

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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3535 SELF MANAGING TEAMS:

A Reader writes: You reproduce extracts of articles mostly of other countries, for example, you write of a Canadian company (Item No.3530 Co-Management: A solution to management union feuds) having a co-management team. Are there not similar stories to tell of India?

For three reasons, we do what we do: You normally do not have access to stories abroad; b) You normally have access to stories in India; c) Companies in India are still to see the value of sharing their success stories with the public.

In the specific area of SMT, with the assistance of our colleague S.V.Pandit, companies like Yash paper (Ayodhya) Menon Pistons (Kolhapur) Technova (Pune) and Vijay Wires (Mysore) have got remarkable results.

3536 THE ASIAN MANAGE- MENT AWARDS:

For the past four years, the Asian Institute of Management (Manila) and the Far Eastern Economic Review have joined hands with Corporate sponsors in Hong Kong, Indonesia, Philippines, Singapore, Thailand and Malaysia and instituted the Asian Management Awards. This year over 3000 companies were nominated for the awards. In the accompanying pages, you find brief details about the winners.



WINNERS	General Management	Marketing Management	Information Technology Management
Hong Kong	Café de Coral	Giordano Holdings	Motorola Semiconductors Hong Kong Ltd.
Company	Operations and management, restaurants	Textile, wearing apparel and leather industries	Manufacturing industries
Industry	Asia	Asia, Australia and New Zealand	Asia, Australia, Europe and U.S.A.
Reach	5,500	950	2,500
No. of employees	\$187 M	\$163 M	\$1.18 B
Sales revenues	NA		
Net profits			
Indonesia	Astra International	Great Giant Pineapple	Bank Bali
Company	Retail trade, Industrial products, Banking Institution and Financial intermediaries	Manufacturing of food, Consumer products, Retail trade and Import/export	Banking Institution
Industry	Asia, Australia, Europe, U.S.A. and Middle East	Asia, Australia, Europe and U.S.A.	Asia, Australia, Europe, U.S.A., Canada and Middle East
Reach	75,000	12,000	3,481
No. of employees	\$3.05 B	\$59 M	\$220 M
Sales revenues			
Net profits		Market share — 10%	
Malaysia	Sapura Holdings Sdn. Bhd	Tan & Tan Developments	Sapura Holdings Sdn. Bhd
Company	Telecommunications, IT, Metal based industry and Research & Development	Property development, Project management services and investment holdings	Telecommunications, IT, Metal based industry and Research & Development
Industry	Asia, Europe, U.S.A, Middle East and South America		Asia, Europe, U.S.A, Middle East and South America
Reach	4,300		4,300
No. of employees	\$176 M		\$176 M
Sales revenues	\$12,988 M		\$12,988 M
Net profits			
			625
			\$622 M
			RM 147 M
Philippines	San Miguel Corporation	No winner	Petron
Company	Manufacture of food, beverages and tobacco, Wholesale trade and Storage & warehousing		IT, Refining of petroleum crude oil into major petroleum products
Industry	Asia, Australia, Europe and U.S.A.		Asia
Reach	32,832		
No. of employees	\$159 M		
Sales revenues			
Net profits			
Singapore	Singapore Telecom	Cycle & Carriage	GATX Terminals
Company	Communication and telecommunications	Wholesale trade and Retail trade	Storage and Warehousing
Industry	Asia, Australia, Europe and U.S.A.	Asia, Australia and New Zealand	Asia
Reach	11,000	984	155
No. of employees	\$2.760 M	\$1.08 M	\$23.2 M
Sales revenues			\$ 8 M
Net profits		Market share — 26%	
Thailand	Loxley Public	Modernform Group	Asia Fiber Public Co.
Company	IT, and Industrial products trading	Manufacture of wood and wood products and Retail trade	Manufacture of Fabric and Nylon
Industry	Asia, Australia, Europe, U.S.A. and South America	Asia	Asia
Reach	1,206	2,016	1,600
No. of employees	\$134.42 M	\$54.8 M	
Sales revenues	\$7.61 M		
Net profits		Market share — 25%	

