

# 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

edited by

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on problem-solving and creative ideas

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### 3458 LEARNING FROM MOM:

*Once we want to learn, we can learn from anybody. Moms and memsahebs not excluded. Women professionals have a double advantage - they can learn from themselves and from their moms. Lynn Brewton, a sales executive, reflects on this subject.*

"Thanks, Mom, not just for watching the kids or lending me your best jewelry, but for helping me succeed in business."

That's not a verse commonly found on greeting cards this time of year, but it should be.

Many of the lessons we have learned over the years have come directly from our mothers. Historically, mothers have taught their children how to handle budgets, manage people and create a universal culture based on mutual sharing and concern. These lessons are certainly not just for women, but because women have usually had their mothers as principle role models, many have learned that they can adapt Mom's skillful juggling act to business. At the same time, they can add a new dimension to their management techniques.

Although the following adages and lessons may differ with individuals, for the most part they are universal.

Remember when your Mom said:

**"You can clean your room or take out the trash."**

LESSON: Set goals and provide options for completion.

Mom's goal, in this case, was cleanliness. You didn't have a choice about the goal, but you had options for achieving it.

When you provide options, you allow for some judgment calls by subordinates. The outcome will still be the same, but in relinquishing some of the control, you gain respect and instill confidence in your employees.

**"You tied your shoes all by yourself!"**

LESSON: Praise encourages people to buy into your vision.

We all have egos that need to be stroked occasionally. Your employees are no different. By acknowledging even minor successes, you set the stage for acceptance. At the same time, you create an atmosphere where reciprocal loyalty and trust form a foundation for a mutually beneficial relationship.

**"Stop biting your nails."**

LESSON: Learn self control.

Achieving success means gaining power. Having power gives you control. We all want to feel secure in knowing the person guiding our career is in full control before allowing them to counsel us. You gain respect when you show self-discipline.

**"There's a time for work, and a time for play."**

LESSON: No one can work all the time, and few of us can afford to play all the time. There has to be a balance.

In today's world, work is supposed to be interesting, rewarding, economically beneficial and fun. But it isn't always.

When you ask an employee to perform a task, or reach for a goal, ask yourself if you would do it. If not, why not? Be realistic in your expectations and the time you set for achieving goals.

Reward hard work with extra play time. In setting time aside for nonwork-related interaction, you are letting your employees know that you appreciate their extra effort, and you're all on the same team.

**"If all of your friends jumped off a pier, would you follow?"**

**LESSON:** Make your own decisions about how to act.

You reached the top of your profession because you have a strong personality, good judgment and perseverance. You are a leader, not a follower, so use your abilities to your advantage.

You can set the tone for your employees by being consistent and positive in your attitude, especially in difficult situations.

**"I hope you learned your lesson, young lady."**

**LESSON:** Every mistake is a learning opportunity.

When a mistake is made or an opportunity missed, constructive criticism and moral support get the employee back on track and help them avoid future pitfalls. In fact, learning from mistakes is often a stronger education than learning from a textbook.

**"Don't be mean to other kids."**

**LESSON:** Treat everyone with respect.

Situations change. The receptionist might some day become the next executive secretary, the trainee could become the next purchasing manager, that salesman could become the owner's next husband, and your competitor could change companies and become your next ally.

**"If you're good, you can stay up and have milk and cookies with the grownups."**

**LESSON:** Meeting expectations brings rewards.

When you help those around you succeed, you are raised to an even higher level. Encourage subordinates, provide tools for their success, point them in the right direction, and let them know their accomplishments will be rewarded. Teach them to take charge of their future, accept their successes graciously, and enjoy the cookies quietly.

Success still depends on a person's skills, creativity, determination and ability to overcome obstacles. Men and women with conviction, imagination, intuition and tenacity, however, can thank their moms for bringing centuries of female learning to each new business situation.

Whether your mom was a career woman or homemaker, she gave you the tools to be successful. So, if any of these quotes sound familiar, give your mom an extra big hug today.

A board should be a brain trust of an organization. It should be a sounding board for decisions, helping a CEO handle the complex array of issues facing any company. A competent board of directors is an invaluable asset to a chief executive.

3459  
DIRECTIONS  
FROM  
DIRECTORS

Directors & Boards asked the Chief Executives' Council for a handful of tips to help a CEO considering adding a new board member. The council's members, who sit on 40 boards, also made a few recommendations on how to get the most out of a board:

- [] Pick a diverse board, but emphasize talent before diversity.
- [] Get to know your board and members' talents and interests.
- [] Candidly share your views and objectives with the board.
- [] Give the board complete data in advance of meetings.
- [] Provide a good indoctrination program for new directors.
- [] Encourage directors to meet with company executives.
- [] Don't surprise the board--ever.
- [] Honestly want and value board members' contributions.

