

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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**3565
MANAGING
FOR
EXCELLENCE:**

Herewith two more units from Dr. H.N. Nanjundiah on the theme of managing for excellence.

Managing the Manager Development Programmes. Manager Development Programmes (MDPs) are a subset of HRD Programmes. The Manpower Mix in an organisation consists of three basic categories of personnel:

1. Operatives in the shops and clerical personnel in the Offices;
2. Technicians and Supervisory personnel; and
3. Professional and Managerial personnel.

In each of these three categories, there will be people at three levels of maturity:

- a. Those who enter and spend the first 10 years of work life in doing things which can push performance & results to the best possible level of TODAY;
- b. Those who will push performance to the Potential level of TOMORROW during 10 to 20 years of their work life; and

- c. Those who will work towards the Promise of the distant FUTURE over their peak years. All these categories of people, at given levels of maturity need to be put through HRD Programmes.

MDPs belong, however, to levels (b) and (c) in category (3). Different kinds of MDPs will naturally follow, in both the functional and the general management areas of managing the human resource and the human organisations.

The productivity of MDPs depends entirely on the discipline followed and the total commitment top management invests in them. The expectations made on the participants; those who select them; those who utilise their services on return; and those who serve as faculty, whether internal or external, must be made amply clear for the MDPs to prove successful. HRD Managers must learn to pick up helpful pointers for the design, organisation and conduct of such MDPs, arising out of a wide spectrum of Indian experience.

Most MDPs are nothing more than make-believe exercises, with no sense of reality. Absence of linkage to HRM in practice makes them only sterile. The fact that HRD efforts are at best corrective in effect, as opposed to the preventive impact of HRM, is ignored. HRD programme must hence be designed on the basis of the real-life and real-time inputs from ongoing practice of HRM by line managers, including the outputs of periodic performance measurement and appraisal practices.

Managing The Human Organisation. A human organisation makes managing possible through the conception of an architecture of purposive goal-attaining tasks, human performing capabilities, and facilitating inter-relationships among them. Optimal results are aimed at, through enabling Informal Behaviour in a Formal Organisation. The purpose of delegation and control for individual accountability is to enable Managers to impose, through HRM, only that measure of Organisational Discipline, which makes possible the responsible exercise of Freedom given to individuals, depending on one's proven performing capabilities, as also on their potential for enhancement through HRD programmes.

A human organisation is good only until a better one is indicated, when there arise changes in the environment, the type & volume of operations, and the personalities and performing capabilities of the incumbents in designated contributory positions. And such changes are endemic in a living-type entity such as the human organisation.

The Manager has to bring together the needed inputs for Organisation Planning, Manpower Planning, Career Planning, Compensation Planning, ensuring Organisational Continuity through smoothest possible Succession to managing positions, fostering Teamwork through the idea and practice of deliberations on policy issues and implementing them in joint

effort, adequacy of specialised functional contributions and their coordination, and nourishing the "brain power" of top management personnel. The goal here is to facilitate the preservation of the advantages of smallness, without losing the benefits to be derived from the organisation of human talents and efforts on a large scale, by observing the spirit of the injunction: "impose organisational barriers by choice; but create the strongest possible Communication Bonds among the specialised contributory segments of the human organisation."

In joint effort situations, such as those common to human organisations, there exist almost always a high probability of conflict among the incumbents of designated positions, arising from differential perceptions of mutual expectations and the consequential incompatibility of one's decisions and actions with those of others. This causes friction in working relationships, in addition to those caused by poor organisation, or the operating systems and procedures. Every line manager has to learn to cope with them through hands-on HRM in an on-going manners.

3566
LEARNING
MANNERS:

Here is a news item from Japan. We hope this serves as a thoughtstarter for one of our enterprising T.V. producers.

"MIND Your Manners" seems to be the name of the new etiquette game that young Japanese are taking to in a big way.

And, as is only to be expected, the Japanese are using advanced technology to popularise the new fad, according to Japan Calling. A popular television comedy show includes one scene that teaches proper manners - and viewer ratings show that it's the most popular part of the programme.

Following a survey, a leading publishing house has added an etiquette class to its syllabi of correspondence courses for young women which teaches them how to - in the correct manner - get into the bath, ring the napkin, hang out the wash, etc.

In fact, large numbers of Japanese youngsters are rejecting many of the habits of their elders and seeking instructions on how to behave after seeing the dignified imperial bearing of their idols - Princess Masako and Princess Kiko of the Royal Family.

3559 (B)
JAPANESE
STYLE
MANAGEMENT

(Continued from September Issue).

Looking at Japan's current account surplus, it appears to me that the problem has become even more serious than before. From the point of view of Japan, previously most of the surplus was versus the U.S., so they only had to worry about angering the Americans. But now, Japan's surplus is divided equally between the U.S., Europe, and NIEs. This means that now many more countries are annoyed at Japan to the extent that there is even a worry that Japan may be cut off from the rest of the world economy. Because Japan's surplus is not simply the problem of other countries, but is rather Japan's problem as well, Japan must come up with police, and work to solve the problem Japanese-Style.

