

# 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  
N. H. ATTHREYA MA PhD  
author, educator & consultant  
on problem-solving and creative ideas

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*The Editorial staff of MANAGEMENT IDEAS  
GREETS YOU & WISHES YOU THE BEST OF EVERYTHING  
IN 1994*

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### 3449 WOMAN OF THE YEAR 1993:

The periodical *The Week* has been bringing out this touching feature, year after year. These ten years, it has been 'the man of the year'. This year, it is 'the Woman of the Year'. Of her writes the Chief Editor:

Kshama Metre is our "Woman of the Year". A woman who has been doing outstanding work among villagers in the Kangra hills of Himachal Pradesh. A paediatrician from Delhi, she has changed the quality of life in 125 villages in the hills of Kangra. Working from the Chinmaya Mission, she touches every aspect of life in the villages--helping the women become self-reliant, making them learn new skills, improving the health of their children, persuading their husbands to stop drinking and educating them on dealing with the bureaucracy. Affectionately called "Doctor Didi", Kshama Metre is today the most adored person in the villages.

What can one man do? Worse still, what can one woman do? That is the question we hear so often. This lady

has some answers. One PR activity every company can consider is to select 50 students from the neighbourhood and send them to see Dr. Kshama Metre in action. Their impressions can be made into a book, a book that can be distributed within the organization and the community.

Alternatively, cutting across hierarchy, or even on a lottery basis, a team of twenty or so can be "selected" to go and study this lady at work and report its learnings - not findings but learnings.

With all the avoidable and unavoidable constraints we have in this country, there are some spirits who keep striving and achieving. Our salutes to the like of Kshama Metre. Our salutes also for chief editors like Mammen Mathew (of *The Week*) who allocate resources for such heart-warming reporting.

**THE LEARNING IMPERATIVE: Managing People for Continuous Innovation** Ed. Robert Howard. A Harvard Business Review Book. Harvard Business School Press. 1993. Page 310 \$29.95.

**3450  
RECOMMENDED  
READING:  
BOOK NOTES**

In an era of accelerated change, every day improvement, and global competition, what is the chief source of competitive advantage? The cliché reply is the organization's people. Just saying so on glossy print does not make it a powerful resource. What makes it so is the relentless equipping every one, enthusing every one to learn and keep learning dynamically. Not an easy task.

This anthology - and the contributors include Peter F. Drucker, George Stalk, Jr., Philip Evans, Lawrence E. Shulman, Ikujiro Nonaka, William Taylor, John Seely Brown, Robert Howard, Ram Charan, Larry Hirschhorn, Thomas Gilmore, Chris Argyris, Michael Beer, Russell A. Eisenstant, Bert Spector, William Wiggernhorn, Paul S. Adler, and Bruce Rayner - spells out the strategic logic, organizational design, psychological challenges, and key implementation issues of the learning organization. It also offers portraits of organizational innovation as practised at leading companies around the world, including Wal Mart, Xerox, Levi Strauss, Motorola, Honda, Canon, Matsushita, SMH (Switzerland) and Gruppo GFT (Italy).

**Taxi Drivers to the Rescue:** Traffic jams in big cities often prevent ambulances from quickly reaching people in need of medical attention. To help solve the problem, an innovative program in Taipei, Taiwan, is now training cab drivers to give first aid. More than half of the city's cab drivers are expected to undergo emergency medical training in the next three years, according to *The Free China Journal*.

**3451  
WHY DON'T  
WE?**

**Source:** *The Free China Journal* (March 12, 1993), Kwang Hwa Publishing (USA), Inc., 900 North Western Avenue, Suite 101, Los Angeles, California 90029.

**3452  
AN OUNCE OF  
PREVENTION:**

For three decades, your Editor has been pleading for what he describes as preventive management as against corrective management. In matters relating to people, corrective management hardly corrects; creative is almost synonymous with preventive. He also calls it Management by Implications. We read with interest the work of a professor of the University of Southern California which was recently featured in the CEO Briefing columns of (USA) Investor's Business Daily.

When conflict is becoming a major 'industry', we need all the insights in the world.

## CEO BRIEFING

### *On Management And Leadership*

By Mike Woods

**AN OUNCE OF PREVENTION:** Management's ability to influence company issues is greatest when the problems are handled within a structure that keeps them in-house and isolated from other troubles.

This fact frequently is ignored by top executives. Without establishing a proper process, a company's problems can become a public debate, and management's ability to influence the outcome is greatly diminished, according to Arvind Bhambri, a professor at the University of Southern California.

In the ideal situation, all company issues would be isolated grievances settled by management soon after they surface. When a customer is upset, management would handle the problem quickly and with little visibility. Union issues also are best addressed in this stage.

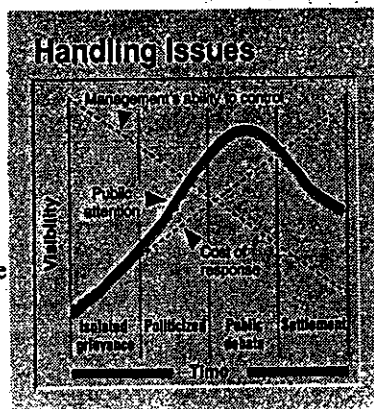
When a company issue enters the next stage, the problem becomes politicized and ceases to be an isolated grievance. Visibility rises, and the situation can get picked up by the media. Management must dedicate more time to the issue.

