to this point the district manager has enjoyed the benefits received from the good works and accomplishments of the single unit manager. If that single unit manager is ready for promotion, that forces the district manager to locate, hire and train a replacement single unit manager. On the other hand, if the unit manager does not get promoted, they often leave and find employment elsewhere. It is at this stage that it becomes necessary for the single unit manager to visit with the multi-unit manager or the district manager or the regional Vice President and obtain an assessment of the company's attitude on career and growth potential. The outcome of these conversations could be either a promise for a career within the company or a departure from the company (Lefever, 1989).

Restaurant chains are always seeking good multi-unit managers. The salaries are often excellent and there is room for advancement. The work, however, is generally more difficult than that of a single unit manager. Some good single unit managers make good multi-unit managers and some do not. The key is never letting anyone or anything interfere with the bottom line (Lefever, 1989).

Managing the Managers

The critical first level of multi-unit management is one of the most difficult jobs to define. Job descriptions often indicate that an area supervisor, or multi-unit manager, is responsible for maintaining unit profitability and enforcing company standards. What is lacking is that the job description does not specifically indicate how to utilize time efficiently, how to spend the day, nor give guidelines for how to structure activities and empower others.

Senior management advises the multi-unit manager to be a “developer of people” while at the same time to “show positive results-fast”. Trying to accomplish both these tasks can be frustrating to the multi-unit manager (Restaurants and Institutions, 1983).

It appears that in spite of company rhetoric about career path growth, the individual who gets promoted is usually the one who, as a single unit manager, has the store with the highest volume and was the most profitable (Ryan, 1992). Without success as a single unit manager, an individual does not have credibility. This criterion may earmark a good manager and then, it may not. Unless a company trains single unit managers in skills such as negotiating, delegating, communicating and training, it will find itself with multi-unit managers who will be deficient in these important areas (Restaurants and Institutions, 1993).

The transition from store manager to multi-unit manager is indeed a difficult one. New situations demand new skills. Motivations change, rules change and frequently the newly promoted multi-unit manager is not prepared for what is encountered (Ryan, 1992). As a

single unit manager, the rhythm of the operation structures the day. As a multi-unit manager, the day has no rhythm. Different activities are present daily, such as waiting for the beeper to sound or the phone to ring, signaling a problem or going from crisis to crisis, just putting out fires.

A single unit manager usually has complete authority, but as a multi-unit manager the ability to make things happen is quite limited. At the single unit level, high control makes one successful but if the multi-unit manager tries to maintain control, he alienates the single unit manager. This results in the multi-unit manager remaining passive which is difficult because he/she wants to be involved, wants to get direct results and wants immediate feedback. The single unit manager has a satisfying role as host, welcoming customers and selling food. Conversely, the multi-unit manager is dislocated, misses contact with customers and the motivation to please (Restaurant and Institutions, 1983).

A multi-unit manager occasionally receives some form of training when promoted to this position; however, this training, the first level of multi-unit manager training, is often a weak link in a company's manager development. In some companies the training consists of handing an individual a set of keys and arranging for the new multi-unit manager to work for a week with an experienced multi-unit manager. If the multi-unit manager was promoted from within the organization, the new multi-unit manager must gain acceptance and win respect of former peers. In some cases, what the new multi-unit manager encounters is disrespect and criticism because the multi-unit manager was not taught how to resolve problems and work with others (Restaurant and Institutions, 1983).

At Druthers International, a new management program for multi-unit managers was introduced. This training program was built around case studies, real life management

situations that illustrated the challenges faced by new multi-unit managers. Most of the cases focused on how to deal with people (Restaurant and Institutions, 1983).

Multi-unit managers must be skilled in taking care of their managers' egos (Lefever, 1989).

Jerrico has formalized training for multi-unit managers and two years after it started (1981) the training director, Doug Higdon announced that their program made it easier for people to adapt to their new jobs. The Jerrico program "walks the new multi-unit managers through a series of 14 tasks that reflect their new responsibilities" (Restaurants and Institutions, 1983, p.166). As a follow-up, the multi-unit managers are evaluated by having discussions with the single-unit managers to determine if the multi-unit managers are consistent in enforcing standards store to store, following up on commitments and developing action plans to resolve problems. There are follow-up interviews with the single unit managers and the multi-unit managers are advised of the feed back (Restaurant and Institutions, 1983).

All of these training programs occurred prior to 1984 and yet Nancy Combs, Executive Vice-President-Human Resources, for Druthers International, states that the food service industry, as structured, cannot accomodate the talents and dreams of many multi-unit managers. That in spite of very rapid career growth, many multi-unit managers get disillusioned. It appears that something must give, either the dreams of the multi-unit managers or the way food service companies are structured (Restaurant and Institutions, 1983).

Research in the fast service segment of the hospitality industry has shown that organizations fail to clearly define responsibilities for multi-unit managers and that half of

those managers surveyed indicated that they received no training for the position when promoted, nor an evaluation for their performance once on the job (Umbreit, 1989).

Multi-Unit Management - Managing at a Distance

When hiring multi-unit managers, restaurant chains do not always know what to look for or what training to provide them. The reason is that within the corporate structure there is only a vague notion about what multi-unit management entails. Executives, polled by Restaurant and Institution magazine, indicated that the role of a multi-unit manager is one of the most difficult in an organization to define (Umbreit, 1989). In addition, multi-unit managers who participated in the survey advised that they were unsure of what was expected of them. Half said that they received neither training nor an evaluation of their performance.

Special job descriptions developed by QSR firms are proprietary and therefore it is difficult to establish an accurate definition of the multi-unit manager's duties. Based on the concept that QSR firms and educators could use a clearer concept of the multi-unit manager's role, a study was conducted among corporate executives and current and former multi-unit managers (Umbreit, 1989).

Before the study was conducted a general definition of the multi-unit manager's role was developed, based on job descriptions that were obtained from several QSR firms. These job descriptions indicated that multi-unit managers are responsible for policy implementation, sales promotions, facilities appearance and maintenance, financial control and human resources management. The firms that did provide the data viewed multi-unit

managers as a connection between superiors who need to know what is going on at the unit store level and the unit managers who are expected to achieve corporate goals (Umbreit, 1989).

The job description, however, provided no information about the specific tasks performed by the multi-unit managers, such as how they allocate their time or how they accomplish their objectives. A more comprehensive view of the multi-unit manager's job would enable food service firms to develop appropriate selection criteria and training programs. Educators would find such information useful for developing courses on multi-unit management.

The problem of defining a multi-unit manager's job is not a new one. In 1984, Ferguson and Berger asked the question, what do multi-unit managers really do and need to know if adequate training programs are to be developed (Cornell Hotel and Restaurant Administration Quarterly, 1984). Five years later the problem still existed and another study was conducted to define multi-unit management (Umbreit, 1989).

The first step in the study was to create a panel of five executives in the chain-restaurant industry and develop a multi-unit manager job description. The five executives were either former multi-unit managers or supervisors of multi-unit managers. The panel identified five job aspects of a multi-unit manager: finance, operations, marketing and promotion, facilities and safety, and human resources management. After completing a general job description, examples of the task activities for each of the five elements were provided by the panel. The findings of the panel were then sent to Vice-Presidents of Operations at 800 firms randomly selected from the

directory of Chain Restaurant Operators for their evaluations. Usable responses were received from 73 firms and incorporated into the final job descriptions (Umbreit, 1989).

Of the 73 responses received, it was noted that 35% reported difficulty in finding competent individuals for multi-unit manager positions. The primary source was from single unit managers. Eighty-two percent of the respondents advised that they preferred to promote from within their company. Most of the respondents stated that the estimated multi-unit manager turnover rate was between 10-15%.

Another survey was sent to 10 of the responding firms with the request that the executives give the survey to their multi-unit managers. The executives distributed the survey to 309 multi-unit managers of which 161 usable responses were received. The multi-unit managers were asked to rate the importance of the aforementioned five tasks. Restaurant operations was rated the most important job aspect by both corporate executives and multi-unit managers. Both groups agreed that human resources was of second importance with financial management as third. Corporate executives rated marketing and promotions fourth whereas multi-unit managers rated facilities and safety fourth (Umbreit, 1989).

According to 62% of the responding multi-unit managers, the most difficult aspect of making the transition from a single unit manager to a multi-unit manager was human resources management. A corporate executive admitted that it is easier to teach operational and financial aspects than it is to teach human resources management which requires patience, maturity, trust and determination. New multi-unit managers quickly learned that motivational techniques used successfully as single unit managers with hourly employees were not successful when they used the same techniques as multi-unit

managers with their single unit managers. New multi-unit managers have a tendency to over-control and not let single unit managers make their own decisions. Because they were once single unit managers and were accustomed to solving problems themselves, new multi-unit managers must learn to step back and assist others in devising problem solutions. The key to success for the new multi-unit manager is to learn to delegate responsibility and assist the single unit manager only when necessary, thereby making each visit to an individual unit a high-quality productive one.

According to 42% of the responding multi-unit managers, they desired further human resources training. Some expressed interests in the personnel process of locating, hiring, training and evaluating unit managers. As for human resource training, the new multi-unit managers wanted to learn how to get along with different types of managers, how to improve communication skills and become effective leaders.

The next desired training by the multi-unit managers was marketing and promotions because they believed that training is necessary to survive competitively. Corporate executives and multi-unit managers both agreed that multi-unit managers are really human resources managers. Much of their time is spent in this area and is increasing steadily over recent years. In addition, single unit managers, when promoted to multi-unit managers, found that their greatest difficulty was dealing with human resources management and wanted more training in this area.

Managed Services

Some quick service restaurants have moved toward managed services of the onsite

food service sector of the food service industry. These managed companies employ technology and training and realize that these skills play an increasingly important role in multi-unit level management. These companies believe that multi-unit manager characteristics must include the ability to communicate with their respective corporate headquarters. At the single and multi-unit level, managers will need to be the masters of technology and training, not just in one brand of food service, (i.e., Burger King), but in co-branded stores, (i.e., Burger King, Taco Bell and Dunkin Donuts), all under one roof. Therefore, a single unit manager may have to manage one store with three different food service operations. A multi-unit manager could possibly have the challenge of three separate concepts among nine food service operations. They also look to the future by having multi-store operations adapt to technology that facilitates inventory, nutritional assessments of menus, particularly in health care settings, and financial reporting (Reynolds, 1997).

Computer Technology

According to a survey by MICROS Systems and Market Research Solutions, an affiliate of Nation's Restaurant News, more than 34% of the top 100 highest grossing restaurant chains in the United States have, in current use, information technology tools for central management control. The survey revealed that the percentage during the next two years will more than double to 80 percent. Remote systems management is an application that manages a variety of applications for any type of multi-unit chain (Brown, 1997).