SHIMOYAMA: We got where we are today because the Japanese people, after losing the war, frantically worked to build up their devastated society. As a result, Japan amassed huge surplus, and is now the focus of criticism. Although the average German works only 1,500 to 1,600 hours per year, Japan has not yet been able to cut back, and thus the average worker still puts in about 2,100 hours. Up until now this has been acceptable because everyone agreed that without economic growth and prosperity, we would have nothing anyway.

But from here on, and this is no easy task, I think that the overall economic sub-system must undergo some changes. That's why I've been telling my company "I want working hours reduced to the 1,800 level within the next couple of years." On paper, it appears rather simple to get the figure down to about 1,900 hours, but in Japan, you've got lots of overtime work which enters into the equation. Getting off a new product always entails overtime work, and so the need becomes to find a way to improve efficiency so that we can cut out overtime work without sacrificing productivity or timely product development. Changes in attitudes, such as that working long hours is good no matter how aimlessly, and the "waterworks philosophy", coined by Konosuke Matsushita, which says to make good products cheaply, and then let them flow everywhere, like water from a faucet, must also occur.

MODERATOR Professor Thurow has said, "The 21st century will be the European era". Please enlighten us on the basis for that statement, and also on what the statement means for Japan.

Use German model; bring in and train foreigners.

THUROW: Europe is a region which possesses a wealth of skill and talent, and is the world's single biggest market. But most importantly, every European, from Presidents and Prime Ministers down to the individual citizens, all fully understand that because the 21st century will bring many dramatic changes, they too must change themselves.

The East Block is being removed from communism and integrated into capitalism, and Europe will soon become an integrated market. Thus, governments as well as every individual must adapt to keep pace with the 21st century, and the fact that they must change is a very important first step.

Japan's biggest disadvantage stems from the assumption that it can get by in the 21st century by continuing to do things basically the same way as during the 20th century. For Japan to succeed in the 21st century, it must model itself on Germany. For example, Japan must emulate within Asia what Germany is trying to do within the context of its place in Europe. Germany goes as far as taxing its own citizens in order to help other European countries achieve the same income level as Germany. In this sense, Japan should help the people of the Philippines, for example, raise their income, even if it means paying more taxes. Whereas Italians and other Europeans see Germany as an open market, Taiwan, Korea, etc. see Japan as a very closed market. This is another point which needs to be changed. Furthermore, Germany has brought into its borders 6 million people from

neighboring European countries in an attempt to train them in German technology. To emulate this, Japan would have to bring in 12 million Koreans, Chinese, Filipinos, and other Asians.

It is Possible for Japan to emerge a winner, but it will require radical changes in attitudes at the macro level. The question is, does Japan really have the desire to make those changes? Would Japan be willing to welcome 12 million foreigners inside its borders, for example?

I can easily imagine countries like Korea and Taiwan joining the U.S. block within the world. Communications in modern society have advanced to the point where geographical location is no longer very important. Back in the U.S. I have pointed out that rather than putting Mexico in the free trade area, it would be more beneficial for U.S. trade to admit Korea and Taiwan, and I have even proposed this idea to the Korean and Taiwanese governments. The reason is that the U.S. is a relatively easy market to sell goods in, and Korea and Taiwan are already economically integrated with the U.S.

SHIMOYAMA: If Japan were to record a deficit in its international balance of payments, we would no longer be able to provide ODA to the extent we do. This is one reason why I believe it is still good for Japan to record a certain amount of surplus that can then be used for such purposes. But I think the professor is absolutely correct in his assessment that Japan must boost domestic demand and make improvements to the infrastructure, such as housing.

If I may use my company's products as an example; our endoscopes occupy an 80-85% share of the worldwide market, and can be found in every corner of the world contributing to the welfare of human beings. Our cameras enrich the lives of people, and our microscopes contribute to the very foundation of scientific research. I take great pride in these things. But that's not all. Currently we are moving into China and Taiwan, and I continually tell my people to "Take the latest products and teach locals the technology." And for those people in China, for whom trips to the foreign are often impossible, we have gained special approval to train them in lens grinding in Japan. In the area of endoscope production, we are making efforts to promote research and development work at overseas plants using local initiative, in order to meet quite particular needs in individual countries. This is a substantial transfer of technology.

As a company, I feel that the most important thing we can do is to go on making contributions to the world community in ways such as these, and I want to say that we are working day and night toward this end.

3567
ON I T
SYSTEMS:

*More and more organizations are investing considerable time and money in developing sophisticated management information (MI) systems. The accompanying report on a recent survey (source: *Financial Times*, London) may be of special interest therefore.*

Many "good" information technology systems fail because technical

issues are put first and human and organisational issues second.