In the third stage, the issue reaches its highest visibility and can evolve into a public debate. The company continues to invest more time and resources into settling the problem. In addition to the media, courts also may get involved at this stage.

When the issue passes into the fourth stage, visibility begins to decline. A settlement often is reached that may result in new regulation placed on the company.

As the chart shows, when an issue moves from level one to four, the cost associated with resolving the problem climbs. At the same time, management's ability to influence the issue declines.

Management should strive to create an environment that keeps trouble in the first stage, according to Bhambri. While this structure may be difficult to build, in the long run the approach will save the company time, money and undue public scrutiny.



More and more companies are facing three realities. One is that in quick succession many managers will be shortly retiring. The second is managers are moving to what they consider as greener pastures, here and abroad. The third is that few people in the organization are ready to take their places. To say that the company should have woken up much earlier is neither here nor there. A workable answer has to be found. This is what one company in Japan did.

**3453  
ONE WAY TO  
GROW MANAGERS  
FASTER:**

Some companies view personnel transfers as an unhappy event for older, under-performing employees. Not Yokogawa Electric Corpn.

Japan's largest industrial instruments maker is increasingly using temporary transfers as a way to nurture leaders while providing affiliated firms with needed talent.

The Yokogawa group consists of more than 60 affiliates, many of which are fairly new businesses. As the group has expanded, a shortage of leaders above middle management has become apparent.

Another symptom of growth was the tendency toward divided labor -- with each employee's range of responsibilities tending to shrink.

One reason transfers have been a powerful tool in nurturing managerial talent is that at smaller affiliates, an employee often takes on a range of tasks that would have been done by several people in the parent company.

About 10% of the company's work force, or around 750 employees, are on loan to affiliates. This year Yokogawa transferred over 200 persons out, and more than 100 returned to the parent company. The company plans to increase personnel transfers within the next year or two to around 15% of the work force.

**Matching needs, ambitions.** Aiming for the most efficient use of the whole group's labor pool, Yokogawa established a new personnel department in November 1990 to arrange employee loans by matching affiliates' personnel needs with employees' ambitions.

Toward the end of each fiscal year, Yokogawa polls its affiliates to find out which businesses want what level of person to do what kind of work.

Also once a year, employees answer a signed questionnaire about their level of job satisfaction and feelings regarding job transfers.

Once every three years, the company distributes anonymous surveys asking about the respondent's desire to try a new position, along with questions about the company's image and strength.

The surveys have shown that 60% of the employees see personnel exchanges as meaningful.

The company uses the survey results to match appropriate personnel to available positions. This system has boosted personnel transfers around five-fold in the five years since 1987.

Since transfers place workers in a different corporate culture and working environment, many employees have difficulty adapting. Yokogawa Electric has adopted a "career management system" to support them.

Each transferred worker is assigned an adviser, someone the worker can talk to comfortably, who visits the transferee once a year along with a caseworker from the new personnel department.

**Transfers mean promotion.** To strengthen its transfer strategy, Yokogawa Electric is gradually implementing a plan to make such transfers a precondition for rising in the managerial ranks.

By increasing the number of employees loaned to affiliates, Yokogawa has completed phase one of its personnel exchange system. Phase two will be to boost the number of employee transfers to the parent company accepted from affiliated firms. So far there are few managers at Yokogawa who came in as transferees from affiliated firms, but the company plans to actively promote such moves.

The third phase will be to promote transfers among affiliates. According to Seiji Takahashi, head of the personnel exchange department, "Only when we have employee movement between the parent company and affiliates and also between the various affiliates can we call it 'Exchange' in the true sense of the word."

**3454  
DOWNSIZING:  
THE T.V.A.  
WAY:**

*For survival or other reasons, organizations in India have taken to downsizing. Golden handshakes and exit policies are talk of the town. We can learn a lesson or two from experience elsewhere in the world. Here is a case in point, noted in the New York Times:*

GENERAL MOTORS, the Department of Defense and I.B.M. all have one thing in common: Downsizing. Like many employers, these three are coping with the burden of turning thousands of employees out on the street.

Things are no different at the Tennessee Valley Authority. Since 1988, the large Federal utility has shrunk from 34,000 to 19,000 employees. What is different, however, is that the T.V.A. has found a way to make downsizing somewhat easier for both itself and its employees.

In part, the T.V.A approach simply fills a gap in conventional business plans. In such plans, companies typically set out strategic goals and then identify the business tactics and financial factors involved. So far so good. But companies seldom delve deeply into the human-resources needs their plans suggest. Articulating these needs can be very beneficial.

On one level, work-force forecasts are just good planning. Companies clearly must ask how large a work force, and with what skills, their future plans require. In an age of employee cuts, however, work-force forecasts can do more: They can keep downsizing to a minimum.

