

# Management Ideas



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a monthly newsletter to key executive-leaders  
on practices, possibilities and ideas generally  
for stepped up performance  
edited by  
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on problem-solving and creative ideas

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**3182 JAPANESE STYLE MANAGEMENT:** We gave an extract from the delightfully perceptive book "Japanese Style Management" by Keitaro Hasegana (3177: May 1990). A Reader has asked for some sort of a synopsis of the book, since it is not easily available in India. (For your information, the book is distributed by the leading American publishing firm, Harpar & Row). The following few lines, from the book itself, will answer the Reader's question, we think.

"These pages have discussed every aspect of Japanese Management practices. The key ideas can be summarised in these few words.

**THINK QUALITY.** Never be satisfied. Strive constantly to improve your product. Inspire everyone from Chairman to newest employee to seek ways to do everything better. Cut the product rejection rate. Be proud of what you help to make and of how it will benefit people.

**BE COMPETITIVE:** Match or exceed every improvement made by competitors. Keep prices in line. Give 100% service. Think not of protectionism but ways to outperform competitors. Aim to make your product, your packaging, your promotion, the best in the business.

And a corollary: **TREASURE YOUR EMPLOYEES.** Ofcourse, these goals call for an efficient, dedicated workforce. So treat workers fairly. Give all employees equal consideration. As nearly as possible, provide life time employment, or at least, fire no one before exhausting every other possibility. Let everyone share in the company's good times with regular bonuses. In a word, treat all employees like the conscientious, loyal,

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intelligent and hard working people you want them to be. And that is what they will surely be."

*This is one of the finest books I have read on what is generally described as Japanese Management. Written by an economic journalist, it is clear, informative and insightful. I wish the book is freely available in India.*

**3183 THE CHANGING SCENE:** Worlds of Wonder sold \$93 million worth of the toy bears in 1985.

*In 1986, the same toy manufacturing company sold a toy Starlyte gun for \$39.95 and its sensor for \$19.95. Since it takes atleast two people to play, that meant the minimum you have to spend was \$119.80 ( Batteries and tax not included).*

What made Don Kingsborough even dream that a toy costing more than \$100 would ever catch on?

Author Paul B. Brown of Marketing Masters ( a delightfully insightful book ) asks this question and gives the answers in the following extracts from the book.

"It is simple," he says. "Society has changed and the relationship between the parent and child has changed.

"Children go to school earlier, typically at age two as opposed to age five. Wives work, or have other interests that result in them spending less time with their children than they would like, and I guarantee that one of the important things to your child is another child. That is a big change. In my generation, family was the most important thing.

"There has also been a material change in society and so parents are more apt to gain approval by providing what the child wants, instead of making that decision for the child. Part of that comes from guilt. If you are spending less time with your child, you want to try to compensate, and one of the ways of doing that is by providing things, especially things they ask for."

Now, of course, not every parent is doing that and certinly no one is doing that all the time. But it does appear to even casual observers that more of this is going on than ever before. Maybe it is guilt. Maybe it is an attempt by parents to impress others by having their children wear \$50 sneakers and play with \$70 teddy bears. Whatever the reason, Kingsborough is right. More than ever before, parents are buying what kids want as opposed to making decisions about what the child should have.

"And when the child says the three magic words, 'I want one,' they are more likely to buy that specific product. The child is more likely to specify a particular item, because brand identification is much greater. Children see more advertising than ever before and they are more brand-aware because other kids tell them. Other kids say, 'I have a Teddy Ruxpin. Do you,'"

And while it's true that kids have always asked that question about some item or other, Kingsborough says it gets asked earlier today. "It used to happen at age five, when they went to kindergarten. Now it happens because

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they have been exposed to more, they are more aware. You take your kid to Disney World. Did your parents take you as many places? No. We are a mobile society, today. Did you have color TV? They never knew it didn't exist. Kids experience more today at an earlier age than their parents, or even their older siblings did."

That is certainly true and with all this experience and exposure comes the unalterable fact that today's children - raised on color television, MTV and USA Today--will become bored more quickly. If Worlds of Wonder was going to design toys for these youngsters, relying heavily on technology to hold their interest, it would, by definition, be forced to sell expensive toys. Technology does not come cheap. But with the exception of bicycles, toys were selling for under \$50, less than half of what it costs to play Lazer Tag. Kingsborough's new way of looking at the toy industry would force parents, and retailers, to rethink what a toy should cost.

"That was a potentil problem," Kingsborough says, understating his challenge. "Retailers said it had to sell for \$39 or \$49. But it is my belief that price is only relative to other choices. If someone will pay \$50 for a pair of Reebok shoes, why wouldn't they pay \$60 or \$70 for a teddy bear. The kid outgrows the Reeboks in four or five months. Selling Lazer Tag was made a little easier by products that had come before. Teddy Ruxpin and Cabbage Patch had each sold for more than \$49, so that lessened some of retailers' reluctance.