People Development and Management	Financial Management	Operations Management	Development Management		
<p>JCG Finance</p> <p>Financial intermediaries</p> <p>Hong Kong</p> <p>390 18.4 M</p> <p>Expenditure per employee/year (training) —\$20,218</p>	<p>Hong Kong Telecom</p> <p>Communication and telecommunications</p> <p>Asia</p> <p>16,000 \$1 B</p>	<p>Starlite Holdings Ltd.</p> <p>Manufacture of paper and wood products; printing</p> <p>Asia and U.S.A.</p> <p>218 \$24.9 M</p>	<p>No winner</p>		
<p>Astra International</p> <p>Retail trade, Industrial products, Banking Institution and Financial intermediaries</p> <p>Asia, Australia Europe, U.S.A. and</p> <p>75,000 \$3.05 B</p> <p>Expenditure per employee/year (training) —\$17,000</p>	<p>Bank Bali</p> <p>Banking Institution</p> <p>Asia, Australia, Europe, U.S.A., Canada and Middle East</p> <p>3,481 \$220 M</p> <p>Expenditure per employee/year (training) —\$7,417</p>	<p>CP Indonesia</p> <p>Manufacturing industries, production of livestock and poultry</p> <p>Asia, Australia,</p> <p>2721</p>	<p>Dankos Laboratories</p> <p>Manufacturing of chemicals, petroleum, coal, rubber and plastic products</p> <p>Nigeria</p> <p>482</p>	<p>BKKBN</p> <p>Family Planning Institution, Medical, Dental, and Veterinary services</p> <p>Asia</p>	<p>No winner</p>
<p>Motorola Malaysia Sdn. Bhd</p> <p>Manufacturing industries</p> <p>Asia, Australia Europe, U.S.A., Africa, and South America</p> <p>12,000 \$941 M</p> <p>Expenditure per employee/year (training) —\$385</p>	<p>Sapura Holdings Sdn. Bhd</p> <p>Telecommunications, IT, Metal based industry and Research development</p> <p>Asia, Europe, U.S.A. Middle East, South America</p> <p>4,300 \$176 M</p>	<p>Andersen Consulting</p> <p>Business and Professional services</p> <p>Asia, Australia Europe and U.S.A.</p> <p>30,000</p>	<p>Bintulu Development Authority</p> <p>Environmental Management, Project development & management and Industrial development</p> <p>Asia</p> <p>650</p>		
<p>Development Bank of the Philippines (DBP)</p> <p>Banking Institution</p> <p>Asia</p>	<p>Social Security System (SSS)</p> <p>Financial intermediaries and Insurance</p> <p>Asia, Australia, Europe and Canada</p>	<p>Philippine Appliance Corporation</p> <p>Manufacturing of fabricated metal products, Machinery and equipment</p> <p>Asia and U.S.A.</p>	<p>Tahanang Walang Hagdan</p> <p>Charity & related services, Community organization and Social marketing</p> <p>Australia, United Kingdom & Belgium</p> <p>300</p>		
<p>Mt. Elizabeth Hospital</p> <p>Medical, Dental, Other health and Veterinary services</p> <p>Asia</p> <p>1560 \$90.8 M</p> <p>Expenditure per employee/year (training) —\$20,238</p>	<p>Singapore Telecom</p> <p>Communication and Telecommunications</p> <p>Asia, Australia, Europe and U.S.A.</p> <p>11,000 \$2.760 M</p>	<p>Singapore Broadcasting</p> <p>Media, Print and Broadcast</p> <p>Asia, Australia Europe and U.S.A.</p> <p>2,752</p>	<p>National Trades Union Congress</p> <p>Community organization & development, Consumer affairs and Education & Training</p> <p>Asia, Australia, Europe and U.S.A.</p> <p>236,000</p>		
<p>Oriental Bangkok</p> <p>Service, Hotels</p> <p>Worldwide</p> <p>2,000 \$38.9 M</p> <p>Expenditure per employee/year (training) —\$8,578</p>	<p>No winner</p>	<p>Srithai Superware Public Company Ltd.</p> <p>Chemical, petroleum, coal, rubber & plastic products</p> <p>Asia, Australia Europe, U.S.A. and Middle East</p> <p>4,000 \$88.4 M</p>	<p>Industrial Estate Authority of Thailand</p> <p>Industrial development infrastructure, Environmental management</p> <p>Asia, Australia Europe and U.S.A.</p> <p>\$9.21 M</p>		

More and more companies are now talking of empowerment of workers, as they do in the west, almost following the lead of the west. What is happening in the west? Here is a report from Weekend Australian.

3537
EMPOWERMENT:

LESS than 10 per cent of companies which underwent restructuring to implement work teams were successful, according to the Technology Transfer Council.

The council, established by the Fraser government, and helping companies under the Keating Government's Best Practice program, said genuine work teams, where groups of workers were given semi-autonomous powers, were improving productivity.

The chief executive officer of the TTC, Mr. Graeme Cocks, said many companies were far too complex and had multiple layers of communication, causing high costs, low productivity and poor morale.

Work teams allowed groups of workers on the shop floor to contribute ideas about improving their work practices and set about achieving change.

"It leads to a great degree of ownership and a feeling on the worker's part that the company is interested in them as well as the needs of the business, and so improves morale," Mr. Cocks said.

"We recognised a lot of companies were plateauing and we saw addressing the human element as the gap in getting continuing improvement."