The purpose of remote systems for managers is basically two-fold. One purpose is to free managers from the confines of the office and to allow them to spend time where it is always welcome and needed, dealing with the customers and the employees. The other purpose is for efficiency. The systems can do menu rollouts, price changes, tax rate updates, point of sale configuration changes, inventory, financial reporting and consolidation. The beauty of the system is that one multi-unit level manager can do all this for all their units from one centralized location.

Jamie Coulter of Lone Star Restaurants can, from corporate headquarters in Wichita, Kansas, check the sales, inventory or bar sales of a single Lone Star Steakhouse in the United States. This allows multi-unit operators to handle problems or implementation of procedures and promotions in a speedy and uniform manner. The multi-unit manager now has quicker reaction time to consolidate needed information from the restaurants into a central data base. Operationally, the advantages of remote systems has broader base because it gives much greater inventory control, more timely promotions and faster response time to market changes. Some systems are advanced enough to check a single unit's table turns, labor productivity, check averages, and keep an eye on the hard to track numbers, such as voids, returns and complimentary meals. As the survey noted, four out of every five multi-unit chains will be using some form of remote system management within the next two years. It is not considered a luxury in the industry any more, but a requirement that will give restaurants a competitive edge and ensure longer-term staying power (Brown, 1997). It appears that a necessary part of training multi-unit managers will be teaching and mastering computer systems which will be used by the multi-unit managers.

Managing - Week to Week

In April 1998 in New York, at the Restaurant Finance Corporation conference on multi-unit technology, a presentation called The Essential Elements of Controlling Multi-unit Restaurant Operations, was given by Michael Stack, principal of Stack Enterprises. His main advice was to keep systems simple. He believes technology is an enabler, but it is what people do with technology that really counts. Stack feels that you need fingertip access. His philosophy correlates with Abby Brown's research, that manager productivity is best spent in the front of the house. "I don't want staff members' hours buried in a black box somewhere" (Rubenstein, 1998, p. 78).

Stack commented how a 20 or so line item "week flash report" can be reported quickly to top management to show a chain's performance, revealing last week's sales data, cost of goods sold, labor and other statistics as well as the highly relevant forecast for the next week's sales. Managers and multi-unit managers must be trained to think ahead when it comes to top lines and controlling costs. The only way to make use of these time and cost saving devices is to adequately train multi-unit managers so that they become proficient in their computer systems (Rubenstein, 1998).

Inventory

Conducting a weekly inventory is a standard practice. Some chains, such as Popeye's Chicken, do a daily inventory but most, such as Carl's Jr., Fazoli's, Mc Donalds, New

York Bagel, and Pizza Hut do a weekly inventory. Field Report Systems (FRS) supply the multi-unit manager with cost of labor, goods sold, weekly numbers and physical inventory. In an inventory-management practice survey conducted by Senn-Delaney, it was stated that maintaining inventory accuracy is very important. When asked to rank challenges to overcome in order of importance, the number one problem cited was receiving errors (Chain Store Age, 1998). The overwhelming majority (91%) believed that data-integrity problems can be alleviated through better employee and managerial training on policy and procedures. Moreover, 91% of the respondents believed that further educating store, distribution and headquarter associates about how their actions affect the accuracy of the on-hand file, is effective in eliminating data-integrity problems. The trends that will take hold in the next one to three years, according to the survey respondents, include greater use of technology in taking inventories (Chain Store Age, 1998).

Compensation

Hiring people is not a difficult task. A firm runs a "Help Wanted" ad stating no experience required and individuals apply. In the restaurant industry one may get applicants who were unable to get a position with the telephone company or some other Fortune 500 company that is not food oriented. Percentages are high that applicants are high school graduates and, for whatever reason, are not going to college. So they are hired, trained, and put to work. If they are hired by a fine dining restaurant, they will learn how to set plates, silverware and bus tables, and from there, learn to wait on tables and earn salary plus tips. However, if they end up working in a QSR facility, they will

learn how to put the pickle and onion (or is it the other good way) on a hamburger. They are paid minimum wage and receive no tips. In a short period of time they will leave for greener pastures, possible college, another industry, or a restaurant a level above QSR, such as Red Lobster. If the turnaround is brief - six months to a year, how does a firm get people, good people, to stay long enough to be developed into management personnel?

Papa John's President, Blaine Hurst, said that recruitment hasn't been a problem for his pizza chain. Their momentum makes it easier to attract good people; however, hiring quality people is not just about pay. It is about having fun, self-actualization, being part of a winning team. The founder of Papa John's, John Schnatter sends the company's personal newsletter to the homes of all 53,000 employees. The "personal touch is crucially important" (Bernstein, 1998, p. 68). A strong manager can mean 400 percent more sales in any given restaurant. Acknowledging that they cannot run their business from their Louisville, Kentucky headquarters, they visit each of their managers every three months (Bernstein, 1998).

Through the personal touch or words of encouragement, there are full time employees who stay awhile longer than approximately one year. Now the true challenge for the quick service restaurant industry is to identify those candidates as being qualified for unit manager positions and getting them into a career path. All the good words of praise and a promotion, in reality, mean nothing. As in the movie Jerry Maguire (Columbia Tri Star Productions, 1997), the employee may say, "Show me the money!" Though this may work for a short period of time, the QSR industry realizes that money alone does not have retention power and so comes the concept of compensation and incentive packages.

Once a person becomes a unit manager, they may wonder as to what they are worth

versus what they are being paid. The restaurant trade publications Nations Restaurant News or Restaurant Business, in their back pages, run ads for qualified management personnel. The ads specifically describe the compensation and incentive packages that restaurant companies are offering to unit managers. The packages advertised by all types of restaurants, from quick service restaurants to fine dining steakhouses, offer varying compensations and incentives such as, generous salaries, signing bonuses, five day work weeks, stock options, geographic preferences and company leased cars (Bernstein, 1998).

The American Compensation Association conducted a survey and fifty-eight percent of the respondents were modifying their compensation and incentive programs to reflect current business needs and changes (Patil and Chung, 1998, p. 47). The basic reason for revising the packages was to address high turnover rate and low levels of retention. The tactics of higher salaries and cash payments appear to represent the majority of changes. This strategy may initially serve to alleviate dissatisfaction, high turnover and attract potential managers; however, the ability to obtain more enduring commitments from restaurant managers is questionable.

This same survey also stated that managerial turnover was a costly problem. Thirty-three percent of the respondents stated that there was chronic manager turnover and that the average replacement cost was \$27,200. This figure is in line with the estimate of \$25,000 that Joe Fassler, President of Greyhound Food Management, Inc. had stated that was the cost for replacing a manager, which includes recruitment, training, salary and bonus (Weinstein, 1989, p. 42). These statistics alone call for additional research on the work environment of the restaurant industry and the need for manager-retention strategies.

The bottom line is that the entire industry should develop a strategic approach that targets current managers and prospective managers rather than to focus solely on financial matters (Patil and Chung, 1998, p. 53). The whole job should be made attractive. As mentioned previously, it is expected that the managers of tomorrow will greatly value the quality of life. This supports the argument for decreasing required work hours, increasing vacation days and time off, increasing flexibility in scheduling, and perhaps such creative options as job sharing. As other industries do, the restaurant industry should also explore providing child-care and elder-care options and pre-tax dependent benefits. Perhaps such changes could be effective in attracting and retaining managers (Patil and Chung, 1998).

Another step in developing a long-term strategy would be for restaurant companies to provide their unit managers with career-progression opportunities. Restaurant companies, starting with their initial recruitment efforts, should present prospective managers with formal career-development programs as well as comprehensive compensation and incentive plans. Opportunities for company promotions and increased responsibilities should be discussed and the interview process should include an opportunity for managerial candidates to express their needs, concerns and expectations. For any food service company to have any chance of retaining its GMs for the long haul, the firm's GMs must regard their positions as long-term careers with financial and professional growth (Patil and Chung, 1998).

Since retention is a problem, data gathering is very important. It is imperative that the industry meticulously track employees for reasons they leave their jobs. This can be accomplished through exit interviews and exit surveys, with all personnel data kept in

confidence. This would prevent negative word of mouth on a company's future ability to attract employees (Patil and Chung, 1998).

When trying to discern a definition for single unit manager, it is apparent there is no clear definition. Different companies have different needs and priorities as to what best serves their units. Continued research can narrow the field on overlapping importance to each food service organization, but up to this point, no unilateral answers have surfaced. A study of the management skills required for single and multi-unit management in a segment of the quick service restaurant industry may provide information which can be combined with existing research in order to define what is occurring in single and multi-unit food service management.

CHAPTER III

METHODOLOGY

Overview

The methodology chapter is divided into five areas: Research Design; Population; Instrumentation; Data Collection Procedures; and Data Analysis. The purpose of this study was to identify and compare the management skills required for single unit management and the management skills required for multi-unit management in a segment of the quick service restaurant industry.

The information discovered in this study will be used to help Pizza Hut franchises develop programs to prepare single unit managers for success as multi-unit managers. In addition, comparisons may be made to similar research conducted by Ryan (1992) in the college and university food service industry.

Research Design

Planning for this study began in the spring of 1999 and continued through September of 1999. During this period the problem statement was developed based on analyzing prior research and discussions with Pizza Hut franchises. In addition, a review of literature was conducted. A survey instrument used in prior research in a different segment of the food service industry, college and university food services, was revised for use in this study. Permission to use the previously developed instrument was received from the author

(Appendix A). Data collection procedures were developed and statistical analysis techniques were selected. Following modification of the questionnaire, this research study was presented to the Institutional Review Board (IRB) at Oklahoma State University. The instrument and data collection procedures were reviewed and approved by the IRB (Appendix B). The objective of this study was to develop and report information that would be useful to franchises in a segment of the quick service food industry.

Population

The population used in this study was comprised of the person who was listed as the franchisee of record with Pizza Hut Incorporated as of August 31, 1999 (N=144). The names and addresses of all franchisees was made available by Bill Walsh, President and CEO of the Daland Corporation. The methodology for the research project was reviewed with a number of the franchisees to determine the most appropriate point of contact in each franchise. It was determined that the survey should be sent to the franchisee of record since that person was most likely the individual with ultimate responsibility for the hiring and development of both single and multi-unit managers. In addition, the franchisee of record is generally responsible for establishing the organizational philosophy and operational standards for the franchise.

