

Management Ideas



FOR STILL BETTER

RESULTS

RELATIONS

REPUTATION

a monthly newsletter to key executive-leaders
on practices, possibilities and ideas generally
for stepped up performance
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3238 SOME SECRETS OF BEING SMARTER: The following is an extract from an interview with Steve Allen, comedian and author of the book DUMBTH.

"Dumbth is more than simple ignorance. It is willful ignorance, the refusal to concede what we don't know, or to address the flaws in our reasoning.

The scary thing is that dumbth is all around us, and growing deeper by the day. It is painfully evident in our schools, where children are neither taught how to think nor the facts of the world around them.

This affliction is the prime cause of inefficiency in modern life--the reason the airline loses your luggage and the laundry loses your shirts.

To defeat dumbth, a concerted effort is called for by each individual. In that spirit, I am proposing 20 ways to make yourself smarter:

- * Beware of rushing to judgment.
- * Develop the old-fashioned virtue of humility.
- * Watch less commercial TV.
- * Visit museums
- * Take a speed-reading course.
- * Develop the habit of taking notes.

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- * Depend on your dictionary.
- * Keep a daily journal or diary.
- * Become actively interested in others.
- * Rethink your religion.
- * Spend time with people more knowledgeable than yourself.
- * Avoid wasting time.
- * Make frequent use of maps.
- * Familiarize yourself with the commonly accepted scientific view of the universe.
- * Don't be afraid to change your mind.
- * Remember that no two things are ever the same.
- * Know that no one thing remains the same for very long.
- * Don't kid yourself.
- * Read the classics.
- * Don't marry your ideas.

When your creative mind suggests a hypothesis, it is a grave--and pervasive--mistake to become unduly fond of the idea.

Once we make an ego-investment in our creative guesses, we short-circuit our thinking process. Any analytical assault upon our theory, however courteous or logical it may be, seems an attack upon ourselves.

"We then muster our reasoning to defeat our opponents, rather than to illuminate the essential question. We have, in short, succumbed to dumbth."

3239 SOFTWARE CARE: According to Olen R Pearson, author of Personal computer Buying Guide, software is easily damaged, particularly by heat, humidity, dust, smoke and sprays. Here are ways to protect:

- # When not in use, store diskettes upright in their protective jackets in a closed area.
- # Never place anything on top of diskettes.
- # When labeling diskettes, use a soft-tip pen and very light pressure.
- # Don't leave diskettes in a closed car on hot days.
- # Keep software away from anything with a magnetic field--magnets, televisions, transformers, speakers, vacuum cleaners, power tools, etc..

3240 WHY UNDEVELOPED COUNTRIES REMAIN UNDEVELOPED: Every political leader says he wants the 'abolition of poverty' and 'creation of millions of jobs'. It will be well if before they assume power, all the hopefuls read the book, The Other Path: The Invisible Revolution in the Third World by the down to earth Peruvian economist, Heranando de Soto.

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Following are some sample excerpts from his writings:

"Why are we poor? Why after a century of industrialization, massive capital transfers, the postwar development decade, revolutions of one sort or another, and the hard labors of people does much of the developing world remain in a state of economic backwardness if not abject poverty? Clearly, something is seriously amiss with the conventional wisdoms of both development specialists and their critics on the left or right.

In my country, Peru, we have set out to find some answers to these questions and to begin to formulate a strategy for development grounded in a realistic understanding of the ingredients of prosperity. Our method is one based on strict empirical observation. We have set out to understand how and why things really work, not to find and fit facts to predispositions of ideology or dogma. Our results have been surprising. They have also been inspiring.

The very essence of our conclusion is that developing economies do not work for two reasons. First, the structure of governance and economic activity in most Third World countries effectively squeezes out the entrepreneurial element of economic activity, an element that is key to employment, capital formation, and growth. Second, we have failed to grasp fully the fundamental link between economic participation and political participation, and to understand that prosperity without democracy is impossible in a modern economy.

In sum, the informal sector is a very economically powerful sector. Though it consists of relatively poor entrepreneurs, it is significant. These poor entrepreneurs produce, according to our calculations, 38 percent of the gross national product. This means that Peru's gross national product is about 27 percent higher than official statistics report.

Why is so much economic activity going on illegally? Many outsiders look at the economies of Latin America and assume that social or cultural attitudes unique to the region account for the fact that so many people do not participate in the formal economy. Empirical analysis challenges these conventional wisdoms and stereotypes.

Why have the millions of people who have flocked from the countryside to the city in recent years (Peruvian cities have quintupled in size in the past 30 years) found the path to prosperity in the informal sector instead of the formal economy? We set out to understand what it actually takes to get into business--not for a large corporation but for an entrepreneur.

We began with a simulation. We set out to establish a small workshop in the outskirts of Lima. We engaged one lawyer and four assistants who, with a stopwatch, went to each office in the state bureaucracy in order to register a small clothing workshop with two machines. Working eight hours a day, it took a total of 289 days to be able to start operations legally. We did the same exercise in the U.S. city of Tampa, Florida, where most of the legalities could be handled by mail, and it took us three and one half hours to start the business. In New York City, it took us four hours. In short, it takes a Peruvian entrepreneur 700 times more time than his U.S. counterpart to start a small business.