For example, with the help of the University of Tennessee, the T.V.A has retrained about a dozen construction engineers from the authority's nuclear power plant in Spring City, Tenn. Newly minted as environmental engineers and hydrologists, these employees now tend T.V.A. managed dams on the Tennessee River. These construction engineers had been scheduled for displacement. But because the T.V.A knew its future requirements through good planning, the engineers were retrained for new job openings.

This capability helps employees, but it helps the T.V.A as well. For one thing, the T.V.A avoids the stigma of yet more layoffs. Currently, more than one-third of employees due to leave are successfully placed elsewhere within T.V.A. There are bottom-line benefits too. To recruit and relocate an environmental engineer from the outside would cost the T.V.A \$20,000 to \$25,000, for instance. But to retrain a T.V.A. electrical engineer for the same job would cost only \$3,000 to \$4,000.

Unfortunately, many displacements are unavoidable even with work-force planning. Thus, the T.V.A. has devised a broad employee-transition program.

As with work-force planning, the T.V.A. transition program simply enlarges upon a common corporate practice -- the provision of outplacement services. Typically, such services are restricted to executives and last only 14 days to 60 days. Also, the services are usually provided by outplacement firms hired by the company.

In contrast, the T.V.A. program is offered by the authority itself, not by an outside company with many other clients. Also, the program is open to broad groups of T.V.A. employees from custodians to top executives. And it is generously long, offering participants six months of full pay and full benefits to prepare for a new job. This support enhances morale in a worrisome time.

But the program's heart is job assistance, a service which goes well beyond quick resumewriting lessons. In their job searches, T.V.A. employees have access to reference libraries, computers, copiers and fax machines. Counselors assess employees' skills and discuss job possibilities.

Retraining opportunities are extensive. A displaced construction engineer might learn about hydraulics; a craft worker might study refrigeration. For would-be entrepreneurs, the T.V.A. offers classes on starting a business and even furnishes low-interest business loans.

The T.V.A. also does its best to match displaced workers to the ultimate goal: new jobs. The authority has a computerized network of T.V.A. and non-T.V.A. job openings, for example. And it sponsors large job fairs. A recent one in Knoxville drew no fewer than 50 prospective employers.

This ambitious program, together with the T.V.A.'s work-force forecasting, gets excellent results. Currently, 66 percent of displaced T.V.A. employees find other positions. Two out of three new jobs are within the authority; the third is an external position.

Clearly, a program with full pay, full benefits and a panoply of job-assistance services does not come cheap. But decency demands such a program, especially in an era of downsizing when jobs are scarce. Moreover, like work-force planning, a good transition program carries bottom-line company benefits -- such as high employee morale and public goodwill.

**3455  
GET AND STAY  
IN SHAPE:**

*Too often, executives put the health of their companies ahead of their own well-being. But if you have been stung by the preventative care bug, The Rotarian magazine (November) gives a short list of suggestions:*

**[ ] Make and keep an appointment with your doctor.** Fight the anxiety and don't think of excuses to cancel.

**[ ] Be honest about your medical history.** Take time to complete the forms requested and don't exclude information you want to hide or don't think is important.

**[ ] Ask for a complete exam.** The procedure should include a resting electrocardiogram, hearing evaluation, lung function test, laboratory blood test, urinalysis and, for men, a prostate exam.

**[ ] Get a detailed report of your test results.** Make sure the report will remain confidential unless you want the information released.

[ ] Expect one or two items that will need attention. Many people show early signs of heart disease or flash some symptom of stress. If these or any other items show up, make a follow-up appointment with your doctor.

**DIGESTS:** Literally, thousands of pages on various aspects of management are published every day. Books, research reports, monographs, learned papers and popular articles. We often wish that someone digests them and gives it to us in the form of a digest. Such a wish has been answered! Dr. Don Bagin (of USA) assembled a team of researchers to produce such a digest. This digest is going strong in its 13th year now. We hear this digest has near 50,000 subscribers worldwide. When you see a copy, you will see why. The annual subscription for this idea-packed monthly digest is only \$99.00 A sample copy can be had for Rs.99 from Select Books, 3E1 Court Chambers, New Marine Lines, Bombay 400 020.

**3456  
RECOMMENDED  
MANAGERIAL  
TOOLS:**

**AUDIO TAPES:** Relax, Renew and Re-energize by Ms. Adele Freenfield, noted management consultant and columnist of USA. Price:\$19.95. The following themes are covered in this set of two tapes: Side 1: Soothing exercises that reduce tension Side 2: The power within Side 3: A self renewing walk in the woods and Side 4: Relax and be friends with your body. Please communicate Directly with:

Greenfield Resources, Inc.  
P.O. Box 241295  
Charlotte, NC 28224  
U.S.A.

The sidesman of a church in Nanton took great pleasure in ringing the church bell every Sunday. One Sunday he threw himself into his work so heartily that he got tied up in the bell rope. When the rope went up it pulled him with it and he smashed his head into the bell.

**3457  
LAUGHING  
MATTER?**

Knocked unconscious he fell from the bell tower and landed in a clump on the church lawn. Two parishioners looked at the crumpled figure and one asked the other if he could identify the unfortunate.

"I don't know," was the reply, "but his face sure rings a bell."

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