

Management Ideas



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a monthly newsletter to key executive-leaders
on practices, possibilities and ideas generally
for stepped up performance

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on problem-solving and creative ideas

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3398 THE ROLEX "SPIRIT OF ENTERPRISE" AWARDS 1993: To celebrate the 50th anniversary of the Rolex Oyster, the Rolex Management announced in 1976 "The Spirit of Enterprise" Awards. Entries were invited from all over the world. Each of the five winners were given a specially engraved Rolex Chronometer and a cheque for Swiss francs 50,000. The Honourable Mention awardees received a steel and gold Rolex chronometer and a scroll attesting to being so selected, during ceremonies held in different parts of the world.

This was to be an one-time function. The response so moved the Rolex Management that it made it an once-in-three-years event.

Thirty Laureates and nearly 200 Honourable Mentions now make up the Roll of Honour of the Rolex Awards. The Awards "paid tribute to those whose passionate pursuit of a dream has inspired them to develop projects in the fields of Applied Sciences and invention, Exploration and Discovery and the Environment. Over the subsequent rounds of the Awards, we have received details of thousands of projects from enterprising candidates who not only have a dream, but are attempting to turn that dream into reality."

1993 Rolex Laureates and their extraordinary projects: Nancy Abeiderrahmane, a Mauritanian engineer and dairy manager, was struck by the lack of regular supplies of fresh milk in Nouakchott, the capital of Mauritania. She therefore founded a milk processing plant, equipped it

with modern small capacity milk pasteurization machinery. She also established a network of herdsmen in the surrounding desert area from whom she now regularly collects cow's and camel's milk that she processes and sells through retail grocers. She now plans to overcome the dairy's fluctuations in milk supply and demand by expanding her supplies of camel milk and developing the industrial production of camel's milk cheese.

Antonio De Vivo is an Italian physical education instructor and translator who has become one of Italy's leading speleologists. He has already led an expedition which navigated the Rio La Venta in Mexico, a wild river flowing along the bottom of a canyon at the base of tall precipitous cliffs, and studied the way the local population might use the river for its water supplies. He now plans to make a return expedition to Mexico, run down the river once again and this time, explore the mysterious caves he located high on the cliffs overhanging the river for remnants of pre-Columbian civilizations and, he believes, the entrance to a long-lost city.

Steven Garrett is an American university physics professor who divides his time between his teaching and advanced research especially in the field of acoustics. He is developing a revolutionary system of refrigeration that does not use the chlorofluorocarbons (CFCs) that are to be found in conventional refrigerators and that are currently threatening the world's ozone layer. His objective is now to finalize the development and testing of his thermo-acoustic refrigerator, in which cold is generated by sound waves from a loudspeaker, so that it can be mass-produced in time for the ban on CFCs that will come into force in many countries in 1995.

Aldo Lo Curto is an Italian physician who, for many years now, has divided his time between his plastic surgery practice in Italy and the provision of health care to the South American Indians of Brazilian Amazonia. He has written an illustrated basic health care handbook specially designed for these Indians, which presents diseases and injuries in both pictures and simple words, and explains the cures that can be given using either the forest plants or western medicine. He now plans to publish and distribute 2,000 copies of this book in Portuguese to teachers and health care personnel working with these Indians in Brazil.

Forrest M. Mims, III is an American electronics engineer who has spent his career inventing new instruments and bringing electronics to the public in popular scientific magazines. He has built a low-cost hand-held Total Ozone Portable Spectroradiometer (TOPS) capable of calculating the thickness of the ozone layer by measuring the intensity of the ultraviolet radiation that penetrates down through the atmosphere. He plans to build 50 copies of his instrument to distribute to members of a global ozone measurement network he is organizing so that they can take measurements in isolated areas of the world to supplement the data collected by official measuring stations.

Out of 661 proposals considered for the 1993 Awards, 20 were from India. Two Indians got Honorable Mention. They are:

Vinayakrao Patil has received an Honourable Mention in the 1993 Rolex Awards for Enterprise for his project to strengthen the co-operative agro-forestry involvement in India and promote its contribution to sustainable development there.