Instrumentation

The questionnaire used in this study was found to be reliable in previous research by

Ryan (1992), see Appendix C. The reliability coefficients, Chronbach's Alpha, for this study are also located in Appendix C. The demographic section of the instrument (Appendix D) was modified to reflect the general characteristics of the population in the areas of Pizza Hut franchise, annual sales and training program characteristics. The remainder of the demographic questions, the management skill descriptors and the performance dimensions were not changed. The questionnaire was divided into three sections. Section One included demographic questions about general franchise information and single unit manager characteristics. Section Two was completed by only those respondents who employed both single and multi-unit managers. This section contained questions about the characteristics of multi-unit managers. Section Three included questions about single and multi-unit management skills sorted into five performance dimensions. The performance dimensions included Financial Management with eleven Management Skill Descriptors; Food Service Operations with nine Management Skill Descriptors; Marketing and Promotions with eight Management Skill Descriptors; Facilities and Safety with nine Management Skill Descriptors; Human Resources with fifteen Management Skill Descriptors. Each of the Management Skill Descriptors included a one to five Likert Scale to indicate the level of importance of that skill for both single and multi-unit manager.

One (1) indicated no importance

Two (2) indicated minor importance

Three (3) indicated moderate importance

Four (4) indicated major importance

Five (5) indicated critical importance

At the end of the instrument there was a code number on each questionnaire in order that the returned surveys could be cross referenced to the mailing list. This code was known only to the researcher and no information that was received was reported with any identification of individual respondents.

A cover letter (Appendix D) was written to introduce the research to members of the population. Dillman (1978) recommended that a cover letter should identify the name and purpose of the study, who is conducting the research, give any directions needed, and communicate the importance of the respondents' participation. He also indicated that the first page of the questionnaire should clearly communicate any definitions and directions that are appropriate for this instrument. The cover letter for this study was signed by the researcher; Bill Ryan, the faculty adviser; and Bill Walsh, President and CEO of one of the largest Pizza Hut franchise organizations.

Data Collection Procedures

A red postcard introducing the research study was mailed to all members of the population on September 2, 1999. The color red was chosen because red is the primary color associated with Pizza Hut Incorporated and was thought to be a symbol of importance to the franchisees.

The cover letter and survey were mailed on September 10, 1999 to all members of the population. Each survey included a return postage paid envelope. Return mail was coordinated through Central Mailing Services at Oklahoma State University. Forty-eight questionnaires were received after the first mailing.

On September 30, 1999 a second questionnaire and cover letter was mailed to each of the non-respondents. The second mailing included a bright red one quarter page flyer indicating the importance of the study and asking them to repond. An additional ten questionnaires were returned following the second mailing resulting in a total response of 39.6% following removal of one unusable questionnaire.

Data Analysis

The data collected on each returned usable questionnaire was entered into the computer using Microsoft Works from Microsoft Corporation for statistical analysis (MS Works, 1995). The data was analyzed using the Statistical Analysis System (SAS) from the SAS Institute (1997). Data obtained from the questionnaires were tabulated using frequency tables, means, and percentages. Standard statistical procedures, such as frequency and Correlated t-test, were used to analyze the data, and the results were reported in Chapter IV. The Correlated t-test was selected for two reasons. First, this Correlated t-test was utilized in this prior research (Ryan, 1992). Second, the test is appropriate based on the fact it means a previous and post treatment within subjects.

CHAPTER IV

RESULTS

The purpose of this study was to identify and compare the management skills required for success as a single unit manager and the management skills required for success as a multi-unit manager in a segment of the quick service restaurant industry. In addition, this research provided information as to whether there were similarities or differences between these skills at the single unit management level and multi-unit management level. Data was obtained through the research instrument and methodology described in Chapter III. The areas addressed in this chapter include: response rate, respondent demographics, and performance dimension skills which include; financial management; food service operations; marketing and promotion management; facilities and safety management; and human resources management.

Response Rate

One hundred forty four (144) surveys (Appendix D) were mailed to all the franchises of record for all Pizza Hut Incorporated. This represented all Pizza Huts franchises nationwide, as of September 30, 1999. On the first mailing, forty-eight (48) completed surveys were returned (Table I). Three weeks after the first survey was mailed, a follow-up survey was sent to non-respondents. Following the second mailing ten (10) completed surveys were returned, resulting in a total return rate of forty (40) percent. One questionnaire was not usable and excluded from the data analysis. Following data analysis another seven questionnaires were received.

TABLE I

SUMMARY OF RESPONDENTS

Surveys mailed.....	144
Surveys received after first mailing	48
Surveys received after second mailing	10
Surveys received after cut off date.....	6
Surveys received that were unusable.....	1
Total surveys received used in this study.....	57

n=58

The data reported in Table II represents information received from all respondents (n=57) in the left columns. The respondents represented in the right columns is from those respondents (n=50) who only employed both single unit managers and multi unit managers. Table III through IX represents data received from respondents (n=50) who only employed both single unit managers and multi-unit managers.

Respondents reported that the average franchise unit sales volume ranged from \$400,001 through \$1,300,000 with 78% of the respondents reporting between unit sales volumes of \$500,001 thorough \$800,000. There were no respondents for the revenue categories below \$400,000 or above \$1,300,001. Respondents operated from as few as one unit to a total of 108 units, and the average number of units operated was 33 per respondent. A majority of the respondents operated 15 units or less, but the average is higher because of two respondents who operated over 100 units each.

Twelve Red Roof (restaurant dine in and carry out only) franchises indicated that they averaged twenty employees each. The next highest per store employee average in the Red Roof 's was tied between fourteen, fifteen and twenty-five employees, each with

four respondents. Respondents from RBD (dine in, carry out, and delivery) indicated that they primarily averaged twenty and twenty-four employees per store with 7 respondents in each category. The highest employee average per store for Delco (delivery only) respondents was 25 employees per store with 7 respondents. The next highest employee average per store at the Delco's were tied between eighteen and twenty each with five respondents.

Eighty eight percent (88%) of the 55 restaurants surveyed promoted individuals to the single unit manager from within their own organization. The respondents reported that no one outside the food industry was hired as a single unit manager. Seventy-eight percent (78%) of the respondents found difficulty in hiring competent single unit managers, forty-six percent (46%) indicated moderate difficulty, twenty-six percent (26%) major difficulty, and six percent (6%) critical difficulty.

Respondents indicated that the reasons for single unit management turnover was 42.9% found the work too demanding and 24% lacked human relation skills. These two categories, too demanding and lack of human relation skills, combine for 76.9% of the single unit management turnover reported. The turnover percentage reported for single management unit last year covered a wide range from 0% to 180%. The most frequently single unit manager turnover percentage reported was 20% per year.

TABLE II
RESPONDENT DEMOGRAPHICS

	All respondents		Respondents with SUMs only removed	
	Frequency	Percent	Frequency	Percent
<u>Average franchise unit volume</u>				
\$300,000 - \$400,000	0	0.0	0	0
\$400,001 - \$500,000	3	5.5	3	6
\$500,001 - \$600,000	12	21.8	12	24
\$600,001 - \$700,000	18	32.7	16	32
\$700,001 - \$800,000	13	23.6	11	22
\$800,001 - \$900,000	6	10.9	6	12
\$900,001 - \$1,000,000	1	1.8	1	2
\$1,000,001 - \$1,100,000	1	1.8	1	2
\$1,100,001 - \$1,200,000	0	0.0	0	0
\$1,200,001 - \$1,300,000	1	1.8	0	0
\$1,300,001 - over	0	0.0	0	0

TABLE II (Continued)

RESPONDENT DEMOGRAPHICS

	All respondents SUMs only removed		Respondents with SUMs only removed	
	Frequency	Percent	Frequency	Percent
<u>Number of Restaurants operated per respondent</u>				
1	4	7.0	1	2
2	5	8.8	3	6
3	1	1.8	1	2
4	3	5.3	3	6
5	2	3.5	2	4
6	3	5.3	2	4
8	2	3.5	2	4
9	2	3.5	2	4
11	2	3.5	2	4
12	2	3.5	2	4
13	1	1.8	1	2
14	2	3.5	2	4
15	2	3.5	2	4
17	1	1.8	1	2
20	1	1.8	1	2
22	1	1.8	1	2
23	1	1.8	1	2
24	1	1.8	1	2
25	2	3.5	2	4
29	1	1.8	1	2
31	1	1.8	1	2
32	1	1.8	1	2
33	1	1.8	2	4
37	1	1.8	1	2
41	1	1.8	1	2
43	2	3.5	2	4
44	1	1.8	1	2
49	1	1.8	1	2
52	1	1.8	1	2
54	1	1.8	1	2
67	1	1.8	1	2
76	1	1.8	1	2
77	1	1.8	1	2
98	1	1.8	1	2
105	1	1.8	1	2
108	1	1.8	1	2

TABLE II (continued)

RESPONDENT DEMOGRAPHICS

		All respondents		Respondents with SUMs only removed	
		Frequency	Percent	Frequency	Percent
<u>Average number of employees per store</u>					
Red Roof	0	7	13.2	4	8.7
(dine in & carry	8	1	1.9	1	2.2
out only)	9	1	1.9	1	2.2
	10	3	5.7	3	6.5
	12	1	1.9	1	2.2
	14	4	7.5	3	6.5
	15	4	7.5	4	8.7
	17	1	1.9	1	2.2
	18	2	3.8	1	2.2
	20	12	22.6	11	23.9
	21	1	1.9	1	2.2
	22	3	5.7	3	6.5
	23	1	1.9	1	2.2
	25	4	7.5	4	8.7
	27	1	1.9	1	2.2
	29	1	1.9	1	2.2
	30	2	3.8	1	2.2
	31	1	1.9	1	2.2
	32	1	1.9	1	2.2
	35	2	3.8	2	4.3

TABLE II (Continued)
RESPONDENT DEMOGRAPHICS

		All respondents		Respondents with SUMs only removed	
		Frequency	Percent	Frequency	Percent
<u>Average number of employees per store</u>					
Red Roof	0	8	15.5	6	13.0
Based Delivery	5	1	1.9	1	2.2
(dine in and	14	1	1.9	1	2.2
deliveries)	15	1	1.9	1	2.2
	16	2	3.8	2	4.3
	18	1	1.9	1	2.2
	20	7	13.5	6	13.0
	22	2	3.8	2	4.3
	23	1	1.9	1	2.2
	24	7	13.5	7	15.2
	25	2	3.8	2	4.3
	26	2	3.8	2	4.3
	28	2	3.8	1	2.2
	29	2	3.8	2	4.3
	30	4	7.7	4	8.7
	31	1	1.9	1	2.2
	32	2	3.8	2	4.3
	36	1	1.9	1	2.2
	38	1	1.9	1	2.2
	40	3	5.8	2	4.3