This is one of the findings of a report recently published by London consultants Pagoda. Other common causes of failure, according to the report, include projects where:

- * The hoped-for benefits are too narrow and insufficiently tied to business strategy;
- * The benefits are not communicated to staff so they try to adapt new systems to old ways of working;
- * The benefits are too broad, insufficiently prioritised and may even conflict.

Pagoda's conclusions are based on reviewing the experience of 100 organisations and on 30 in-depth interviews with big users of IT. Judith Wainwright, a director of Pagoda, argues that the critical success factor in implementing systems is the way the human and organisational issues are planned; the technology is secondary.

She gives several reasons. First, IT systems are now so central to an organisation's function that their effect is felt by most employees and, increasingly, by customers. Second, there are fewer technical constraints than there used to be. Third, more managers are using computers than before. They cannot be coerced into using them, so unless they are convinced of the benefits of a system they will not use it.

However, linking human and technical goals is not easy. The report suggests that companies introducing new systems should at the same time consider all other aspects of the business that are likely to be affected by the change. This could include technology, business processes, organisational structures, job design, staff attitudes and skills.

All should be treated within a single project plan because decisions taken in one area will inevitably affect other areas.

Wainwright believes large projects involving change should be run by a line manager with a senior member of staff, such as a director, backing them up. Commitment and input to the project among the staff can be gained by involving them in the choice and definition of the system.

Users should also work closely with prototype systems - partly-built versions that staff can experiment on - helping to shape them. This approach works better than basing systems on early, detailed specifications because non-technical staff are often not good at visualising what the promised system will look like. Then, when it arrives, they find it is not what they wanted.

Getting users to participate in systems design takes longer but is more likely to yield benefits in the long term. But "even when planning and design have been good, poor implementation can still make a system fail", warns Wainwright. "Implementation budgets

and timescales are usually the first to be cut. Operational and systems managers often give in to political pressure to bring forward implementation because they feel that by then the real work has been done," she says.

"This reflects the common view that with IT change projects, you plug in the system and the benefits flow - whereas wider changes are usually involved."

The study advises companies introducing IT to keep their staff involved and to communicate with them at all stages. Training afterwards is also important.

According to the report, users like to discuss projects with their managers and any staff who have experienced similar change.

Wainwright believes that a participative approach reduces the risk of start-up problems and of project failure because human and organisational factors are the greatest source of risk.

Participative approaches to systems change are most commonly found in factory automation projects, according to the study, where IT makes a small but important contribution.

3568
QUALITY
GURU:

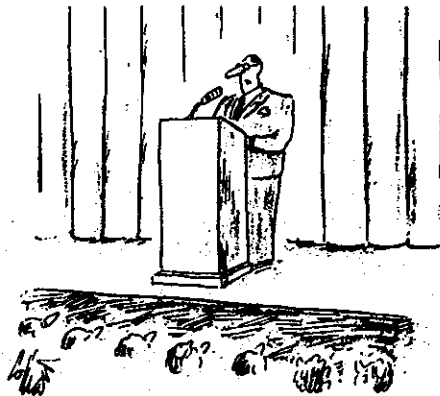
W. Edwards Deming who was mainly responsible for the quality revolution in Japan died recently at 93. His approach is summed up by his much quoted "14 Points to Successful Management" is worth recalling. What he says is applicable to every sector and every size of operation.

14 Steps to success: W. Edwards Deming, who died recently at 93, was the pioneer of the quality movement that has swept global business over the past 40 years. His first converts were the Japanese, who built their postwar economic revival on his ideas. Mr. Deming's approach is summed up by his much-quoted "14 points to successful management".

1. Create a constancy of purpose for continual improvement of products and service.
2. Adopt the new philosophy created in Japan: Don't accept poor workmanship and poor service.
3. Cease dependence on mass inspection. Don't spend money inspecting products coming off the assembly line but instead spend money improving the process.
4. End the awarding of lowest-tender contracts, which generally deliver poor quality. Instead, require measures of quality and get the best price through a single supplier in a long-term contract.
5. Improve constantly and forever every process for planning, production and service.
6. Institute modern methods of training: Train workers formally and the right way, rather than by word of mouth.

7. Adopt and institute leadership. Managers shouldn't tell people what to do but be there to help them do a better job.
8. Drive out fear with effective two-way communication. For better quality and productivity, employees should not be afraid to ask questions.
9. Break down barriers between departments and staff areas. Too often, employees compete with each other rather than work for the common good.
10. Eliminate slogans and exhortations. They never work. Let people put up their own slogans.
11. Eliminate quotas and numerical targets. Substitute aid and helpful leadership.
12. Remove barriers to pride of workmanship, including annual appraisals and management by objectives. People want to do a good job.
13. Encourage education and self-improvement for everyone, including management.
14. Define top management's permanent commitment to ever-improving quality and productivity, and its obligation to implement all these principles.

3569
LAUGHING
MATTER?



"For today's question and answer session I'm only taking questions—answers will be provided at some future date."

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