The idea of work teams originated from the Tavistock Institute in the United States to improve ailing production in England's coal mines, Mr. Cocks said.

A consultant to the council, Mr. Peter Aughton, said "truly" self managing teams controlled and co-ordinated their own work.

There were many teams which failed to work because they still operated under bureaucratic management structures.

"If management wants increases in productivity then they have to trade some of their control with their workers," he said.

"If you give people the responsibility to control and co-ordinate their work, then that drives employee commitment."

Work teams usually consisted of about eight to 10 workers. More than 20 workers became unmanageable and encouraged bureaucratic structures, Mr. Aughton said.

Teams could consist of a minimum of four.

Mr. Aughton said teams could only survive if companies adopted open lines of communication and established a relationship based on trust.

Employees in work teams needed information to measure and improve performance, he said.

Often the implementation of teams resulted in a restructuring or retrenchment of middle management as each employee within a team adopted an alternating supervisory role.

Some of the problems in introducing teams were that the middle managers involved in the restructuring could not cope with the change which they saw as a demotion of their responsibilities.

Mr. Aughton said with an entrenched conditioning of hierarchy, many middle managers could not adjust to what is sometimes called the "democratisation" of the workforce.

The leadership role within the work team rotated each week to avoid a bureaucratic structure, with the team leader responsible for finding out the production schedule and meeting it.

Each month, teams meet with management to review their performance.

The TTC has been mainly working with manufacturing companies, but the principle of work teams has been applied to government bodies and hospitals.

One food manufacturer, which has implemented the work teams, has reported productivity improvements valued at \$1 million for a year.

Mr. Aughton estimates on average companies could gain about 30 per cent in productivity improvements by implementing work teams instead of having a bureaucratic structure.

A visiting expert on the concept of "empowering" workers through methods such as work teams, Dr. Bill Byham, said if employees had no means with which to measure their performance they could not improve.

"Empowerment is a source of energy and motivation for people which leads to better quality work and improved productivity," Dr. Byham said.

Dr. Byham, who is the present and chief executive officer of Development Dimensions International, a company that works with 9000 US clients, including corporate giants IBM and General Electric, said a recent survey had found the major barriers to successful work teams were:

Middle management tried to undermine the concept.

People were not trained to be empowered - to make decisions and take responsibility.

Supervisors were not trained to empower people.

"Instead of paying a consultant to write your company's ethics, just ask your child" says Professor Jay Halfond in an article that appeared in Boston Business Journal. It is refreshingly relevant.

3538
ETHICS,
TQM & KIDS:

Everything I ever learned about ethics I learned in kindergarten. Or so it seems.

Knee-jerk responses to complex adult issues can often be traced back to the school yards of our past. In early peer relationships, we learn how to resolve conflict, balance loyalties, determine our rights and obligations to others, and choose when to be honest. As adults, our reflex reactions reflect childhood lessons. Cliches picked up in early youth become guiding principles to help us understand and negotiate our way through adult dilemmas.

On a recent radio talk show, callers were debating whether a lottery winner should be the person who purchased but then lost the winning ticket, or the one who found the ticket. As if they were quoting Solomon or Socrates, "finder's keepers, loser's weepers" became the constant refrain. The price for carelessness is the right to confiscate what an ex-owner has left behind. Taking unclaimed property is not theft, but opportunism. And if someone voluntarily relinquishes something, only an "Indian giver" would try to take it back ("no backsies"). Complex and divisive issues are reduced to hackneyed sayings that kids use to resolve ownership.

When we have a group vying for priority, how do we resolve who wins? Simple: "first come, first served." The order in which you arrive is the order in which you will be processed. Favoritism and judgment are eliminated, and impartiality maintained. No matter who you are, or how relatively important your needs might be, you still join the queue and wait your turn. Jerry Seinfeld maintains that "Kids resolve disputes by calling it" - as in, "I called it first." Like children rushing to be first, adults often find ways to circumvent lines. Consider this while sitting in your next Boston traffic jam, as drivers play the cat-and-mouse game of inching their way through a bottleneck.

In contrast to honesty being the best policy, children agonize over when to "squeal" and "rat" on others. Children use rodent metaphors to convey their feelings toward a "teacher's pet" or "tattletale." To children, demonstrating solidarity is more important than telling the truth.

Among adults, whistle blowers also face ostracizing and relation from others. Unlike the Hollywood version of the courageous resister who stands up to corruption, the whistle blower in real life faces a lonely and devastating future--which could have been anticipated from the lessons of childhood. No one likes a "stool pigeon." Despite the honor code of the military academy, the midshipmen's informal code is "Don't bilge your classmate."