TABLE II (Continued)
RESPONDENT DEMOGRAPHICS

		All respondents		Respondents with SUMs only removed	
		Frequency	Percent	Frequency	Percent
<u>Average number of employees per store</u>					
Delivery only (Delco)	0	10	19.2	7	15.2
	3	1	1.9	1	2.2
	6	1	1.9	0	0.0
	10	1	1.9	1	2.2
	12	1	1.9	1	2.2
	14	3	5.8	3	6.5
	15	2	3.8	2	4.3
	16	3	5.8	3	6.5
	18	5	9.6	5	10.9
	20	5	9.6	5	10.9
	21	3	5.8	2	4.3
	22	1	1.9	1	2.2
	24	2	3.8	2	4.3
	25	7	13.5	7	15.2
	26	1	1.9	1	2.2
	29	1	1.9	1	2.2
	30	2	3.8	1	2.2
	33	1	1.9	1	2.2
	35	1	1.9	1	2.2
	55	1	1.9	1	2.2

Sources for hiring single unit managers

Promotion from within the organization.	50	87.7	44	88
Hire from outside the organization, but within the food service industry.	6	10.5	6	12
Hire from outside the food service industry.	0	0.0	0	0
Other sources.	1	1.8	0	0

TABLE II (Continued)
RESPONDENT DEMOGRAPHICS

	All respondents		Respondents with SUMs only removed	
	Frequency	Percent	Frequency	Percent
<u>Difficulty hiring competent</u>				
<u>Single unit managers</u>				
No difficulty.	4	7.1	4	8
Minor difficulty.	8	14.3	7	14
Moderate difficulty.	27	48.2	23	46
Major difficulty.	14	25.0	13	26
Critical difficulty.	3	5.4	3	6
<u>Principal reason for turnover</u>				
<u>For single unit managers</u>				
Lack of technical knowledge.	1	1.8	1	2.0
Lack of human relation skills.	12	21.8	10	24.0
Position is too demanding.	23	41.8	21	42.9
Position is not well defined.	0	0.0	0	0.0
Individuals in the position do not attain sufficient award satisfaction.	4	7.3	4	8.2
Promotion to another job.	5	9.1	4	8.2
Other sources.	10	18.2	9	18.4

TABLE II (Continued)

RESPONDENT DEMOGRAPHICS

	All respondents		Respondents with SUMs only removed	
	Frequency	Percent	Frequency	Percent
<u>Last year's turnover percentage for single unit managers</u>				
0	8	14.5	3	6.1
1	1	1.8	1	2.0
9	2	3.6	2	4.1
10	2	3.6	2	4.1
12	2	3.6	2	4.1
15	1	1.8	1	2.0
17	3	5.5	3	6.1
18	3	5.5	3	6.1
20	8	14.5	7	14.3
22	2	3.6	2	4.1
23	1	1.8	1	2.0
24	1	1.8	1	2.0
25	3	5.5	3	6.1
27	2	3.6	2	4.1
30	3	5.5	3	6.1
38	1	1.8	1	2.0
40	2	3.6	2	4.1
41	1	1.8	1	2.0
45	1	1.8	1	2.0
50	2	3.6	2	4.1
65	2	3.6	2	4.1
100	1	1.8	1	2.0
160	1	1.8	1	2.0
180	2	3.6	2	4.1
	n=57		n=50	

Table III represents the demographics for only the respondents that employed both single unit management and multi-unit managers. Twenty-one respondents employed 1 or 2 multi-unit managers which was a total of 42% of the respondents.

Eighty-eight (88%) of the respondents who employed multi-unit managers promoted them from within the organization, and the respondents also indicated that no one outside the food industry was hired as a multi-unit manager. Two respondents indicated they hired multi-unit managers from other sources.

Twenty percent (20%) of the respondent reported they had no difficulty in finding competent multi-unit managers, and twelve percent (12%) indicated that they had major or critical difficulty when finding competent multi-unit managers. Twenty-five point six percent (25.6%) of the respondents indicated that the reason for multi-unit management turnover during the past year was that the position was too demanding, fourteen percent (14%) of the multi-unit manager turnover was due to lack of human relation skills; however, the highest percentage of turnover for multi-unit managers of 37% was for other reasons. The percentage of multi-unit management turnover reported ranged from 0% to 100%. More than half the amount of respondents (59.2%) indicated they had zero turnover for multi-unit managers last year. The second highest percentage (10.2% of the respondents) of multi-unit manager turnover indicated was 20% last year.

The survey asked the respondents to indicate all of the types of training programs that they used for both single unit and multi-unit managers. The types of programs most frequently used to train single unit managers by the respondents were 47 on the job training, 43 corporate based, 36 video training. All of the seven different types of training programs were used by the respondents.

Training programs most frequently used to train multi-unit managers by the respondents included 37 on the job training, 36 corporate based programs, 27 used mentoring and 23 used a classroom setting. All 7 types of training programs were checked for multi-unit training and 3 respondents reported they used no training. Forty-two respondents indicated they cross train their multi-unit managers in all 3 style Pizza Huts and 8 respondents did not cross train their multi-unit managers.

TABLE III
 RESPONDENTS DEMOGRAPHICS FOR FRANCHISES
 WITH MULTI-UNIT MANAGERS

	Frequency	Percent
<u>Multi-unit managers employed per franchise</u>		
0	2	4
1	11	22
2	10	20
3	5	10
4	2	4
5	6	12
6	2	4
7	4	8
10	1	2
11	3	6
15	1	2
17	1	2
19	1	2
27	1	2

Single unit managers reporting to one multi-unit manager

Red Roof

Dine In & Carry Out only

0	9	18.4
1	8	16.3
2	7	14.3
3	10	20.4
4	3	6.1
5	2	4.1
6	2	4.1
7	1	2.0
8	3	6.1
10	1	2.0
14	1	2.0
16	1	2.0
28	1	2.0

TABLE III (Continued)

RESPONDENTS DEMOGRAPHICS FOR FRANCHISES
WITH MULTI-UNIT MANAGERS

		Frequency	Percent
<u>Single unit managers reporting to</u>			
<u>One multi-unit manager</u>			
Red Roof			
Based Delivery			
(dine in,	0	7	14.6
carry and	1	2	4.2
delivery)	2	14	29.2
	3	6	12.5
	4	6	12.5
	5	4	8.3
	6	4	8.3
	7	1	2.1
	8	1	2.1
	12	1	2.1
	13	1	2.1
	29	1	2.1
Delco			
	0	11	22.9
	1	19	39.6
	2	10	20.8
	3	2	4.2
	4	1	2.1
	6	2	4.2
	7	1	2.1
	8	1	2.1
	16	1	2.1

TABLE III (Continued)

RESPONDENTS WITH MULTI-UNIT MANAGERS		
<u>Source for hiring multi-unit managers</u>		
Promotion from within the organization.	44	88.0
Hire from outside, but within the food service organization.	4	8.0
Hire from outside the food service industry.	0	0.0
Other sources.	2	4.0
	Frequency	Percent
<u>Degree of difficulty finding competent multi-unit managers</u>		
No difficulty.	10	20.0
Minor difficulty.	18	36.0
Moderate difficulty.	16	32.0
Major difficulty.	4	8.0
Critical difficulty.	2	4.0
<u>Principal reason for turnover of multi-unit managers</u>		
Lack of technical knowledge.	2	4.7
Lack of human relations skills.	6	14.0
Position too demanding.	11	25.6
Position is not well defined	2	4.7
Individuals in the position do not attain sufficient award satisfaction.	2	4.7
Promotion to another job.	4	9.3
Other sources.	16	37.2

TABLE III (Continued)

RESPONDENTS WITH MULTI-UNIT MANAGERS

<u>Last year's turnover percentage for multi-unit managers</u>	Frequency	Percent
0	29	59.2
1	1	2.0
5	1	2.0
10	1	2.0
11	1	2.0
14	1	2.0
15	1	2.0
20	5	10.2
22	1	2.0
30	3	6.1
33	1	2.0
40	1	2.0
65	1	2.0
100	2	4.1

Training programs used to train
single unit managers
(Respondents checked all that applied)

None	0	0
On the job training	47	94
Video training	36	72
Corporate base programs	43	86
Store base programs	30	60
Job shadowing	20	40
Mentoring	30	60
Class	32	64

TABLE III (Continued)

RESPONDENTS WITH MULTI-UNIT MANAGERS

	Frequency	Percent
<u>Training programs used to train multi-unit managers</u> (Respondents checked all that applied)		
None	3	6.1
On the job training	37	75.5
Video training	13	26.5
Corporate base program	36	73.5
Store base programs	8	16.3
Job shadowing	13	26.5
Mentoring	27	55.1
Class	23	46.9
<u>Are multi-unit managers cross-trained in all three Pizza Hut styles</u>		
Yes	42	84.0
No	8	16.0

n=50

Individual single unit and multi-unit management skills were segmented in five categories: Financial Management (11 management skill descriptors); Food Service Operations (9 management skill descriptors); Marketing and Promotions (8 management skill descriptors); Facilities and Safety Management (9 management skill descriptors); and Human Resources (15 management skill descriptors). Each management skill descriptor could be rated from one to five. One indicated no importance and five indicated a rating of critical importance.

Comparison of the level of importance for single and multi-unit Financial Management skill descriptors (Table IV) indicated that recognizing cost variances and causes was the most critical skill for both single and multi-unit managers. Monitoring financial performance and developing plans to correct financial deficiencies were ranked at second and third for single unit manager, but ranked third and second respectively for multi-unit managers. In Table V a comparison in the level of importance for Food Service Operations Management skill descriptors indicated that assuring quality customer experience was the most critical skill for single unit managers, but for multi-unit managers enforcing quality and service standards ranked the highest. Enforcing quality and service standards was ranked second for single unit management. Developing solutions to operational problems was ranked second for multi-unit managers. This management skill was ranked eighth out of nine for single unit managers, tied with enforcing organizational policies and procedures.

The Standard Deviations, indicated in Table IV through XIV were reported for information only. No statistical tests were conducted on them. In Table VI a comparison of the level of importance for single and multi-unit Marketing and

Promotions Management. Management skill descriptors indicated that supervising new product introduction was the most critical skill for both single and multi-unit operators. The second most important sign for single unit managers was developing an awareness of customer preferences. Supervising the execution of organizational marketing and promotional plans was ranked second for multi-unit managers.

In Table VII comparison of the level of importance for single and multi-unit facilities and safety management skill descriptors indicated that ensuring facilities are in compliance with health codes and employees are in compliance with health codes were ranked tied as the most important skill for single unit management. Monitoring security and safety procedures ranked second for single unit managers and recognizing facility safety issues ranked second for multi-unit managers.

In Table VIII comparison of the level of importance for single and multi-unit Human Resources Management Training and Development Management skill descriptors indicated that training and development of employees ranked highest for single unit managers and modeling effective behavior was highest for multi-unit managers. Coaching and motivating ranked second for single unit managers and although it was third for multi-unit managers, and maintaining a favorable working environment ranked second for multi-unit managers.