We repeated the exercise in the housing industry. Anyone familiar with Latin American cities knows the surrounding belts of inferior housing that often house half or more of a city's population. Why do so many people end up in hovels when, in most Latin countries, there is a process of legal

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adjudication whereby a group of families can band together and lay claim to a certain sand dune or plot of land for the construction of a new village? Our institute examined the "red tape" involved in this process. One individual representing 100 families working eight hours a day requires six years and 11 months to get the necessary permit, requiring the completion of 207 different official statements and visits to 52 government offices. Is it surprising that in Peru in 1985 there were 282 invasions of land and only three legal adjudications?

This kind of bureaucratic bottleneck is not limited to the clothing and housing sectors. The small markets cited above built to serve the needs of street vendors provide another case in point. Those built within the framework of the law require about 12 years of preliminary bureaucratic work before the first step can be taken.

Some observers try to explain away the existence and size of the informal sector as simple reflections of crafty tax avoidance. Therefore, we studied the role of taxation in the economy and who pays what kind of taxes. Only 120,000 people in Peru pay income tax, generating less than one percent of government revenue. Tax on gasoline provides the largest increment of government revenue--45 percent. Clearly, the 95 percent of the transport industry that operates informally pays a very substantial gasoline tax. Of course, they also pay a consumption tax of 60 percent.

Informals are also subject to other kinds of taxes not usually borne by the formal economy. They must pay a very substantial inflation tax because informal enterprises require large cash balances in lieu of banking credit, balances that erode at the rate of inflation (quite substantial in most developing economies). Informals also pay a daily fee to the local police to ensure their presence and support. The annual total collected this way in the Lima streets is twice as much as the property tax collected legally in the whole country. This sectoral analysis produced the unexpected fact that the informal sector pays more tax than the formal sector.

Source:Span

3241 THE WRITING PROCESS: For all the hightech equipment on display in office these days, when it comes to dashing off a memo or writing a report, the majority of executives still do it the old-fashioned way--with pad and pencil.

That's the conclusion of a recent survey conducted by Communispond, Inc., a New York business-communication-consulting firm. In addition, fewer than one-fifth of the executives surveyed take advantage of their computer spell-check software when it comes time to proofread their documents. Which spelling aids are execs most apt to put their money on? Themselves, said more than 50 percent of those surveyed (though there was no word on the reliability of this method).

Looks like old habits die hard. But the survey confirmed one age-old universal truth you will, no doubt, appreciate. When asked what they find most difficult about the writing process, nearly half the respondents said, "Getting started."

3242 A GERMAN SECRET: Hans Decker, Vice Chairman, Siemens Corporation, described this secret in a talk to the Business Week President's Forum.

"Today, I'd like to concentrate on an educational program that's proven highly successful - not just at my company, Siemens, but at hundreds of companies throughout Germany.

It's an educational program that gives us the skilled and motivated employees we need to compete in today's Global Marketplace....

In Germany, private companies and public Vocational Training Schools share the responsibility for quality education. Typically, students spend two or three days a week at a vocational center and two or three days at a company.

This Dual System starts early, usually as soon as the students complete Junior High, but at the latest when they get out of High School.

After all, these are formative years. BY getting involved at this early stage, companies can work with the students while they're still young and eager and open to learning.

And, German companies stay involved, subsidizing the students' education for almost four years. That commitment is long enough to teach good skills, long enough to instill a sense of motivation, long enough to build a strong bond.

With this shared approach to education, the students see benefits, the companies see benefits, and the nation (as a whole) reaps important rewards.

In fact, management guru Tom Peters cites Germany's 150-year-old apprenticeship program as a significant key to Germany's current economic success.

Throughout Germany, at least one million students are now enrolled in these apprenticeship programs, from would-be bankers to would-be machine tool makers.

Virtually every major company gets involved. In fact, they vie for the best apprentices. Companies who are enrolled in the Dual System Program are absolutely convinced it gives them the highest calibre employees, employees who not only have technical skills, but who also have a sense of responsibility.

Allow me to explain what I mean.

Certainly, German companies want our apprentices to get practical job skills that will help them perform better. But, we are not content (and, I must stress this) we are not content for students to be narrowly tutored in one particular trade.

We want them to be endowed with solid literacy, literacy in both words and numbers. Above all, we want them to be empowered with the ability to think.

And we emphasize person-to-person skills. By that, I mean: loyalty, a feeling of belonging, a sense of teamwork.

German companies feel confident that if something breaks, our Dual System apprentices will know enough to fix it, or at least care enough to report it.

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The students feel valued, important, respected. They feel they're a part of the company, right from the start.

Maybe that's why the dropout rate is negligible. Students see the Dual System as a way to build a good life for themselves.