Young people have very definite notions of when cheating is acceptable. You may do so in class, as part of the eternal battle against teachers: Surveys of high school and college students show that about two-thirds readily admit to cheating on exams. You also may cheat on behalf of your team. In either case, you are not hurting others, or at least others who matter. But cheating your compatriots through disloyalty or disclosure is unacceptable. I remember how pick-up ball games in my childhood would degenerate to one player accusing another of cheating or lying. Other players would side with their team mates, and the game would end. We'd invariably regroup the next day, for the same syndrome of cooperation, competition and conflict.

In much simpler language, children routinely wrestle with the same ethical issues amplified in esoteric tomes over the centuries. I recall pondering the subtle differences between the two versions of the Golden Rule I was being taught: the prescriptive "Do unto others as you would have them do unto you" vs. the proscriptive "Do not do to others what you would not want done to you." (Think about it.) And there was even a third, more cynical variation that kids say: "Do unto others before they do unto you."

Once when I was preparing some materials on corporate codes of ethics, my then 7-year old son volunteered what he thought a good company should list as its goals:

- * Be nice to your customers and the people who work for you.
- * Know what you are doing before you do it.
- * Ask people what they want to buy--and explain to them what they are buying.
- * Make sure you are not selling something bad--like cigarettes or drugs.
- * Have people who help your customers.

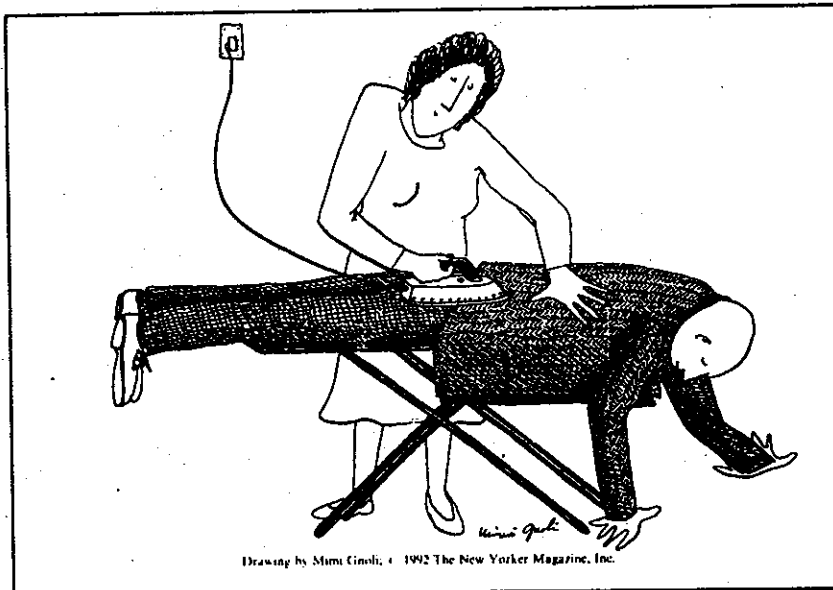
Children understand the importance of earning the trust of others, and perhaps even the concepts of Total Quality Management. If we look hard enough, we can find the roots of many adult theories in the experiences, sayings, and values of children. Instead of paying a consultant to write your company's code of ethics, just ask your child.

If ethical lessons are learned early in life, then parents and teachers should use their children's experiences to help shape awareness of how to resolve ethical conflicts. The moral might otherwise get lost in the moment. As a coach of my son's baseball team a few years ago, I also was umpire while my team was at bat. In the last inning, I made a call that cost us the game. I thought demonstrating my impartiality would provide a lesson more valuable than winning a game. My team did not agree. I had neglected another conventional piece of wisdom: Mind your own business.

Here are a few tips we have gathered from experienced and frequent international travellers:

**3539
TIPS TO
AVOID JET
LAG:**

1. Consume as little food as possible and as many non-alcoholic drinks as you can.
2. If you take the odd alcoholic drink, have plenty of water. Do not drink anything carbonated.
3. The moment you step into the aircraft, begin adjusting to the time at your destination.
4. Purchase a watch with two time displays: one with old-fashioned hands and one digital. Set the hands to the time at your destination and leave the digital display on home time.
5. If the cabin crew is serving dinner when it is breakfast time at your destination, treat the meal as if it were breakfast - that is, do not overeat and avoid alcohol.
6. Adjust your sleep as well. Sleep when you would be doing so at your destination.
7. The key to better sleep is to fly economy. Try to find some empty seats. The best place to look is at the rear of the aircraft. Lift up the arm rests (which you cannot do in business class) and stretch out.
8. Spend as much time outside as you can when you arrive. Nothing does more to acclimatise you to your destination than getting out into the daylight as soon as possible after arriving. The subtlety of light is essential information for the brain, which helps to resynchronise your body clock systems.
9. "Cut out pieces of brown paper and put them in your socks to beat jet lag". It works. Don't ask why!



**3540
LAUGHING
MATTER?**

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