TABLE IV

COMPARISON OF THE LEVEL OF IMPORTANCE FOR INDIVIDUAL SINGLE AND MULTI-UNIT FINANCIAL MANAGEMENT SKILL DESCRIPTOR RATINGS FOR PIZZA HUT FRANCHISES WHICH EMPLOY BOTH LEVELS OF MANAGEMENT

Performance Dimension Management Skill Descriptor	<u>Single Unit Managers</u>		<u>Multi-Unit Managers</u>	
	Mean	Standard Deviation	Mean	Standard Deviation
Preparing financial plans	2.70	1.02	3.64	.90
Establishing financial goals	3.36	1.01	4.00	.86
Authorizing expenditures within limits	3.33	1.12	3.38	.84
Managing competitive bidding/purchasing processes	2.26	1.17	3.49	1.06
Monitoring compliance with purchasing controls	2.71	1.38	3.57	.99
Assisting in the development of financial forecasts	3.02	.97	3.87	.85
Monitoring financial performance	4.21	.69	4.62	.49
Recognizing cost variances and causes	4.60	.50	4.77	.43
Developing financial corrective action plans	3.90	.94	4.55	.58
Evaluating financial results related to budgets	3.79	.78	4.40	.71
Developing plans to correct financial deficiencies	4.04	.72	4.64	.49

n=50

TABLE V

COMPARISON OF THE LEVEL OF IMPORTANCE FOR INDIVIDUAL SINGLE AND MULTI-UNIT FOOD SERVICE OPERATION MANAGEMENT SKILL DESCRIPTOR RATINGS FOR PIZZA HUT FRANCHISES WHICH EMPLOY BOTH LEVELS OF MANAGEMENT

Performance Dimension Management Skill Descriptor	<u>Single Unit Managers</u>		<u>Multi-Unit Managers</u>	
	Mean	Standard Deviation	Mean	Standard Deviation
Enforcing quality and service standards	4.91	.28	4.85	.36
Developing operational plans	3.72	.77	4.30	.62
Implementing operational plans	4.32	.66	4.36	.67
Monitoring effective labor scheduling techniques	4.49	.78	4.49	.66
Assuring quality customer experiences	4.94	.25	4.66	.52
Identifying operational problems or issues	4.30	.62	4.64	.53
Developing solutions to operational problems or issues	4.19	.68	4.70	.55
Implementing corrective action for operational problems	4.47	.69	4.57	.62
Enforcing organizational policies and procedures.	4.19	.68	4.57	.54

n=50

TABLE VI

COMPARISON OF THE LEVEL OF IMPORTANCE FOR INDIVIDUAL SINGLE AND MULTI-UNIT MARKETING AND PROMOTIONS MANAGEMENT SKILL DESCRIPTOR RATINGS FOR PIZZA HUT FRANCHISES WHICH EMPLOY BOTH LEVELS OF MANAGEMENT

Performance Dimension Management Skill Descriptor	<u>Single Unit Managers</u>		<u>Multi-Unit Managers</u>	
	Mean	Standard Deviation	Mean	Standard Deviation
Supervising the execution of organizational marketing and promotional plans	3.62	.77	4.09	.80
Developing in-house advertising programs and promotional materials	2.51	.99	3.15	1.03
Implementing marketing concepts and promotional programs	3.62	.81	3.84	.74
Developing and awareness of customer preferences	3.91	.93	3.81	.85
Assessing competitor operations including marketing and advertising campaigns	3.15	.91	3.87	.95
Assisting in the development of university or community relations programs	3.68	1.11	3.87	.97
Gathering consumer research information	2.17	.94	2.74	1.13
Supervising new product introduction	4.30	.86	4.64	.53

n=50

TABLE VII

COMPARISON OF THE LEVEL OF IMPORTANCE FOR INDIVIDUAL SINGLE AND MULTI-UNIT FACILITIES AND SAFETY MANAGEMENT SKILL DESCRIPTOR RATINGS FOR PIZZA HUT FRANCHISES WHICH EMPLOY BOTH LEVELS OF MANAGEMENT

Performance Dimension Management Skill Descriptor	<u>Single Unit Managers</u>		<u>Multi-Unit Managers</u>	
	Mean	Standard Deviation	Mean	Standard Deviation
Approving low-cost improvements to facilities	2.76	1.10	3.50	1.01
Recommending more costly improvements to facilities	2.72	1.07	3.80	.98
Supervising preventive maintenance programs	3.80	.91	3.76	.71
Supervising inside or outside contractors performing maintenance and improvements	2.57	1.07	3.52	1.03
Ensuring facilities are in compliance with health codes	4.61	.58	4.64	.49
Monitoring security and safety procedures	4.44	.66	4.33	.71
Recognizing facility safety issues	4.30	.70	4.54	.59
Conducting cost benefit analysis for repair and maintenance proposals	2.35	.99	3.59	.93
Ensuring employees are in compliance with health codes	4.61	.61	4.48	.72

n=50

TABLE VIII

COMPARISON OF THE LEVEL OF IMPORTANCE FOR INDIVIDUAL SINGLE AND MULTI-UNIT HUMAN RESOURCES MANAGEMENT SKILL DESCRIPTOR RATINGS FOR PIZZA HUT FRANCHISES WHICH EMPLOY BOTH LEVELS OF MANAGEMENT

Performance Dimension Management Skill Descriptor	Single Unit Managers		Multi-Unit Managers	
	Mean	Standard Deviation	Mean	Standard Deviation
Analyzing personnel needs/ develop manpower plans	3.98	.82	4.47	.69
Training and development of employees	4.77	.43	4.43	.65
Supervising the implementation of in-unit training and development programs	4.32	.75	4.30	.72
Preparing employees for promotion	3.96	.86	4.30	.69
Effectively managing employee relation issues	4.36	.64	4.28	.83
Conducting formal performance evaluations	4.04	.82	4.38	.64
Minimizing employee turnover	4.36	.70	4.23	.73
Coaching and motivating employees	4.68	.47	4.51	.66
Taking disciplinary action when necessary	4.55	.62	4.50	.65
Ensuring personnel practice are in compliance with all regulations	4.23	.73	4.32	.69
Monitoring compliance with company personnel policies and practices	4.11	.67	4.30	.66

TABLE VIII (continued)

COMPARISON OF THE LEVEL OF IMPORTANCE FOR INDIVIDUAL SINGLE AND MULTI-UNIT HUMAN RESOURCES MANAGEMENT SKILL DESCRIPTOR RATINGS FOR PIZZA HUT FRANCHISES WHICH EMPLOY BOTH LEVELS OF MANAGEMENT

Performance Dimension Management Skill Descriptor	<u>Single Unit Managers</u>		<u>Multi-Unit Managers</u>	
	Mean	Standard Deviation	Mean	Standard Deviation
Modeling effective supervisory behavior	4.43	.58	4.53	.58
Maintaining a favorable working environment	4.50	.57	4.52	.55
Serving as a resource to the employees	4.23	.67	4.40	.68
Providing feedback when appropriate	4.36	.57	4.47	.55

n=50

The summary of single and multi-unit Management skill descriptors rated by Performance Dimension (Financial Management Food Service Operations, Marketing and Promotions Management, Facilities and Safety Management, and Human Resources Management) are listed in Table IX for single unit management and multi-unit management. The number of Management skill descriptors in each Performance Dimension varies; Financial Management (11 management skill descriptors); Food Service Operations (9 management skill descriptors); Marketing and Promotions (8 management skill descriptors); Facilities and Safety Management (9 management skill descriptors); and Human Resources (15 management skill descriptors).

There was no difference reported in Performance Dimension ranking between single

unit management and multi-unit management. The means for multi-unit management were greater than the means for single unit management in all Performance Dimension.

TABLE IX

SUMMARY OF MEAN SINGLE AND MULTI-UNIT MANAGEMENT SKILL DESCRIPTOR RATINGS FOR PIZZA HUT FRANCHISES WHICH EMPLOY BOTH LEVELS OF MANAGEMENT BY PERFORMANCE DIMENSION

Performance Dimension	Single Unit Managers		Multi-Unit Managers	
	Mean	Rank	Mean	Rank
Financial Management	3.45	4	3.85	4
Food Service Operations	4.39	1	4.57	1
Marketing & Promotions Management	3.33	5	3.74	5
Facilities & Safety Management	3.57	3	4.00	3
Human Resources Management	4.35	2	4.42	2

n=50

TABLE X

CORRELATED T TEST FOR FINANCIAL MANAGEMENT SKILLS OF SINGLE
AND MULTI-UNIT MANAGERS IN INSTITUTIONS WITH BOTH LEVELS OF
MANAGEMENT

Item	Mean	Standard Deviation	t
Single Unit Management	38.13	6.54	11.81*
Multi-Unit Management	45.26	5.40	
Difference Source	7.13	4.35	

df= 49 *p=.000

Financial Management skills were analyzed to determine if a difference existed between the management skills required for single unit managers and the management skills required for multi-unit managers in Pizza Hut Franchises which employ both levels of management. Table X shows a mean skill rating of 38.13 for single unit management and a mean skill rating of 45.26 for multi-unit management which reflects a 7.13 difference. The standard deviation for the multi-unit manager skill rating (5.40) was lower than for the single unit manager skill rating (6.54).

A correlated t test was performed comparing the mean Financial Management skill ratings for single unit and multi-unit management. The t value was statistically significant ($t=11.81$, $df=49$, $p<.05$) indicating that the Financial Management skill rating for multi-unit managers was significantly greater than the mean Financial Management skill rating for single unit managers in Pizza Hut Franchises which employ both levels of management.

TABLE XI

CORRELATED T TEST FOR FOOD SERVICE OPERATIONS SKILLS OF SINGLE
AND MULTI-UNIT MANAGERS IN INSTITUTIONS WITH BOTH LEVELS OF
MANAGEMENT

Item	Mean	Standard Deviation	t
Single Unit Managers	39.53	3.47	*2.39
Multi-Unit Managers	41.15	3.32	
Difference score	1.62	3.54	

df=49 *p=.022

Food Service Operations skills were analyzed to determine if a difference existed between the management skills required for single unit managers and the management skills required for multi-unit managers in Pizza Hut. Franchises which employ both levels of management. Table XI shows a mean skill rating of 39.53 for single unit managers and a mean skill rating 41.14 for multi-unit managers which reflects a 1.62 difference. The standard deviation for the multi-unit manager skill rating (3.32) was lower than for the single unit manager skill rating (3.47).

A correlated t test was performed comparing the mean Food Service Operations skill ratings for single and multi-unit managers. The t value was statistically significant (t=2.39, df=49, p<.05) indicating that the mean Food Service Operations skill rating for multi-unit managers was significantly greater than the mean Food Service Operations skill rating for single unit managers in Pizza Huts Franchises which employ both levels of management.