(Sandeep Apartments, Trimbak Road, Nashik 422 002, Maharashtra India.)

Prabhakara Choudary has been given an Honourable Mention in the 1993 Rolex Awards for Enterprise for his project to set up a new vaccine production industry in India using silkworm larvae as low-cost bioreactors.

(Department of Entomology, University of California, Davis, California 95616, United States.)

The Awards are administered in good style. There is an international team of luminaries drawn from many disciplines to play the judges.

The Rolex Awards administration has thoughtfully brought out excellent volumes. While earlier volumes are out of print, the ones since 1984 are as available as follows:

*1984: Spirit of Enterprise - The 1984 Rolex Awards, Aurum Press London, United Kingdom, 460 pp. Distributed by Van Nostrand Reinhold (Int.) Co. Ltd., London, United Kingdom.

*1987: Spirit of Enterprise - The 1987 Rolex Awards, Van Nostrand Reinhold (Int.) Co. Ltd., London, United Kingdom, 460 pp.

*1990: Spirit of Enterprise - The 1990 Rolex Awards, Buri International, Eigerstrasse 71, 3001 Bern, Switzerland, 490 pp.

*1993: Spirit of Enterprise - The 1993 Rolex Awards, Buri International, Eigerstrasse 71, 3001 Bern, Switzerland, 490 pp.

The prices have not been indicated. You can have them by writing to Buri International.

Since 1976, we have been featuring these Awards in the fond hope that one of our Readers would institute atleast a national version of this Spirit of Enterprise Awards. This can be one way of reviving/rousing the spirit of enterprise among the young people of our country.

3399 APPRAISING THE BOSS: *If appraising office and factory workers is difficult, even more difficult is to appraise the officers and executives. As in other respects, the bottom up approach is becoming common here too. Here is a report from Financial Times (U.K.) by professor Adrian Furnham:*

More and more organisations subscribe to the fundamental ideas of performance management. All employees should be given regular feedback on their job performance. And these ratings are often tied -in some loose way - to promotions, merit pay, sideways moves, or are used more simply for training purposes. Some organisations determine pay increments by these ratings so that salary is not decided by collective bargaining but rather by rated, individual effort. Performance management means true meritocracy.

For performance management to work, appraisals need to be seen to be accurate, fair, sensitive and reliable. For most corporations, employees are rated by their bosses on criteria such as time-keeping and contribution to innovation. In effect this means once or twice a year a manager must fill out a rating form on his or her employees. Some managers may have to appraise many subordinates which leads to certain problems - do the managers know all their staff? How much time does it take to appraise so many? What about problems of favouritism?

Innovative organisations have found a simple, radical solution to these problems. In the UK, BP, British Airways and Central Television among others are changing their methods. Employees are not rated by their superiors but by their subordinates. Not top-down but bottom-up. Simple and democratic though it is, the idea puts the fear of God into many managers.

What can be gained from this method? The following points have arisen from work in Cathay Pacific Airlines.

- * Subordinates tend to know their superior better than superiors know their subordinates. They see their bosses and know their moods, foibles and preferences, their adequacies, skills, strengths and limitations and things they do and do not like doing.
- * As all subordinates rate their managers statistically, these ratings tend to be more reliable - the more subordinates the better. Instead of the biases of individual managers' ratings, the various ratings of the employees can be converted into a representative view. If the employees have very differing views of their bosses this can present problems, but represents very significant data meriting further investigation.
- * Subordinates' ratings have more impact because it is more unusual to receive ratings from subordinates. It is more unusual to receive ratings from subordinates. It is also surprising to bosses because, despite protestations to the contrary, information often flows down organisations more smoothly and comfortably than it flows up. When it flows up it is qualitatively and quantitatively different. It is this difference that makes it valuable.

What are the dangers of converting the appraisal system to a bottom-up approach?

