

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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3529 GLOBAL BUSINESS: CULTURAL FOLLIES:

*Even within the country we have differences. Not only of languages but of cultural preferences. For example, certain days in a month and certain hours in a day are a no-no in the southern states of India. Even within those few states, there are local differences. The temptation most people have is "to do in Rome just as at home". The accompanying article from *New York Times* talks of doing business with China and gives one executive's experience.*

In China, do not give clocks as business gifts. The Chinese word for "clock" sounds like the word for "death," and so clocks are considered unlucky. And do not use white flowers to dress up a company event; the color is associated with funerals. But do sit facing the restaurant's central doors when taking clients to lunch. It means you are picking up the cheque.

Learning about foreign cultures is a must for companies today. And in China a market of 1.2 billion people, the stakes are higher than anywhere else. But that does not make things easy - as my company, Tambrands Inc., has learned.

With operations worldwide, we were not particularly skittish when we entered China in 1987. Our core product, Tampax tampons, was a success in markets as disparate and far flung as Spain, Turkey, Russia and Singapore.

But our plans went awry. We later called 1987 "The Year of Boundless Optimism."

Among the trip-ups: The ground at our plant site in Shenyang, in northeast China, was frozen solid. We had to thaw it with giant heaters before we could build. Later, we had to revise payment expectations, too; wholesalers, afraid of unsold goods, would pay us only after the merchandise sold out. And we had to pull a television advertisement criticizing sanitary pads. Aggressive marketing is rare in China, and pad makers reacted angrily.

But the toughest hurdle concerned our marketing plan. Our ambitious intentions encompassed 110 Chinese cities; our primary target was the 12 to 14 year old first-time user of feminine protection. We have focused on this age group in other countries, too; if we win this group over, we reason, a lifetime of loyalty will ensue.

Whoops. Unfortunately, Chinese social norms make marketing such products to unwed girls a problem. Also, many Chinese girls look to their mothers for advice in the area of sanitary protection. Lack of privacy - in public restrooms, university dormitories and homes - was another unanticipated challenge. And the farther one got from the major cities the bigger all these problems loomed.

Which brings us to 1993, Tambrands'. "Year of Corrective Measures," the culmination of remedial efforts begun in 1990. We sharply reduced our plan from 110 to 40 cities - the larger ones where social restrictions were laxer. We shifted our focus from unmarried girls to young, urban, educated, married women. Helped by other changes business gradually improved.

But China can still trip up even savvy companies. Two examples:

* The chief executive of a big American retailer was the host of a banquet. Just before dessert, he had to leave for a pressing appointment. Although he explained his problem and encouraged his Chinese guests to stay for a sumptuous dessert, they left immediately. In China, a banquet is over when the host departs, even if other executives remain. In Chinese eyes, the executive had insulted them. To this day, his company has not set up any major Chinese operations.

* An American company was training its local staff. To build team spirit it gave out hats with the company logo and

in the company color, green. But the trainees, all men, did not wear them. Finally, one trainee divulged the truth to puzzled executives. In China, he said, wearing a green hat means your wife is cheating on you.

3530
CO-MANA-
GEMENT:
A SOLUTI-
ON TO
MANAGEME-
NT UNION
FEUDS:

Many think that Union - Management feuds are peculiar only to India. This is not true. All the countries have their share of woes. The good news is that they take it as a challenge and evolve worthwhile solutions. One such is described in the following extract from *Globe and Mail*.

Chemical worker Vern Pura spends his workday helping his managers plan the long-term future of his company. Ten years ago, his union colleagues might have ostracized him for such activity.

"If, in the middle of the 1980s, I would have heard what we are doing now, I would have said 'You guys are nuts,'" says Mr. Pura, a laboratory technician at Saskatoon Chemicals Ltd.,

Mr. Pura's new perspective reflects the prism through which Saskatoon Chemicals now sees its world. Once a cauldron of labour unrest, the factory has radically transformed its labour-management relations through a process other major companies are now studying.

The company, which employs 157 people, is run by 16 union-management committees that deal with everything from pensions to business development. They serve as the heart of a system that allows union and bosses to essentially co-manage the company.

"In the traditional system, management decides and union objects," says Mike Haner, vice-president and general manager. "In this system, management and union decide, implement and correct."

A wholly owned subsidiary of Weyerhaeuser Canada Ltd., of Kamloops, B.C., the company, located just north of Saskatoon, grosses about \$50-million a year producing chlorine-based chemicals for the pulp and paper industry, water-treatment plants and swimming pools.

BUT over much of the past decade, Saskatoon Chemicals fought a running battle with its unionized workers, represented now by the Communications, Energy and Paperworkers Union of Canada (CEP) following a merger of three unions in 1992.

Workers once believed the company wanted to get rid of the union, chief shop steward Larry Philips says. And management saw the local as an impediment to efficient production. By 1989, rampant mistrust on both sides was underlined by a backlog of more than 100 union grievances.