TABLE XII

CORRELATED T TEST FOR MARKET AND PROMOTIONS MANAGEMENT OF
SINGLE AND MULTI-UNIT MANAGERS IN INSTITUTIONS WITH BOTH
LEVELS OF MANAGEMENT

Item	Mean	Standard Deviation	t
Single Unit Managers	26.68	4.45	*5.60
Multi-Unit Managers	29.91	4.84	
Difference score	3.23	3.60	

df=49* p=.000

Marketing and Promotions Management skills were analyzed to determine if a difference existed between the management skills required for single unit managers and the management skills required for multi-unit managers in Pizza Hut Franchises which employ both levels of management. Table XII shows a mean skill rating of 26.68 for single unit managers and 29.91 for multi-unit managers which reflects 3.23 difference. The standard deviation for the single unit manager skill rating (4.45) was lower than for the multi-unit manager skill rating (4.84).

A correlated t test was performed comparing the mean Marketing and Promotions Management ratings for single and multi-unit managers. The t value was statistically significant ($t=5.60$, $df=49$, $p<.05$) indicating that the mean Market and Promotions skill rating for multi-unit manger was significantly greater that the mean Marketing and Promotion Management skill rating for single unit managers in Pizza Hut Franchises which employ both levels of management.

TABLE XIII

KIU/SO-

CORRELATED T TEST FOR FACILITIES AND SAFETY MANAGEMENT SKILLS
OF SINGLE AND MULTI-UNIT MANAGERS IN INSTITUTIONS WITH BOTH
LEVELS OF MANAGEMENT

Item	Mean	Standard Deviation	t
Single Unit Managers	32.11	4.95	*7.03
Multi-Unit Managers	36.00	4.96	
Difference score	3.89	4.00	

df=49 * p=.000

Facilities and Safety Management skills were analyzed to determine if a difference existed between the management skills required for single unit managers and the management skills required for multi-unit managers in Pizza Hut Franchises which employ both levels of management. Table XIII shows a mean skill rating of 32.11 for single unit managers and a mean management skill rating of 36.00 for multi-unit managers which reflects a 3.89 difference. The standard deviation for the single unit manager skill ratings (4.95) was lower than for the multi-unit manager skill ratings (4.96).

A correlated t test was performed comparing the mean Facilities and Safety Management skill ratings for single and multi-unit managers. The t value was statistically significant ($t=7.03$, $df=49$, $p<.05$) indicating that the mean Facilities and Safety Management skill rating for multi-unit managers was significantly greater than the mean Facilities and Safety Management skill rating for single unit managers in Pizza Hut Franchises which employ both levels of management.

TABLE XIV

CORRELATED T TEST FOR HUMAN RESOURCES MANAGEMENT SKILLS OF
SINGLE AND MULTI-UNIT MANAGERS IN INSTITUTIONS WITH BOTH
LEVELS OF MANAGEMENT

Item	Mean	Standard Deviation	t
Single Unit Managers	65.24	5.90	*1.48
Multi-Unit Managers	66.27	6.50	
Difference score	1.03	3.54	

df=49 * p=.146

Human Resources Management skills were analyzed to determine if a difference existed between the management skills required for single unit managers and the management skills required for multi-unit managers in Pizza Hut Franchises which employ both levels of management. Table XIV shows a mean skill rating of 65.24 for single unit managers and a mean skill rating of 66.27 for multi-unit managers which reflect a 1.03 difference. The standard deviation for single unit manager skill ratings (5.90) was lower than for multi-unit manager skill ratings (6.50).

A correlated t test was performed comparing the mean Human Resource Management skill ratings for single and multi-unit managers. The t value was not statistically significant (t=1.48, df=49, p>.05) indicating that the mean Human Resources Management skill rating for single unit managers did not differ significantly from the mean Human Resources Management skill rating for multi-unit managers in Pizza Hut franchises which employ both levels of management.

CHAPTER V

SUMMARY, CONCLUSIONS, RECOMMENDATIONS

The purpose of this study was to identify and compare the management skills required in single unit management and the management skills required in multi-unit management in a segment of the quick service restaurant (QSR) industry. The summary and conclusions are presented in this chapter along with recommendations for future training and research. The recommendations may be utilized as a guide, providing insights for a future study.

The specific questions addressed in this research project were:

1. What management skills are utilized or required for success at the single unit level and multi-unit level in the segment of the Quick Service Restaurant Industry?
2. Are there similarities or differences between the management skills utilized or required at the single unit level and multi-unit level in the segment of the Quick Service Restaurant Industry?

The subjects in this study were the franchisees of record for the Pizza Hut Corporation as of August 31,1999. A census of the population (144) was attempted in this research. One hundred forty-four surveys were mailed, and fifty-seven questionnaires were returned in a usable condition for a response rate of 39.6%.

The research instrument used was adapted from previous research (Ryan, 1992). The questionnaire was divided into three sections: single unit manager demographics; multi-unit manager demographics; and performance dimensions. The performance dimensions included:

1. Financial Management - with eleven (11) management skill descriptors.
2. Food Service Operations - with nine (9) management skill descriptors.
3. Marketing and Promotions - with eight (8) management skill descriptors.
4. Facilities and Safety Management - with nine (9) management skill descriptors.
5. Human Resources Management - with fifteen (15) management skill descriptors.

A Likert rating scale from one to five was used for the management skill descriptors to determine the level of their importance for both single and multi-unit managers.

One (1) indicated no importance

Two (2) indicated minor importance

Three (3) indicated moderate importance

Four (4) indicated major importance

Five (5) indicated critical importance

Summary of the Findings

Based on the information obtained as a result of the study, the following findings were identified:

1. A difference was shown in the turnover rate between single unit managers and multi-unit managers. The respondents (6.1%) had no single unit manager turnover in one year and over half of the respondents (59.2%) indicated multi-unit managers had zero turnover.
2. Pizza Hut franchises hire almost all their single unit managers from within the

organization and the majority (78%) found moderate or greater difficulty in hiring competent single unit managers.

3. Pizza Hut franchises hire almost all their multi-unit managers from within their organization. Forty-four percent (44%) of the respondents indicated moderate or greater degrees of difficulty in hiring competent multi-unit managers.
4. The majority single unit managers (42.9%) left the franchises because the position was too demanding. In addition, 37.2% of the multi-unit managers left the organization for reasons not listed in the questionnaire and 25.6% of the multi-unit managers left the franchises because the position was too demanding.
5. Human Resource Management was the only performance dimension with no significant statistical difference between the skills necessary for single unit managers and the skills necessary for multi-unit managers.
6. Four out of five performance dimensions, Financial Management, Food Service Operations, Marketing and Promotions, Facilities and Safety, had a significant statistical differences between the skills necessary for single unit management and the skills necessary for multi-unit management.
7. The performance dimension means for multi-unit management skills were greater than the means for single unit management. However, in the Food Service Operations and Human Resource Management, the differences were very small, 0.18 and 0.07 respectively.
8. The ranking of the performance dimension means was the same for both single and multi-unit managers. Food Service Operations was ranked the highest, or most

important, followed by Human Resource Management, Facilities and Safety, Financial Management, and Marketing and Promotions Management.

Conclusions

1. Since the majority of Pizza Huts hire their single unit managers from within, and at the same time, the majority of franchises find it difficult to hire competent people, it would indicate that Pizza Hut is not training their employees to become successful single unit managers.
2. The turnover rate for single unit managers is high, but the turnover for multi-unit managers is low. A question exists as to whether this is due to the job skills or of the fact that there are far less multi-unit managers in the organization than single unit managers. This may indicate a survival of the fittest.
3. Without consistent and effective training programs it appears that there will be no significant, if any, progress in the development of single unit managers and multi-unit managers, especially if the majority of both are promoted from within the organization.
4. The respondents reported there was almost no difference in the types of training programs used for single unit managers and multi-unit managers, yet training, or the lack of it, appears to be a large reason franchises were losing their management at both levels. The training at both levels could be characterized as a grab bag approach based on available resources.
5. The number one ranked performance dimension for both single and multi-unit

management was Food Service Operations. Based on normal industry assumptions, one could argue that this possibly should be the highest ranked skill for single unit managers, but that Financial Management and Human Relations skills possibly should be the highest ranked skills for multi-unit managers.

6. As the quick service restaurant industry changes and stores become smaller, and more frequently co-branded with other concepts in one location, the management skills required for success as a multi-unit manager will probably change. The multi-unit manager will most likely be responsible for supervising several single unit managers as well as different franchises all under one roof.
7. Changes in technology are occurring very rapidly. As a result both single unit managers and multi-unit managers are being asked to make decisions based on a set of figures which is generated in real time. This may increase the need for the human resource skills that already exist at both levels of management because daily operations and future planning may move to a technology based foundation.
8. It appears that a necessary part of training multi-unit managers will be teaching and mastering computer systems which will be used by the multi-unit managers.

Recommendations

The following recommendations are offered based on the findings and conclusions of this study.

Training:

1. Pizza Hut executives, at the next Executive QSR Conference, could propose that a

committee be organized to call on various colleges and universities in the United States to create management development and retention programs. The QSR committee should be prepared to support a development program directed towards the QSR industry that would ask the colleges to educate QSR employees on human resources management, financial management, facilities and safety management and marketing and promotions. Since food service operations vary within each QSR corporation, skills in this performance dimension would be omitted from the curriculum. The program could be set up similar to the Harvard Business Management School. In a collegiate program the results could be measured, teaching programs fine tuned, and progress assured.

2. Since multi-unit manager turnover is so low and single unit manager is so high, employers might consider teaching multi-unit managers to emphasize human relations skills including special programs that address human relations and sensitivity training to retain single unit and multi-unit managers and reduce the high level of turnover.
3. Since Pizza Hut hires most of their single unit managers from their line employees, they should consider identifying exceptional workers to gear them towards management training early in their development as employees.

Research:

1. It is recommended that the Pizza Hut corporate office personnel survey their franchises to discern which ones have minimal turnover and the related reasons. Then the information should be shared with the less successful franchises in order to assist them in retaining their single unit managers and multi-unit managers.

2. Replication of this study should be conducted with single unit managers and multi-unit managers as the population.
3. This research can be replicated using the single unit managers and multi-unit managers within a single franchise to ascertain if there are differences or similarities in the management skills required for success in franchisees with different numbers of restaurants. Differences in single unit management and multi-unit management skills may exist in franchises that have a large or small number of restaurants within their organization.
4. Future studies should focus on ways in which managers can perform their duties and achieve optimal results so that less effort may be spent on minor details and more on long term issues.

