

Hayek Global College

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Essay 1

What does "good management" mean to you? How is it different from "bad management"? List and describe objectively, as many "best practices" as you can think of that which contribute to the economic results of the company.

On my opinion, good management means, that, as a manager, one should be able to lead while seeing the potential of the people who are looking up to him/her, and entrusting them to take ownership and exercise their potential. Management is more analytical not operational, so a good manager would not interfere but let the team do their work. A good manager is the one who empowers, trusts and guides. It can be done without authority, but with establishing clear processes, defining the roles of each person in the team and clarifying the hierarchy of reporting.

As a good manager, one needs to set up the tools to be used by the team (i.e. dashboards/KPIs, reporting etc.), allocate resources and budgets, then supervise and guide. There should be a permanent feedback between both parties – the management and the subordinates. The feedback should be given in a constructive way, being it positive or negative, having the sole purpose of making things better and not mocking anyone or being overly dismissive towards an expressed opinion.

Furthermore, good management should always be in touch with what is going on in the business world, have a big picture on the markets, competition, innovation and politics. This will allow them to take good decisions and to manage the subordinates in the right direction. Being focused on bringing results by fostering team work and motivating the team, incorporating innovations and creating a harmonious environment is good management, I think. A good manager is also making himself available for his team so they can reach out if they are stuck or need clarification.

In short, one could identify good management if the set goals of the business are reached and the team feels happy to come to work every day. The company culture is important when it comes to good management, from establishing a policy of acceptable working

hours and good work ethics to offering personal development and career growth opportunities.

On the other hand, on my opinion, bad management could be caused by several reasons. Sometimes it happens because of lack of information or involuntarily and could be corrected with a little bit of training. One of them is when managers have a short-sighted vision on the business and are not able to grasp business opportunities which appear in the given development of economic and political situation of the market. This could be corrected by taking on coaching sessions and having access to/buying market intelligence. On the other hand, bad management often has to do with more difficult reasons which are not so easy to change. For example, when the personal culture and ego of the leader are causing him/her to become over-controlling and authoritarian, this creates tension and the team will not perform at their best but will mostly focus on appearing well in the eyes of the leader, irrespective of quality. Furthermore, when the manager is not available, this makes things linger and pending, which delays productivity and can result in conflicts too. Also, if the manager doesn't trust his team, doesn't empower them to take responsibility, this can lead to weak results and wasted talent.

In short, bad management often results from poorly exercised leadership principles. This is often connected with being inflexible, sticking to 'the way things have been always done around here', being resistant to change and not asking for the feedback from the team one manages.

Best practices

Best practices in a company could be classified as daily, weekly or periodic. This is also depending on the company size and country (i.e. in some countries if the size of the company is big enough, they are obliged to spend a part of the revenue for the employee development, which, on my opinion, is one of the best practices).

1. On a daily basis one of the best practices is to maybe try and have a coffee or tea with the team, exchange a few words on trivia, the weekend etc. Building rapport and breaking the ice is a good practice, I think.
2. On a weekly basis having a fruit basket, coffee and tea and some cookies for the team in the office is also a good practice. This gives the opportunity for the team to come together and have a chat here and there.
3. Have a clear definition of strategic planning, in other words to know where the company is going. This includes a clear statement of vision, mission and values of the company. The lack of these elements usually can lead to conflict of interest and confusion in the team.

4. A good practice is to perform a SWOT analysis of the company and set targets and indicators for the company as a whole, but also for each department and division separately.
5. Have a comprehensive on-boarding process of the employees, properly structured, which would also incorporate feedback sessions when the new joiner would be able to ask their questions and the employer would be able to see if the person has grasped the needed information. Also, sometimes, a small test at the end of their on-boarding program is able to validate their knowledge and prove he/she is ready to take on responsibilities.
6. Have a dedicated team which is open to receive feedback from employees on a constant basis. They should be available either in person, by phone or email and they should be responsive in due time.
7. Set targets. Once established, one must monitor the targets while at the same time aligning incentives and bonus schemes so these are fair and realistic. Establish rewards for good performance or at least acknowledge when this is achieved. This should motivate employees to perform at their best. This could be tricky, but one needs to design smart ways of giving rewards, so that the other ones who don't get do not feel they can never achieve the same.
8. Have a program for personal development and carrier progression as to foster interest and retain people.
9. Have creativity in the management: organize team-building activities which would allow building better rapport and create good relationships at work. They say one works better with the people one likes.
10. Understand customers and clients and subsequently their needs - this is imperative and must be exercised. Don't ask 'what do you want', but understand what their needs are and act upon this request.
11. Understand how to do marketing and sell to the clients.
12. Benchmarking is key to have an eye on pricing, analyze your product in comparison to your competition.
13. Networking, creating and maintaining external relations for opportunities with key players in the industry is also vital for the business.
14. Have an eye on the cash, have a good monitoring mechanism and be aware of it at all times. One must have a clear understanding about revenues and costs and the related margins.

15. Establish a clear process management and be aware of the way things are linked within the company. Define the roles clearly so that conflict of interests are avoided and everyone knows what they need to do but also be aware to whom they can go to, if they are stuck.

16. Use data to drive decision making.