"It had deteriorated to the point where we were communicating by letter only," says Mr. Pura, 35. "The company was posting policies without consultation, whether it went against the collective agreement or not."

Just after Christmas in 1989, the union decided to strike, the first job action in the plant's 33-year history. Money wasn't the issue: workers earn an average wage of about \$22 an hour. The sticking point was work scheduling. The strike lasted just 10 days but that was long enough for both sides.

Fed up with constant confrontation, they began to explore ways to settle their differences, eventually forming a joint standing committee charged with the responsibility of improving relations at the plant.

The committee languished for awhile until Mac Roberts, a Toronto industrial relations consultant, came in. Through Mr. Roberts, workers and management discovered they shared common goals. For example, job security, the main union concern, depended on long-term profitability, a company goal.

Mr. Roberts helped the parties understand that "we have more to gain helping each other than hurting each other," says human resources manager Richard Rybiak.

But the former combatants had heavy baggage to unload if "the change process" - as the experiment is known -- was to work. Managers learned to share confidential financial information with the union and to allow employees unprecedented input into decision making and freedom in their working lives.

Mr. Rybiak says the compromise raised eyebrows at Weyerhaeuser headquarters, and continues to surprise and even disturb executives from other companies.

Many workers, meanwhile, found it unthinkable to team up with people who had been their fierce antagonists. The union local remained vigilant for signs that the company was using the process to undermine its authority.

This skeptical approach was evident in the debate over seniority. After the change process was initiated, the company asked the local to reconsider seniority as the guiding principle in assigning work. The union wouldn't budge on the issue for three years.

But recently it agreed that some new job categories would be staffed on criteria other than seniority, with the union providing input into selection. "A lot of these jobs require good organizational, interpersonal and communications skills," Mr. Phillips, the steward, says. "We don't want to give the job to some guy just because he has 30 years experience."

TALK like this troubles other CEP locals. Although the national union gave its blessing to Saskatoon Chemicals' change process, some members wonder whether their brothers there are being co-opted.

"Our local position is that they have gone overboard," says Vic Gignac, president of CEP Local 1120, which represents workers at Weyerhaeuser's pulp and paper mill in Prince Albert, Sask.

"You can't tell who is an hourly (union) person and who is a management person. It's become pretty fuzzy. It's not like a union anymore, it's more like a company association. We'll see 10 years down the road where it leads."

Mr. Phillips says the Saskatoon workers are believers because the gains are clear. Since the process began, the company has expanded its education program significantly and created a new employee benefit plan.

Workers are guaranteed job security and attend to tasks with a minimum of supervision. "I quite possibly see my supervisor once every couple of weeks," says Pat Horel, operator of a sodium chlorate unit in the factory.

"I look at the computer, see what is needed from a marketing point of view, take a look at inventory and decide what's the best way of making product. It's a very pleasant place to work."

"We feel we've got the authority to sustain the operation," says Bill Baker, a production worker who used to spend much of his time fighting grievances. "Most people are more aware of the importance of the viability of the enterprise."

That long-term viability is being studied by a committee of managers and workers, among them Mr. Pura. The group is planning a broad overhaul of the plant's work flow, which may generate four separate business units, each concentrating on a group of chemicals. The goal is to generate new products and markets, boosting sales to \$200-million annually. But a majority of workers must agree to the changes first.

Mr. Haner, the general manager, says the new structure has boosted productivity, cuts costs and made the plant a safer place. He does not disclose profits, except that the company expects a 20-per-cent return on net assets for 1995.

Most important perhaps, Saskatoon Chemicals no longer spends so much time or money fighting the union. The inventory of grievances dried up long ago. Not grievance has been filed for the past three years, and it took five days to negotiate a new collective agreement last fall.

Now the biggest challenge may be the constant distractions. Workers find themselves constantly invited to speak about the change process. Not long ago, 30 Bell Canada employees tramped through the plant, followed by a delegation from the union IWA-Canada.

New 'tricks' have to be learnt. Learnt well. And learnt quickly. That is becoming a corporate necessity. We need to know and adopt therefore tested learning techniques. The following research news that appeared in Wal Street Journal may hold promise for us too.

3531
LEARNING
TECHNIQUES:

People who want to improve their golf or tennis game or their piano playing might do well to get a good night's sleep after each lesson, a series of psychological experiments indicated.

Scientists at the Weizmann Institute in Rehovot, Israel, found that people who were taught a repetitive task didn't improve their abilities when deprived of rapid eye movement, or REM, sleep, unlike those who slept through the REM stage of sleep.

In the REM stage of sleep, a person's dreaming prompts the eyes to move rapidly beneath the eyelids.

In the experiment, described in a recent issue of **Science magazine**, volunteers staring at a pattern of lines or dots on a computer screen were asked to quickly identify the shape of a particular pattern of lines or dots, such as a circle or a triangle, that appeared on the screen in their peripheral vision. The location of the target pattern changed randomly from flash to flash. The researchers then measured how fast, in thousandths of a second, the volunteers could identify the target pattern.