REFERENCES

- Bernstein, C. (1998). Summit talks. Chain Leader, 68-69,74.
- Breuhhaus, B. (1998). Labor Pains. Restaurant Business, 52.
- Brown, A. (1997). The right tool for building competitive advantage. Nations Restaurant News, 31 (47), 30-31.
- Department Stores (1998). Chain Store Age, (2), 8A-9A.
- Dillman, D. A. (1978). Mail and telephone surveys: the total design method, New York : Wiley.
- Durnford, T. (1997). Redefining value: For whom the Taco Bell tolls. Cornell Hotel and Restaurant Administration Quarterly, 74-80.
- Enderwood, B. (1980). Profile of a successful supervisor. Restaurant Business. 107-108.
- Ferguson, D. H. and Berger, F. (1984). Restaurant managers: What do they really do? Cornell Hotel and Restaurant Administration Quarterly, 25 (1), 27-30.
- Jerry Maguire (1997). Columbia Tri Star Productions.
- Lan, L. and Khan, M. (1995). Hong Kong's fast food industry. Cornell Hotel and Restaurant Administration Quarterly, 34-39.
- Lefever, M. M. (1989). Multi-unit management: Working your way up the corporate ladder. Cornell Hotel and Restaurant Administration Quarterly, 30 (1), 61-67.
- Mackenzie, R. A. (1969). The management process in 3-D. Harvard Business Review, 80-81.
- Managing the managers (1983). Restaurants and Institutions, 93 (10), 159-166.
- MS Works (1995). Microsoft Corporation.
- Muller, C. and Campbell, D. (1995). The attributes and attitudes of multi-unit managers in a national quick-service restaurant firm. Hospitality Research Journal, 19 (2), 5-13.
- Patil, P. and Chung, B. (1998). Changes in multiunit compensation packages. Cornell Hotel and Restaurant Administration Quarterly, 45-53.

- Rees, R. (1988). Delegate: A fundamental management process. Education:Canada, 26-32.
- Reynolds, D. (1997). The on-site food service segment. Cornell Hotel and Restaurant Administration Quarterly, 38 (3), 88.
- Rubenstein, E. (1998). Managing a restaurant from week to week could be risky. Nations Restaurant News, 32 (16), 78.
- Ryan, W.E. (1992). Identification and Comparison of management skills. Unpublished manuscript.
- Statistical Analysis System (1997). SAS Institute.
- Umbreit, W. T. (1989). Multi-unit management: Managing at a distance. Cornell Hotel and Restaurant Administration Quarterly, 30 (1), 52-59.
- Weinstein, J. (1989). The toughest job in food service. Restaurants and Institutions, 42-45, 50-58.
- Woods, R. and Sciarini, M. (1995). Diversity programs in chain restaurants. Cornell Hotel and Restaurant Administration Quarterly, 18-22.

College of Public Administration
University of North Carolina at Charlotte
Charlotte, NC 28223
Phone: 704.388.2444
Fax: 704.388.2444

APPENDIX A
PERMISSION LETTER



College of Human Environmental Sciences
School of Hotel and Restaurant Administration
210 HES West
Stillwater, Oklahoma 74078-6173
405-744-6713; Fax 405-744-6299

Date: June 30, 1999

To: Paul Sorrentino

From: Bill Ryan

A handwritten signature in cursive script that reads "Bill Ryan".

Subject: Use of Copyrighted Material

The research I conducted for my dissertation was published and copyrighted in 1992. This memo gives Paul Sorrentino permission to use, reproduce, and modify where necessary the questionnaire, and other information as appropriate, in my dissertation for his Master's Thesis.

The Campaign for OSU



APPENDIX B
INSTITUTIONAL REVIEW BOARD APPROVAL

OKLAHOMA STATE UNIVERSITY
INSTITUTIONAL REVIEW BOARD

Date: August 3, 1999

IRB #: HE-00-110

Proposal Title: "IDENTIFICATION AND COMPARISON OF MANAGEMENT SKILLS
REQUIRED FOR SINGLE UNIT MANAGEMENT AND THE MANAGEMENT
SKILLS REQUIRED FOR MULTI UNIT MANAGEMENT IN A SEGMENT OF
THE QSR INDUSTRY"

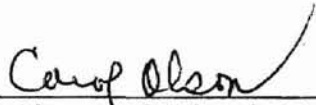
Principal Investigator(s): Paul Sorrentino
Bill Ryan ✓

Reviewed and
Processed as: Exempt

Approval Status Recommended by Reviewer(s): Approved



Signature:



Carol Olson, Director of University Research Compliance

August 3, 1999

Date

Approvals are valid for one calendar year, after which time a request for continuation must be submitted. Any modification to the research project approved by the IRB must be submitted for approval. Approved projects are subject to monitoring by the IRB. Expedited and exempt projects may be reviewed by the full Institutional Review Board.

APPENDIX C
RELIABILITY ANALYSIS

RELIABILITY OF MANAGEMENT SKILL RATINGS
WITHIN EACH PERFORMANCE DIMENSION
FROM SORRENTINO (1999)

Performance Dimension	Single Unit Management	Multi-Unit Management
Financial Management	.8346	.8436
Food Service Operations	.7901	.8333
Marketing and Promotions Management	.7717	.8326
Facilities and Safety Management	.8195	.8474
Human Resources	.8719	.9042

n=50

RELIABILITY OF MANAGEMENT SKILL RATINGS
WITHIN EACH PERFORMANCE DIMENSION
FROM RYAN (1992)

Performance Dimension	Single Unit Management		Multi-Unit Management	
	Pilot Study	Full Study	Pilot Study	Full Study
Financial Management	.9449	.9148	.8792	.9076
Food Service Operations	.8891	.9249	.8850	.9124
Marketing and Promotions Management	.8334	.8489	.8122	.8683
Facilities and Safety Management	.8680	.8342	.8217	.8310
Human Resources	.9119	.9310	.9210	.9217

n=20 for the pilot study
n=263 for the full study

10/2/2009
10/2/2009
10/2/2009

APPENDIX D
COVER LETTER AND INSTRUMENT



Greetings

In the next few days you will be receiving a survey that is being conducted by the School of Hotel and Restaurant Administration at Oklahoma State University in cooperation with Bill Walsh of the Daland Corporation. The information gained from this research will help identify the skills necessary for success as a single or multi-unit manager. We would appreciate it if you would take a few minutes to complete the survey and mail it back.

Paul Sorrentino



OKLAHOMA STATE UNIVERSITY
STILLWATER, OKLAHOMA 74078

Date: August 23, 1999

Greetings,

The attached questionnaire was sent to you and other Pizza Hut corporate officers to determine the management skills required in single unit and multi-unit management positions within the Pizza Hut system.

As Pizza Hut has expanded over several years, different franchises have developed their own systems for enabling their single unit managers and multi-unit managers with the skill perceived necessary for success. This survey is designed to help determine what the corporate officers perceive are important attributes that single unit managers and multi-unit managers possess.

Thank you for participating in this study. Your input is extremely important and your responses will remain anonymous. Please take a few moments to complete the survey and return it in the postage paid envelope provided.

The results will be shared with all participants. If you have any questions, please contact Paul Sorrentino at (405) 624-3700, ext. 12, Bill Ryan at (405) 744-8485, Bill Walsh at (316) 681-1081 or Sharon Bacher at the Institutional Review Board, 203 Whitehurst, Oklahoma State University, Stillwater, OK 74078, (405) 744-5700. We look forward to receiving your response. Thank you for your participation.

Sincerely,

Paul T. Sorrentino
Vice-President
New York Bagel Enterprises

Bill Walsh
President
Daland Corp.

Bill Ryan, EdD, RD, LD
Assistant Professor
School of Hotel and Restaurant Admin.

IDENTIFICATION AND COMPARISON OF THE MANAGEMENT SKILLS PERCEIVED AS IMPORTANT FOR SUCCESS IN SINGLE AND MULTI-UNIT PIZZA HUT OPERATIONS

Definitions used in this study

Single unit Manager - a person who manages operates a single unit Pizza Hut (Red Roof, RBD, Delco).

Multi-unit Manager - a person who oversees two or more single unit managers.

PART I Circle or fill in the most appropriate answer

1.) What is your average individual franchises unit gross volume?

A. \$300,000-\$400,000	G. \$900,001-\$1,000,000
B. \$400,001-\$500,000	H. \$1,000,001-\$1,100,000
C. \$500,001-\$600,000	I. \$1,100,001-\$1,200,000
D. \$600,001-\$700,000	J. \$1,200,001-\$1,300,000
E. \$700,001-\$800,000	K. \$1,300,001-over
F. \$800,001-\$900,000	

2.) How many Pizza Hut franchises do you operate (Red Roofs, RBD, Delco)? _____

3.) What is the average number of employees at your Pizza Huts per store?
Red Roof _____ RBD _____ Delco _____

4.) From which of the following sources do you hire the majority of your Single Unit Managers?

- A. Promotion from within the organization.
- B. Hire from outside the organization, but within the food industry.
- C. Hire from outside the food industry.
- D. Other (please specify) _____.

5.) What degree of difficulty do you have finding competent individuals for the Single Unit Management position? :

- A. No difficulty
- B. Minor difficulty
- C. Moderate difficulty
- D. Major difficulty
- E. Critical difficulty

6.) What is the Principal reason for turnover of Single Unit Managers at your Pizza Huts?

- A. Lack of technical knowledge.
- B. Lack of human relation skills.
- C. Position is too demanding.
- D. Position is not well defined.
- E. Individuals in the position do not attain sufficient award satisfaction.
- F. Promotion to another job.
- G. Other (please describe) _____.

7.) What is last year's annual turnover percentage for your Single Unit Managers? _____%

If you do not have more than one Pizza Hut franchise unit please skip Part II

PART II Circle or fill in the most appropriate answer

8.) How many Multi-Unit Managers are employed by your franchise? _____

9.) How many Single unit Managers (on average) report to a Multi-Unit Manager?

List by franchise type	Example	
Red Roof	2	_____
RBD	1	_____
Delco	3	_____
Total	6	_____

10.) From which of the following sources do you hire the majority of your Multi-Unit Managers?

- A. Promotion from within the organization
- B. Hire from outside, but within the food service organization
- C. Hire from outside the food service industry
- D. Other (please specify) _____

11.) What degree of difficulty do you have finding competent individuals for the Multi-Unit Management position?

- A. No difficulty
- B. Minor difficulty
- C. Moderate difficulty
- D. Major difficulty
- E. Critical difficulty

12.) What is the principal reason for turnover of Multi-Unit Managers in your franchises?