*What is new, we all tend to ask. TQM is one that qualifies. Companies are going for TQM in a big way. So that we may not go overboard, we give below the findings of a recent 2 million dollar study by American Quality Foundation.*

3460  
WHAT IS NEW  
ABOUT NEW?

Some highly popular management tools may be hurting rather than helping companies, a new study by Ernst & Young concludes.

The study raises striking doubts about several trendy practices that comprise the growing "total quality" movement - such as worker teams and "benchmarking," or emulating the best ideas of top companies. Many businesses may waste millions of dollars a year on quality-improvement strategies that don't improve their performance and may even hamper it, the report suggests.

Based on a survey of 584 companies in the U.S., Canada, Germany and Japan, the study represents one of the most comprehensive efforts yet to specify why corporate quality programs falter. An interim report released in May found that many such programs needed a clearer focus to generate better products and services. The latest report identifies how companies can focus their programs - and which quality tools to use when.

**Current Performance.** Until now, most quality-improvement practices were viewed as beneficial for all companies. The study disputes that notion. It finds that the success of certain practices depends on a company's current performance.

"Everybody is increasing every (quality) practice, but they're often trying to do things that don't matter to them," says Terrence R. Ozan, who heads Ernst & Young's performance consulting practice.

The formation of employee teams to help identify and solve small problems, for instance, can help lower-performing companies as they begin their quality-improvement efforts, the Ernst & Young study says. But teams ultimately lose their value and can distract from broader strategic issues once corporate performance improves, the study reports.

By contrast, the study finds, benchmarking works best for higher-performing companies. These concerns typically have the know-how to apply lessons from studying recognized quality-improvement leaders. For lower performers just starting a quality effort, however, benchmarking may create unreasonable goals, potentially frustrating their entire quality program, the study says.

To be sure, not every expert agrees that companies should use quality-improvement practices selectively. "You need to embrace the whole constellation of practices or none at all," says Alexander Hiam, an Amherst, Mass., consultant and author of a new book about quality written for the Conference Board, a New York research group. The book cites 13 broad quality-improvement practices that Mr. Hiam terms "critical altogether" to the success of about three dozen companies studied.

But other experts endorse a more selective approach to quality programs, though they haven't seen Ernst & Young's latest findings. "Understanding what works under different conditions seems like a good step," says David A. Nadler, president of Delta Consulting Group Inc., a New York company that helped to design Xerox Corp.'s big quality-improvement push. "There's a great danger in any cookie-cutter approach."

James C. Shaffer, a quality specialist in Rosslyn, Va., with consultants Towers Perrin, adds: "We're seeing a lot of time and money being spent on very broad quality approaches that don't work. If companies take it a little step at a time, they can get quick victories under their belt that can stimulate the really big changes they're looking for."

The Ernst & Young study offers quality-improvement models for companies at three performance levels: Lower, medium and higher, ranked by a composite of profitability, productivity and quality measures. The companies studied divide roughly evenly into the three groups.

In general, the study contends, quality efforts work best when companies start with a few, highly focused practices and add more sophisticated ones later. The report's do's and don'ts include:

- **Lower Performers:** Emphasize teams across and within departments, and increase training of all sorts. Don't use benchmarking or encourage wide participation in quality-related meetings.

- **Medium Performers:** Simplify such corporate processes as design, and focus training on problem solving. Don't select suppliers based on their reputation; choose them through competitive bidding and by certifying their quality efforts.

- **Higher Performers:** Use benchmarking to identify new products and services. Encourage companywide quality meetings. Don't increase departmental teams, lest they inhibit cooperation across functions.

Among its other findings, the study reports that disbursing decision-making power -- "empowering" individual employees, another fast-growing practice-works best in higher performing organizations. Lower performing companies typically "don't have the training or strategy in place to make empowerment work," says Mr. Ozan. He cites one exception: lower performers can benefit from giving customer representatives more authority to resolve consumer complaints faster.

The study doesn't challenge all conventional wisdom. It identifies a handful of practices that consistently benefit every organization. These so-called "universal truths" include explaining the corporate strategic plan to employees, customers and suppliers; improving and simplifying production and development processes; and scrutinizing and shortening "cycle time" (how long it takes to get something done - from the design to delivery of a product).