"But people have changed," Kingsborough adds in explaining why he feels confident that his company can sell expensive toys, both now and in the future.

"The relative point of what is expensive has changed. Is \$10 expensive? It used to be. Not any more. Ten- or twenty-dollar items are now spontaneous purchases. Here is a truism, but one people don't think of. Look in your wallet. Whatever is the highest bill is what you spend for a spontaneous purchase. For most people it is a twenty-dollar bill, and that is the amount you will spend on a spontaneous purchase. At least that. Ten years ago it would have been a five or a ten. I have a five-year-old. For him, it may be fifty dollars.

"Price is not an issue anymore. My parents wanted to buy me things that were basic and inexpensive--blocks, roller skates, guns. But there has been a basic change in America. America is not into inexpensive. It is into quality."

**3184 VOLUNTEERING MAKES A DIFFERENCE:** One premier Bombay high-tech company has been organising in-house professional training programmes and getting participants from various divisions and departments. When they took stock recently, they noted that a) fewer and fewer were getting nominated; b) fewer still attended the programmes: they excused themselves under one pretext or another; c) benefits of the training activities were questioned.

An innovation was tried. A couple of programmes were announced and open invitations sent. Participation was made voluntary. Result? More people volunteered than can be accommodated! They all came and stayed till the end of the programme. They commended the programmes to their colleagues.

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Informal discussions with the participants brought out these points. "When nominated or sent for a programme, we feel it is not complimentary.... It is a criticism ... It is a sort of black mark ... We are sort of no-good .... A kind of punishment .... Like not wanted ... And no choice ... We go with a quarrel and at the end no one is wiser or better."

HRD department admitted that they feared the open invitation will draw a blank. They were pleasantly surprised by the response. Now they know that here is one way that works one way to get return for the training input.

**3185 THERE SEEMS A WAY OUT:** *Because of government policies, industry sometimes faces an awkward situation. Government sort of says: You jollywell hire these people. Industry says: They are no good for us. And there is a stalemate. The affected employee thinks his job is a political patronage and internally he does not feel happy either. Is this peculiar to our country? If not, how have other people faced it? Here is one story that appeared in a recent issue of Working Woman.*

Each year General Mills, Inc., awards gold-and-diamond eagles to a handful of its 80,000 employees for "championship" performance. This is, after all, the company that makes Wheaties, the "breakfast of champions." Among 1988's winners was a disabled employee who saved a mother and child from a burning automobile, a plant manager who shaved costs by \$500,000 and Mary Crozier.

Crozier, 44, training manager in information systems, developed a way to train unskilled minorities in the technical and organizational skills they needed to be employable. Having worked previously in recruiting, she was aware of both the difficulty of finding skilled minority applicants and the educational resources that could turn the situation around.

Her idea: to recruit minorities from local training centers and offer them a three-month paid internship at the Minneapolis-based company. They would attend morning classes in word-processing and interpersonal skills and receive on-the-job training in the afternoon from managers who would function as supervisors and mentors.

Operating the program would cost more in time and commitment than it would in dollars. Since mentors would donate their time, and Crozier's division could absorb the cost of technical instruction, the total cost of training the first ten interns would be that of covering their wages for the three months--less than \$40,000.

Since affirmative action is a priority of GMI's management, obtaining support was fairly easy. "Top management allowed us to go over and above our standard job descriptions to make sure we achieved our goal," she says.

Interns who successfully complete the training then interview for jobs available at the company. "We don't create positions for them or give them special treatment," says Crozier. "They are on equal footing with any other GMI employee." Eight out of ten interns from the first class have been hired full-time. "It's gratifying to see all these people working at our company," says Joan Engstrom, director of equal-employment opportunity at General Mills. "Three months before, they weren't viewed as employable by us or any other organization."

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Now training a third class, Crozier's program has attracted attention from other companies, which want to adapt it to their needs. To Crozier it's a sign of the times: "If you look at the changes that will take place in the work force in the next decade, it's apparent that corporate America has to take the responsibility for training people and making sure they meet the necessary qualifications for success. America's own success depends on it."

**3186 A CHAIRMAN FINDS THE TIME:** A Madras company employing about 400 workers has this welcome practice going on for some time.

A fixed day in a week, a worker's family members get invited to the factory. The company's vehicle goes and brings them. They are shown around the factory. They see their chief at work.

The worker and the family members have a leisurely meeting with the Chairman and Managing Director of the company. The company photographer does his part.

The visitors lunch at the company's canteen.

The worker is given an off for the second half of the day and he goes home with the members of the family in the company vehicle to celebrate the occasion.

Except when the Chairman is out of town, this event is seen every working week.

What does it do for whom? Apparently, such a question is not asked. This step gives a nice feeling for the few people that matter and that is all that matters, I suppose.

### **3187 LAUGHING MATTER?**

A big city preacher began work in his new parish by praying for rain for the crop. The rain came in buckets and washed away many fields. The disaster caused one elder to say to another, "this is what comes of asking a preacher to pray for rain when he doesn't know anything about farming."

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