

MANAGEMENT BEST PRACTICES

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Introduction

Management is the core function of any organization. Management is responsible for wellbeing of the company and its stakeholders, such as the investors and employees.

Therefore, the management should be a skilled, experienced, and motivated set of individuals, who will do whatever necessary for the best interest of the company and stakeholders.

Best practices are usually outcomes of knowledge management. Best practices are the reusable practices of the organization that have been successful in respective functions.

There are two types of best practices in an organization:

- **Internal best practices** - Internal best practices are originated by the internal knowledge management efforts.
- **External *industry* best practices** - External best practices are acquired to the company by hiring the skilled, educated and experienced staff and through external trainings.

When it comes to management best practices, there are plenty. They can be further subdivided into different sub-domains within management, such as human resources, technical, etc.

But in this brief article, we take management as a general practice and will not elaborate on different sub-domains.

The Main Areas

When it comes to management best practices, we can identify five distinct areas where the best practices can be applied.

1 - Communication

Management is all about communicating to the staff and the clients. Effective communication is a must when it comes to successful management.

The management should have a set of best practices defined for clear and effective communication from/to the staff and the clients.

2 - Leading by Example

Respect is something you should earn in a corporate environment. Leading by examples is the best way of doing this. Define and adhere to leadership by example best practices and also make sure your subordinates do the same.

3 - Setting and Demanding Realistic Goals

Realistic goals can boost the corporate morale. Most of the times, organizations fail due to unrealistic, unachievable goals and objectives.

There are many best practices on how to set goals and objectives, such as SWAT analysis. Since the goals are the driving factor behind your organization, you need to make use of every possible best practice for goal setting.

4 - Open Management Style

When your management style is open and transparent, others respect you more. In addition, information directly flows from the problem areas to you.

Always try to follow the open door policies that do not restrict your subordinates coming to you

directly.

5 - Strategic Planning

This is the most important best practice area when it comes to long-term benefits for the company. Usually, experienced people in management, such as Jack Welch, have their own, successful best practices for strategic corporate planning.

It is always a good idea to learn such ideas from exceptional people and apply them in your own context.

The Tools

There are many tools a manager can use for practising management best practices. Following are some areas where you can use such tools.

Benchmarking

Benchmarking is a domain itself. Accurate benchmarking helps you to understand the capability of your company or the departments.

Benchmarks can then be used for evaluating and assessing the performance of your company.

Forecasting

Forecasting, especially, financial forecasting is a key function for a business organization. There are many tools such as price sheets, effort estimates for accurate forecasting.

Performance Monitoring

Matrix is one of the best practices in performance monitoring. In addition, you can define certain KPIs *KeyPerformanceIndicators* for measuring and assessing the performance of departments, functions and people.

We will have a detailed look into KPIs in the next section.

Key Performance Indicators *KPIs*

This is the most effective way of monitoring all the aspects of your business organization.

You can set up KPIs for any aspect of the business and start monitoring the progress of the respective aspects.

As an example, you can define KPIs for sales targets and monitor their progress over time. When the sales figures do not meet the KPIs, you can look into the issues and rectify them.

The KPIs used depend on your business domain. When KPIs are defined, they should align with your overall business objectives.

Conclusion

Organizations can achieve a great success by employing management best practices.

This is one way to make sure that the same mistake is not repeated. Once a best practice is derived through knowledge management, it should be properly documented and integrated to the relevant functions of the company.

Best practices should be included into the corporate trainings regularly.

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