

Management Style - Assisting or Hurting Your Business?

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Business Owners

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Employees can have differing needs that require differing methods of management as well. Problems arise when the management style of a business owner does not match the needs of the employees.

There are two basic management styles that are also broken down into more minor categories, the Autocratic Management Style and the Permissive Management Style. An Autocratic Management Style is one in which the business owner makes all decisions unilaterally. In other words, the business owner is the "boss" period and doesn't value input from employees. The business owner's word is law. The Permissive Management Style allows employees to take part in business decisions. A rather considerable degree of autonomy on the part of employees is encouraged in this management style.

If a business owner possesses an Autocratic Management Style, and the employees and/or type of business would benefit more from a Permissive Management Style, problems will arise, and vice versa.

Management styles may also be "situational", in other words, should be changed depending upon the needs and growth of the business, as well as the differing situations that may occur.

How then can a business owner know if their overall "approach" or management style is hurting or assisting their business? Easy: Results.

The results of the business, in all facets of the business, will dictate which management style is needed, or if a business owner needs to amend their management style. If a business is doing well financially, if clients are routinely satisfied, if employees are happy, are all indications that the management style of the business owner is appropriate. Discontentment and loss of business would be indicators that the approach is incorrect.

An example of this will explain this principle further:

Karen R. successfully managed her own business for several years. She employed a rather Permissive Management Style, allowing the employees plenty of input, with a rather "family style" atmosphere developing. The employees were very much engaged in the business and considered the business "their own" as well, leading to much devotion on their parts.

However, as the business grew, so did the demands of the clients. It became imperative for Karen R. to change her management style to the Authoritative Management Style, as she needed to quickly enforce parameters, and complete projects. There simply was no time for discussion among the employees, and no time for multiple approaches to each project.

This led to much discontent on the part of the employees, and they needed to be reminded that their opinions were no longer welcomed repeatedly, which left Karen R. frazzled and stressed too.

The solution: Karen R. engaged a series of psychological tests for both herself and her employees, as initially she had no clue what was wrong or how to relieve the problems. This test revealed that she was being somewhat "overly authoritative" in her approach, and also that her employees were "too

expectant" in their demands that she include them in decisions. A compromise was reached, and Karen R., now allows some "input" from the employees, but retains the right to make a decision unilaterally. This combination of Authoritative/Permissive Management Styles has led to the relief of the stress within her organization, and has also led to increased happiness and productivity on the part of the employees.

Without a good knowledge of their own management styles, or psychological approaches to business, business owners can set themselves up for problems. They may be so difficult in their approach, and so set in their ways, that they in essence, would not put up with this behavior if they worked for themselves. Or they can be so passive, and so permissive, that they become "doormats" for the employees, thus not achieving enough control over the business. Karen R. above is a good example. Her Authoritative Management Style, when adopted, became much too rigid for the growth of the business, and this was because of her perceived "need" for control in a business that was growing rather rapidly. Because she herself felt somewhat overwhelmed by the growth, she tended to approach the employees, with an attitude that was too strict and unrelenting.

Assessment of situations, along with psychological tests administered to all within a business, if problems arise, can go a long way towards alleviating the problems. These tests are generally available online or from Human Resource providers.

Business owners can't rectify a problem or their own behaviors or that of their employees, unless they know specifically what these problems are. Insight into themselves and others, will assist business owners into successful resolution of all

problems as they occur. Knowledge of behaviors and knowledge of management styles, can prevent problems in management problems before they happen.

Author: Vishal P. Rao