They discovered that most volunteers were quicker at identifying the patterns eight to 10 hours after a training session than immediately after the session. This indicated that learning continued for as long as 10 hours after the volunteers quit their repetitive task.

The researchers found, on the other hand, that if the subjects went to sleep and their REM sleep was disturbed, they failed to improve.

This suggests that learning occurs during certain stages of brain activity such as REM sleep, explained Dov Sagi, an author of the study. If the non-REM stages of sleep were interrupted, the volunteers performed just as well as if they had a good night's sleep.

"REM sleep must be somewhat similar to daytime behavior," Dr. Sagi said "During the night it's important not to disturb dream stage, or rapid eye movement stage sleep."

3532
EMPLOYEES'
MENTAL
WELL-
BEING:

Though we do not consciously import from the west, all that goes with rapid industrialization and urbanization we are witness to and victims of. One such is the mental health of the employees. Inattention to the mental health of individuals cost the nation several hundred crores of rupees - this figure includes consequences such as accidents, low quality work, absenteeism, lost employment and premature mortality.

Researchers in the west have indicated that corporate management must respond by implementing human resource policies and programmes designed to support employees in maintaining or improving health and enhancing their ability to be productive. Leadership from top management is vital to the implementation of these efforts which include:

* Employee education for health promotion and disease prevention. A 1988 nationwide survey of middle to large sized companies revealed that most company wellness programs offer education programs on smoking cessation, back care, stress management and exercise. Yet, the most pressing health concerns facing employers as they head toward the year 2000 are prevention of chronic diseases, reducing alcohol and substance abuse, improving mental health and controlling Acquired Immune Deficiency Syndrome, AIDA. Future employee education programs must address these critical issues.

* Management training. In recent years, employers have begun investing in management training that sensitizes supervisors to the mental, emotional, and substance abuse problems that may affect an employee's ability to function on the job. Specific policies and training for managers at all levels will help them intervene before problems are reflected in seriously deteriorated job performance and disability.

* Employee assistance services. Businesses of all sizes must make employee assistance services available. These programs can provide mental health education, crisis intervention, problem identification and referral, case management, disability management and back to work support.

Benefit design and management. Proper benefit design and management can help assure that employees and their families receive appropriate, high quality, affordable care. For example, services for mental health and substance abuse disorders can be offered through an organized delivery system that offers a variety of treatment programs and providers, with management of individual cases and review of overall utilization. Progressive employers are restyling mental health benefit plans to provide high quality mental health coverage at a manageable cost.

* Data collection and management. Collecting company data on the prevalence, cost, treatment efficacy and attitudes about mental health problems provides information about how to allocate corporate resources and design health and disability benefits to better manage the impact of mental health problems in the work place.

* Integration of corporate health-related services. The best strategy for managing mental health problems at the work site is to intervene early with appropriate care and provide ongoing support so that employees undergoing treatment can stay on the job.

Samurai Selling. The Ancient Art of Service in Sales by Chuck Laughlin & Karen sage. (St.Martin's Press, New York) \$16.95

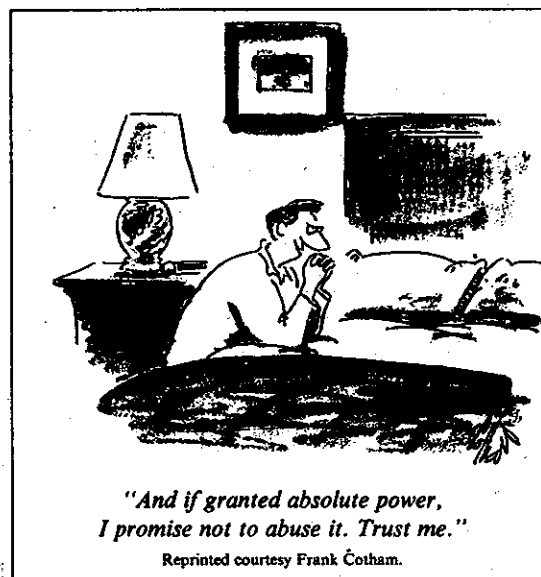
3533
RECOMMEND
BOOKS:

Samurai Means "one who serves" and well. Whether in war or peace. The authors argue that the code of the Samurai should be the code of today's sales professional. This book tells "stories" of the ancient Samurai and relates them to today's competitive sales climate. Based on a proven seminar the authors have been conducting, the book is filled with practical tips, examples and exercises.

Personality Selling. Selling The Way Customers Want to Buy By Tom Anastasi (Sterling Publishing Co. New York) \$12.95

"How to adapt the way you sell to the way your customers want to buy:" This is the theme of this book. The author observes that most authors say: Be like me or Be like my ideal professional." This book teaches you to become aware of individual differences and shows you how to put them to work for you. The author heads a sales training company and also teaches at Harward University.

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LAUGHING
MATTER?



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