After all, completing the Dual System Program is the first step toward the respected title of "meister" ("master") craftsman of their trade. In Germany, this is a highly respected title, a title with life-time professional prestige.

And, even though the subsidized students are not required to make long-term commitments to their sponsoring company, the vast majority do. At Siemens, for example, 85 percent of our apprentices stay on as regular employees.

Right now, Siemens offers Dual System Courses to about 15,000 young men and women at some 60 company-sponsored centers throughout Germany.

We give our apprentices advanced instruction in computerized numerical control, hydraulics, personal computer technology, and other specialities.

All of these studies are taking place at educational facilities paid for by our company. And, all of these studies are taking place with criteria developed by our company's senior leadership.

We view this as an investment, not an expense. Our feeling is: "If we don't take an active role in the education of our future employees, who will?"

This is an important question, and I urge all of you to ask it of your own companies.

If we don't take an active role in the education of our future employees, who will?

Of course, these educational principles aren't restricted by geographic borders! Siemens operates Dual Training Centers at 30 Siemens sites outside of Germany, from Japan to Mexico to England.

Naturally, we don't take our German programs and put them into other countries. That would never work.

Instead, we adjust for cultural differences. We pick and choose the best educational elements for each particular country.

You can do the same thing. You can adapt our Dual System to meet your educational needs.

3243 LAUGHING MATTER?

A young lady who had been dating the same man for several years was frustrated with her inability to interest her mate in marriage.

One evening the couple was out for dinner at a Chinese restaurant. After looking over the menu the man asked his girlfriend, "How would you like your rice dear - fried or boiled?"

The young lady looked him straight in the eye and replied sternly, "Thrown!"

Find a legitimate need and fill it well. You have a chain of jobs

TEN MILLION JOBS

WHY DON'T WE?

WE TOO CAN PROSPER

INDIA IS A LAND OF OPPORTUNITIES. There are thousands and thousands of potential jobs. They are based on creative observations and unconventional ideas.

Of course, each idea will have to be organised. Once organised, there is a job for the organiser-entreprenuer and for his or her assistants.

The key point is that productive, paying jobs can get created by you and me. And we need them in millions. In this feature, we will identify and briefly outline the work-job opportunities that abound in our country.

Our Readers are invited to join this common cause and contribute to it in any way they can.

NH ATTREYA Editor

TEN MILLION JOBS

If we westernise the cities in some respects and urbanise the villages in some respects, we will be creating several thousand jobs.

Let us take an example or two.

For several reasons, the elderly people have to be alone. They are not able to live with their children in the cities.

We need to have several hundred senior citizen villages, on the outskirts of cities. The citizens should be able to live a full life but at their pace and with their current needs met.

I am deliberately not using the term 'old age homes'. I have seen some in the west and here. They look miserable. They cater only to one dimension - the physical. When the whole man is taken into account, it is quality of life for some and a whole sets of jobs for thousands.

Thanks to the media and rising agricultural income, the village population yearns for the benefits of urban living. Today, they have to move to the city temporarily or permanently. We can meet their needs by building 'cities' for a cluster of villages. Those 'cities' will be offering them the 'charms' of urban living - entertainment, shopping, eating out and the like. It is 'cheaper' to move 'cities' to villagers than the other way. Such a step can yield several thousand jobs.

COMPLAIN NOT
ABOUT DARKNESS.
LIGHT A CANDLE

Hopeful & Helpful

*Positively Exciting
Personally Useful*

Good News From Anywhere

Inspiring multiplier models and exemplary acts of excellence are found all over the country. They are hardly written up.

Many miss the point that the positively exciting is also news.

Also, adequate efforts are not made to bring useful information to the literate public.

There is a case for collecting and spreading hopeful and helpful information and news.

May I invite our Readers to join me in this quest and share their discoveries and findings through these columns?

NH ATTREYA Editor

A CLEAN UP CAMPAIGN: A voluntary organization is active in Madras city to improve public utilities such as transport, hospital services and power supply and more especially the city streets. People low and high have got involved. Started in 1989 Exnora International has now over 180 chapters spread all over Madras with a total membership exceeding 20,000 families.

The founder? M.B. Nirmal, a manager with the Indian Overseas Bank.

Source: India Today April 15, 1991.

THE GOOD WORD: Maharashtra government has set up a university at Pathan in Marathwada to propagate the teachings of saints and preach their sermons among the youth. The constituent schools will be in Pandharpur, Alandi, Shergon, Shirdi and Mozari.

Words have power one way or the other. One way has been tried for a long time. Why not the other?

We congratulate the decision - makers.

SIGHT TO MILLIONS PLUS: Mafatlals administer a hospital in Chitragud. The hospital conducts two massive eye camps every year - one around Ram Navami and another around Diwali. Lakhs of people avail of the facility. All expenses are borne by the Mafatlal organization.

One special feature is that Company personnel take time off, ON THEIR OWN, to serve as volunteers.

Shri Arvind Mafatlal himself serves as a volunteer.

This yagna has been going on for years, without any fan fare.