- G. Lack of technical knowledge
- G. Lack of human relation skills
- G. Position too demanding
- G. Position is not well defined
- G. Individuals in the position do not attain sufficient award satisfaction
- G. Promotion to another job
- G. Other (please specify) _____

13.) What is last year's annual turnover percentage for your Multi-Unit Managers? _____%

14.) What types of training programs does your organization use to train single unit managers? (Check all that apply)

- ___ None
- ___ On the job training
- ___ Video training
- ___ Corporate base programs
- ___ Store base programs
- ___ Job shadowing
- ___ Mentoring
- ___ Class

15.) What types of training programs does your organization use to train multi-unit managers? (Check all that apply)

- ___ None
- ___ On the job training
- ___ Video training
- ___ Corporate base programs
- ___ Store base programs
- ___ Job shadowing
- ___ Mentoring
- ___ Class

16.) Rank the efficiency of the following training programs related to preparing single unit managers for success in their unit. 1 = most effective to 10 = least effective

- | | |
|--|--|
| <input type="checkbox"/> None | <input type="checkbox"/> Store base programs |
| <input type="checkbox"/> On the job training | <input type="checkbox"/> Job shadowing |
| <input type="checkbox"/> Video training | <input type="checkbox"/> Mentoring |
| <input type="checkbox"/> Corporate base programs | <input type="checkbox"/> Class |

17.) Are any of your Multi-Unit Managers trained to supervise more than one franchise style i.e., Red Roof and/or RBD and/or Delco? Yes ___ No ___ (If No, go to PART III)

18.) How many Multi-unit Managers are trained in the following areas?
 Red Roof & RBD ___ Red Roof & Delco ___ RBD & Delco ___ All three ___

PART III

Pizza Hut management activities have been divided into 5 performance dimensions. This section will help to determine the importance of specific management skills related to each dimension.

Instructions

- Review the management skills listed under each performance dimension
- Circle a number from 1 to 5 to indicate the management skill's level of importance for single and multi-unit management positions
- If you do not employ multi-unit managers (people who oversee more than one restaurant) then respond to the single unit scale based on the staff you currently employ, and do not answer the multi-unit management rating scale.
- The rating scale for each management skill is:

1 - No Importance	Single Unit Management	Multi-Unit Management
2 - Minor Importance		
3 - Moderate Importance		
4 - Major Importance		
5 - Critical Importance		

For Each Level Of Management How Important Is:

Dimension #1 Financial Management	Single Unit Management					Multi-Unit Management				
	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance
1 Preparing financial plans	1	2	3	4	5	1	2	3	4	5
2 Establishing financial goals	1	2	3	4	5	1	2	3	4	5
3 Authorizing expenditures within policy limits	1	2	3	4	5	1	2	3	4	5
4 Managing competitive bidding / purchasing processes	1	2	3	4	5	1	2	3	4	5
5 Monitoring compliance with purchasing controls	1	2	3	4	5	1	2	3	4	5
6 Assisting in the development of financial forecasts	1	2	3	4	5	1	2	3	4	5
7 Monitoring financial performance	1	2	3	4	5	1	2	3	4	5
8 Recognizing cost variance and causes	1	2	3	4	5	1	2	3	4	5
9 Developing financial corrective action plans	1	2	3	4	5	1	2	3	4	5
10 Evaluating financial results related to budgets	1	2	3	4	5	1	2	3	4	5
11 Developing plans to correct financial deficiencies	1	2	3	4	5	1	2	3	4	5

For Each Level Of Management How Important Is:

	Single Unit Management					Multi-Unit Management				
	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance
Dimension #2 Food Service Operations										
1 Enforcing quality and service standards	1	2	3	4	5	1	2	3	4	5
2 Developing operational plans	1	2	3	4	5	1	2	3	4	5
3 Implementing operational plans	1	2	3	4	5	1	2	3	4	5
4 Monitoring effective labor scheduling techniques	1	2	3	4	5	1	2	3	4	5
5 Assuring quality customer experiences	1	2	3	4	5	1	2	3	4	5
6 Identifying operational problems or issues	1	2	3	4	5	1	2	3	4	5
7 Developing solutions to operational problems or issues	1	2	3	4	5	1	2	3	4	5
8 Implementing corrective action for operational problems	1	2	3	4	5	1	2	3	4	5
9 Enforcing organizational policies and procedures	1	2	3	4	5	1	2	3	4	5

For Each Level Of Management How Important Is:

	Single Unit Management					Multi-Unit Management				
	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance
Dimension #3 Marketing & Promotions Mgmt.										
1 Supervising the execution of organizational marketing and promotional plans	1	2	3	4	5	1	2	3	4	5
2 Developing in-house advertising programs and promotional materials	1	2	3	4	5	1	2	3	4	5
3 Implementing marketing concepts and promotional programs	1	2	3	4	5	1	2	3	4	5
4 Developing an awareness of customer preferences	1	2	3	4	5	1	2	3	4	5
5 Assessing competitor operations, including marketing and advertising campaigns	1	2	3	4	5	1	2	3	4	5
6 Assisting in development of community relations programs	1	2	3	4	5	1	2	3	4	5
7 Gathering consumer research information	1	2	3	4	5	1	2	3	4	5
8 Supervising new product introduction	1	2	3	4	5	1	2	3	4	5

For Each Level Of Management How Important Is:

	Single Unit Management					Multi-Unit Management				
	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance
Dimension #4 Facilities and Safety Management										
1 Approving low-cost improvements to facilities	1	2	3	4	5	1	2	3	4	5
2 Recommending more costly improvements to facilities	1	2	3	4	5	1	2	3	4	5
3 Supervising preventive maintenance programs	1	2	3	4	5	1	2	3	4	5
4 Supervising inside or outside contractors performing maintenance and improvements	1	2	3	4	5	1	2	3	4	5
5 Ensuring facilities are in compliance with health codes	1	2	3	4	5	1	2	3	4	5
6 Monitoring security and safety procedures	1	2	3	4	5	1	2	3	4	5
7 Recognizing facility safety issues	1	2	3	4	5	1	2	3	4	5
8 Conducting cost benefit analysis for repair and maintenance proposals	1	2	3	4	5	1	2	3	4	5
9 Ensuring employees comply with health codes	1	2	3	4	5	1	2	3	4	5

You have received a survey regarding the differences
 in unit management. If you have completed the

Single Unit
 Management

Multi-Unit
 Management

For Each Level Of Management How Important Is:

Dimension #5 Human Resources Management

	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance	No Importance	Minor Importance	Moderate Importance	Major Importance	Critical Importance
1 Analysing personnel needs and developing manpower plans	1	2	3	4	5	1	2	3	4	5
2 Training and development of employees	1	2	3	4	5	1	2	3	4	5
3 Supervising the implementation of in-unit training and development programs	1	2	3	4	5	1	2	3	4	5
4 Preparing employees for promotion	1	2	3	4	5	1	2	3	4	5
5 Effectively managing employee relations issues	1	2	3	4	5	1	2	3	4	5
6 Conducting formal performance evaluations	1	2	3	4	5	1	2	3	4	5
7 Minimizing employee turnover	1	2	3	4	5	1	2	3	4	5
8 Coaching and motivating employees	1	2	3	4	5	1	2	3	4	5
9 Taking disciplinary actions when necessary	1	2	3	4	5	1	2	3	4	5
10 Ensuring personnel practices are in compliance with all regulations	1	2	3	4	5	1	2	3	4	5
11 Monitoring compliance with company personnel policies and practices	1	2	3	4	5	1	2	3	4	5
12 Modeling effective supervisory behavior	1	2	3	4	5	1	2	3	4	5
13 Maintaining a favorable working environment	1	2	3	4	5	1	2	3	4	5
14 Serving as a resource to the employees	1	2	3	4	5	1	2	3	4	5
15 Providing constructive feedback when appropriate	1	2	3	4	5	1	2	3	4	5

Select the one dimension below with which your multi-unit managers experience the greatest difficulty in making the transition from single to multi-unit management responsibility. (Mark with an X)

- a. ___ Financial Management
- b. ___ Food Service Operations
- c. ___ Marketing and Promotions Management
- d. ___ Facilities and Safety Management
- e. ___ Human Resources Management

Thank you for your input. Please return the completed questionnaire in the postage paid envelope which accompanied this survey.

All responses to this survey will be kept absolutely confidential. The following number will be used by the researcher to avoid duplication of follow up correspondence. _____

Last week you should have received a survey regarding the differences between single and multi-unit management. If you have completed the survey and returned it, thank you.

If you have not returned it, would you please take about fifteen minutes to do so. Your input is a valuable part of this study.

Thank you

Bill Walsh
Paul Sorrentino
Bill Ryan

Last week you should have received a survey regarding the differences between single and multi-unit management. If you have completed the survey and returned it, thank you.

If you have not returned it, would you please take about fifteen minutes to do so. Your input is a valuable part of this study.

Thank you

Bill Walsh
Paul Sorrentino
Bill Ryan

Last week you should have received a survey regarding the differences between single and multi-unit management. If you have completed the survey and returned it, thank you.

If you have not returned it, would you please take about fifteen minutes to do so. Your input is a valuable part of this study.

Thank you

Bill Walsh
Paul Sorrentino
Bill Ryan

VITA

Paul Thomas Sorrentino

Candidate for the Degree of

Master of Science

**Thesis: IDENTIFICATION AND COMPARISON OF THE MANAGEMENT SKILLS
REQUIRED FOR SINGLE UNIT MANAGEMENT AND THE
MANAGEMENT SKILLS REQUIRED FOR MULTI-UNIT MANAGEMENT
IN A SEGMENT OF THE QUICK SERVICE RESTAURANT INDUSTRY**

Major Field: Hospitality Administration

Biographical:

Personal Data: Born July 2, 1962 in Cherry Hill, New Jersey, the son of Frank and Maria Sorrentino. Married to Melissa Lee McCollom, August 31, 1986. Two children: Vincent 7; Anthony 5.

Education: Graduated Smithtown High School East, Smithtown, New York, June, 1980. Received Bachelor of Science degree in Advertising, Oklahoma State University, School of Journalism, May 1985. Completed requirements for Master of Science Degree, Oklahoma State University, December 1999.

Professional Experience: November 1985 to September 1999 - Co-founded New York Bagel Enterprises (1985). Developed a single unit store into over 30 stores nationally. As Vice-President, was responsible for acquisition of properties, overseeing construction of stores, procuring equipment, opening stores, staffing and training of personnel, and controlling costs of operations; i.e., food, labor, etc. May 1985 to October 1985 - Account Executive for KJ 103 Radio Station. Wrote, produced and sold radio advertising commercials.

Awards and Honors: 1995 - United States Small Business Award as National Entrepreneur of the Year, presented by President Clinton. 1995 - State of Oklahoma Entrepreneur of the Year Award. 1995 - Stillwater, Oklahoma Entrepreneur of the Year Award. 1997 - Ernst & Young Southwest Entrepreneur of the Year Award.