Some employees might hesitate to give a frank and fair appraisal of their boss for fear of reprisal. On the other hand, employees may be unused to giving either negative or positive feedback. This can be observed by a "halo effect" where bland, safe-ratings, half-way up the scale are given. However, an anonymous rating might lead some employees to be vindictive, for example to a boss who is pushing staff to do better. Such a rating would easily be detected however, because it would differ significantly from other ratings.

There are also greater costs involved. More forms have to be processed, probably by computer programme, than in the top-down method. But there are now companies such as Pilat of Israel, or Forum (Europe), a US company, which have written the software for this type of analysis. Subordinates also need training on how to rate individuals without

falling into some of the well-known traps. Training courses, paperwork and computing software cost money.

Do the benefits, costs and risks **outweigh** the dangers and disadvantages of the bottom-up system? The fact that such innovative companies have persisted with these methods indicates they believe it has benefits.

To some extent initial enthusiasm has been tempered, as in the case of BA, but it is recognised that working well, the bottom-up system is efficient and equitable. To put in place the performance management system an organisation needs, to trust staff to be honest, fair and constructive. It also needs to pay more than lip service to the idea that communication is a two-way process. More importantly it needs to be willing to act on the ratings of subordinates. This takes some courage and for multinationals, **real culture change**.

The bottom-up approach is the first step in the process of taking staff opinions seriously and allowing staff to influence the organisation. The management toast for the successful go-ahead service-related business is a good one, not "down the hatch" but "bottoms up".

3400 PERFORMANCE REVIEW: *Especially the feedback session is hard for men; and may be harder for women. The following tips are given in a recent number of Executive Female magazine.*

1. Give praise before criticism.
2. Ask the person you're coaching if she wants suggestions. For example, say: "Some of the managers are still not sure we should buy Apple computers. I think I know why. Do you mind if I share with you (some ideas)?"
3. Make the suggestions specific. "Whenever you are making a presentation to people who disagree with you, start with a few questions so you know what their hot buttons are."
4. Listen.
5. End by making clear agreements on action, such as "Let's get together before you make that presentation so we can brainstorm some questions you can use."

3401 RECOMMENDED READING:

THE SECOND 50 YEARS: A reference Manual for Senior Citizens by Walter J. Cheney, William J. Diehm and Franke Seeley. (Paragon House New York. \$21.95)

This 445 pages publication has been rightly described as "a one stop Total Life Resource for senior citizens".

If deals with hundreds of critical issues including Senior Rights, Insurance, Creative Retirement, Health and Diet, Housing, Finance, Medical Issues, Grandparenting, Information Please, Safety and Security, Medications, Driving, Living Alone, Consumer Rights, Travel.

At any age, reliable and relevant information is a help. At a higher age, it is even more so.

Since it is intended for the U.S.A. reader, some sections and details are not applicable to us. Let us hope some well-meaning organization will commission a similar manual for Indian conditions, yes, as a public service. Until then, we need not wait. We can avail of this valuable book.

EMPOWERED TEAMS: by Richards S. Wellins, William C. Byham and Jeanne M. Wilson. (Jossey-Bass Publishers, San Francisco \$ 29.95)

Empowering every member of the organization is the in-thing today. And it is as well. Every employee contributes negatively or positively. Systematic empowering improves the chances of his contributing positively.

In a corporation we accomplish together. This is saying the obvious. The obvious has been given systematic attention even in the west only in recent years. Empowered teams help create self-directed goals and accomplishments.

The book attempts to give a blueprint for successfully installing self-directed teams. It is backed by a survey of more than 500 organizations using self-directed teams.

THE RACE WITHOUT A FINISH LINE: by Warren H. Schmidt Jerome P. Finnigan (Jossey-Bass Publishers, San Francisco \$ 27.95)

We have referred to Malcolm Baldrige Awards earlier (3376, 3355).

This book draws lessons (on Total Quality) from the winners of these awards - some of them being Motorola, Zytec and Xerox. It is based on interviews and site visits with twelve Balrige Award-winning companies as well as with two winners of the President's Quality and Productivity Award.

3402 LAUGHING MATTER?

Employee: Sir, I've been with you for 27 years, and I've never before asked for a raise.

Boss: That's why you've been with me for 27 years.

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