

## Sound Business Sense

Published February 26th, 2025

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The modern practice of audiology requires clinicians to understand the business dynamics of their profession. Knowing the economic indicators is one of the variables that can present a view of future business climate allowing for predictions and adjustments to those predictions for continued success. Armed with that knowledge, another fundamental skill is managing employees. One of the major issues that new practice owners, and those newly promoted into management within audiology clinics, must understand is how to deal with their employees.

Speaking from experience, Taylor (2025) puts management issues into perspective stating that:

“Carrying the title of Clinician Manager or Clinical Director means that there is the additional responsibility of being the conduit between staff and the owners or executives of the clinic. Although there is a love of seeing patients, there is the additional responsibility of management representing the interests of the owners and executives to the other audiologists and individuals that are part of the department. In a sense, the owner, manager or director is the glue that holds the organization together, communicating up the organizational hierarchy expressing the needs and wishes of rank-and-file staff, while communicating down the hierarchy, expressing the strategy and expectations of executives and owners.”

Suppose a new practice owner is responsible for conveying the practice's special vision of the new or existing clinic to those who will present that vision to the patients and other stakeholders. In that case, understanding management fundamentals provides insight into dealing with these newfound challenges successfully.

Over the past couple of centuries, several general theories of effective management have developed. Burrow, Kiendl, & Becroft (2016) have organized these basic management theories into specific types; *classical management*, *administrative management*, *behavioral management*, and *quality management*.

## Classical Management

*Classical management* was one of the first methods used to apply scientific study to business activities. This method evaluates how work is organized and considers the procedures most effective in completing the job by increasing worker productivity. Clinics that use classical management often use experiments to improve the organization of workspace, procedures, and other factors to increase efficiency. This might involve using several types of files or going paperless to become more efficient on the clerical side while changing the protocol for various evaluations and treatment programs to offer more services in less clinical time.

## Administrative Management

*Administrative management* establishes the most effective practices for organizing and growing the practice. This method is often used in larger clinics or hospital programs as it sets up multiple levels of management, organizing the practice into specialized departments, such as diagnostic and rehabilitative areas or adult and pediatric, with an administrator responsible for each of these departments. Administrative management defines the work that must be completed for an effective operation. The essentials of an administrative type of management system are:

- *Authority and Responsibility*. These managers must be designated the authority to assign tasks to another. They must also empower those assigned to complete the tasks with the authority to make decisions inherent to those tasks.
- *Unity of Command*. Each employee must receive direction from only one manager to avoid conflicts and maintain a clear line of authority.
- *Unity of Purpose*. The goals and direction of an organization must be clear and supported by everyone.
- *Adequate Compensation*. The wages and benefits for every employee should be fair and satisfactory to both the individual and the organization.
- *Esprit de Corps*. Organizations should work to build good interpersonal relationships, a sense of teamwork and harmony.

## Behavioural Management

While some management techniques are directed at efficiency and organization, *behavioral*

*management* is concerned with the effects of changes on employees, specifically focusing on understanding the foundations of employee motivation and behaviors. Sometimes called human relations management, where the goal is for managers to cultivate positive relationships with their employees, instilling that they are a valuable part of the organization to motivate them to do their best work and interact well with their colleagues. Behavioral management mandates that owners/managers should consistently strive to improve working conditions, schedules, equipment, and other modifications that can refresh employee attitudes. Research into behavioral management has repeatedly demonstrated that when employees feel their managers were concerned about them by improving their working conditions, they work harder and with better accuracy in all areas of their responsibilities.

## Quality Management

The last half of the twentieth century has brought a considerable number of changes in management strategies. As the number of products increased, companies looked at strategies to improve production speed and cut costs. *Quality management* is a business philosophy that champions the idea that a company's long-term success comes from customer satisfaction and loyalty. A quality management approach requires all stakeholders (management and employees) to work together to improve processes, products, services, and the company's culture. Hearing aid and equipment manufacturers have instituted these quality programs to improve products that support our practices. In audiology, quality is increased by advancements in procedures, equipment, and commitment to patient care.

So far, relative to management, Sound Business Sense has only described various *types of management*. While some of these types may be combined to develop a specific approach to certain audiology practices, these are the basics from which modifications are derived.

The next columns of *Sound Business Sense* will address the importance of management style.

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## References

1. Traynor, RM & Taylor, B. (2025). Strategic Practice Management, 4<sup>th</sup> Edition. San Diego, CA: Plural Publishing.
2. Taylor, B. (2025). Essential Business Principles for Audiologists as Clinical Managers, Chapter 7. In Strategic Practice Management, 4<sup>th</sup> Edition, R. Traynor & B. Taylor, (Eds). San Diego, CA: Plural Publishing.