Most businesses use universal practices less than some with more limited value, the study says. Just 17% of the service companies studied typically use cycle-time analysis; yet 42% of them view benchmarking as a key source of new ideas. Observes Joshua Hammond, the quality foundation's president: **"The most popularly used practices are least effective, and the most effective practices are least used."**

Source : The Wall Street Journal.

*Hanuman required a Jambavan. As a nation, we need some Jambavans! These we find in some of the perceptive India Watchers. The accompanying report appeared in The Globe and Mail (Toronto):*

3461  
THROUGH  
CANADIAN  
EYES.

ON the fringe of India's Silicon Plateau, where leafy cocount fields give way to sparkling laboratories, a few dozen technicians in one lab are in the midst of a quiet revolution that is transforming their country.

For a handsome wage of \$100 a month, the college-educated staff of W.S Telesystems Ltd. is assembling circuit boards that will bring telephone service to the remotest of India's 600,000 villages. And what W.S. Telesystems can't sell at home, it's exporting to other developing countries, from East Asia to West Africa.

"So many things are happening in India, we can barely keep up," said company vice-president S.D. Mani, a former government bureaucrat who is learning how to manage annual sales growth of 50 per cent.

Long a prisoner of state-run inefficiency, India has emerged as an economic player in the 1990s and is showing signs of becoming Asia's next tiger. Two and a half years ago, the country was within days of defaulting on its foreign debt. Today, its economy is beginning to roar. Exports are growing at a steady rate of 20 per cent, foreign exchange reserves have hit \$10 billion and the once-hapless Indian rupee has not only stabilized but is also threatening to rise against the world's major currencies.

"If the market is handled right, the sky is the limit," said David Goldberg, a senior World Bank official.

India's economic emergence began at one of the lowest points in the country's history. Faced with a colossal balance of payments crisis, the new government of Prime Minister P.V. Narasimha Rao decided in the summer of 1991 to throw open the doors to the country's moribund economy.

Before the liberalization, New Delhi controlled almost every aspect of the \$350-billion economy, from approving export orders to restricting access to foreign technology, to running and regulating most banks. As a result, India's share of world trade was a mere 0.5 per cent, half of what it was in 1960.

"I used to have to go to Delhi every three to six months to get licences," said Kiran Mazumdar, managing director of Biocon India Pvt.Ltd., a Bangalore biotechnology firm. "You know, I haven't been to Delhi in almost two years."

Instead of travelling to a bureaucrat's office in New Delhi, Ms. Mazumdar has been overseas, tripling her company's sales. Despite the loss of its best customer, the Soviet Union, India's slumbering economy is showing signs of awakening.

**3462  
COMMUNITY  
RELATIONS  
AND  
CORPORATE  
PERFORMANCE**

*Is there a positive relationship between the two? Yes, says a recent survey. In our country? Only a similar survey can give the answer.*

Involvement in the community through training, economic regeneration, education and equal opportunities policies can improve corporate performance, according to a new survey of top business executives and other opinion formers.

Companies with active community affairs programmes are likely to have a more committed and happy workforce, the survey found. There are also benefits in public image and customer loyalty.

Over 80 per cent of those polled said that a reputation for being socially responsive and responsible is becoming a competitive advantage.

Sponsored by six, blue-chip companies, with well-developed community involvement programmes, the survey was based on interviews with 700 opinion leaders around the country, including more than 120 top executives from both industry and the City of London.

The survey will offer some reassurance to business leaders who must justify every expense in the current adverse climate. However, it also suggests ways in which companies can maximise the returns from their community involvement:

\* City investors should be informed of the rationale for community involvement programmes - at present, they are often unconvinced of the commercial benefits.

\* Senior managers also need more convincing of the value of community programmes - they are often less clear about their objectives.

\* Local managers should be given greater responsibility for community investment programmes, as this will result in more effective links with community organisations.

\* New forms of partnership are needed with national charities to support the aims of both businesses and charities through strategies such as cause-related marketing.

The 9th Annual International Conference on The Positive Power of Humour and Creativity will take place in Saratoga Springs, New York on April 15-17. The reduced conference fee is \$295 and \$ 390 if you also register for one of the preconference workshops. FAX 518 587 8771. Postal address: Dr. Joel Goodman Director The HUMOR Project Inc. 110 Spring St. Saratoga Springs NY 12866-3397.

3463  
HUMOUR AND  
CREATIVITY:

The judge saw standing before him a man he had pardoned and liberated one month earlier.

3464  
LAUGHING  
MATTER?

"You again?" the judge asked. "I thought you would behave."

"No, Your Honor," replied the prisoner. "There is still room for improvement."

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