

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

IN THIS ISSUE

3622 CORPORATE CITIZENSHIP

3623 GAMES FOR SALES

3624 PAIN & PRODUCTIVITY

3625 BRIDGING THE ETHICAL GAP

3626 LAUGHING MATTER?

3622 CORPORATE CITIZENSHIP: *One reason we feel disappointed is that we expect too much from the government, much too much. The government does not have the guts to say: "Don't expect much from us; you can do yourself a lot. Demand of us that we don't stand in your way." Phil Condit, CEO of The Boeing Co., explains in a recent article in Puget Sound Business Journal what the organised sector can do for the community, whether as individual corporations or as a group. We CAN create many little oases in the country.*

When it comes to community, the simplest and most human things matter the most-- a warm coat on a cold day; the laughter of a child visiting a zoo for the first time; applause for a favorite theater group; a classroom of students waving their arms with the right answer. And while they are all small and simple things, they're easy to take for granted. These are all things that, in one way or another, Boeing people make happen in their own communities - in the Puget Sound area; in Wichita, Kansas; in Philadelphia; in Huntsville, Alabama; in Houston, and in any community where we have a company presence.

Together, our company and employee gifts to the community totaled \$61.6 million last year. The largest single block of company contributions - about 43 percent - went to education, including K-12, faculty fellowships, and historically black colleges and universities.

Add to that several million dollars provided to United Way organizations around the country, multi-year commitments to cultural and arts campaigns, and grants for such things as low-income dental clinics and teen suicide prevention hotlines. Thirty years ago, our company leaders had the foresight to recognize how the cyclical nature of our business would affect the communities where we live and work. They made a conscious effort not to penalize our communities during down cycles by establishing a "rainy day" trust fund so we could keep our commitments, rain or shine. Last year, about 40 percent of our company's cash contributions came from that trust fund.

But what's remarkable to me is that despite a major downturn in employment, employee contributions have stayed almost level at around \$24 million for the past four years. Part of the reason is increased company gift matching. But a bigger part of the reason is that there's a real sense of community among Boeing people, and that spirit remains with us in good times and bad.

In good times, we used to rent the Kingdome and have what is still distinguished by the Guinness Book of Records as the largest employee Christmas party in the world. In 1983, our employees asked us if they could do something for the community instead. And that's how our annual Food & Essentials drive started.

Last year, Boeing people donated 825,000 pounds of food. The company buys some of the food and provides the trucks and warehouses, but every bit of the effort is planned and coordinated by a grass-roots team of people from all over the company.

Last December, many Boeing people who were on strike continued making toys and Christmas stockings for disadvantaged kids. The people who weren't on strike worked harder than ever collecting food donations, knowing their co-workers might very well be in line at the food banks. And after the contract was signed and people returned to work, a group of folks in Flight Test donated their coffee fund to local food banks

because they had missed the annual drive. Despite the adversity and all the challenges they faced - and to their immense credit - Boeing people recognized that some things transcend our own temporary business problems. That's what I call a sense of community.

How did a sense of community ever evolve in a company of more than 100,000 people? We let people know we value and support community involvement, let them know about opportunities and different ways to help, and then we let 'em fly. And as a company, there's no way we'd take credit for the incredible amount of work Boeing people put into their communities - it's something that's in their hearts and souls.

As business leaders and citizens, I believe it's our role to be catalysts in building that sense of community. We've been neighbors through two world wars, the Depression, the Cold War, the Space Age and everything else that's happened since 1916. Just as that sense has always been deep in the hearts and souls of our people, citizenship is part of our company mission. Our emphasis on company citizenship gained real momentum under one of my predecessors, William Allen.

In fact, it was during Bill Allen's time, 45 years ago, that the Boeing Employees Good Neighbor Fund (BEGNF) began. At that time an employee-owned and employee-managed charitable organization was a rarity, and it still is today. While the company pays all the administrative costs for BEGNF, an employee-elected board decides where all the contributed dollars go. It's now the largest employee-owned charitable fund in the world and the second-largest grant-maker in the Pacific Northwest - second only to Boeing's grant making.

As far as the company goes, we view our contributions to the community as an integral and very necessary factor in the health and well-being of our people. Despite the fact that we don't sell any of our products to the community at large, we have a vested interest in maintaining the quality of life. We can't hope to attract and retain skilled and knowledgeable people in a cultural vacuum. That's why we support activities such as the symphony, the opera, the aquarium and the zoos. And more important, we can't design and build our airplanes without a skilled and knowledgeable work force. That's why we're so involved in education. And why Boeing chairman Frank Shrontz has

personally taken the lead in school reform at the national, state and local levels. Frank is personally involved because he knows, as we all do, that monetary contributions alone aren't enough. It takes concerned people. That's why we loan Boeing executives to share their management skills with schools, arts organizations, social programs and United Way.

In return, they bring back from the experience a greater sense of how we fit into the community and valuable team-building skills that companies can learn from the non-profit sector. Just like building airplanes, it takes a team of people to build a healthy community. The job is far too big for any one of us alone - government, business, individuals or the non-profits. Our strength as a company stems directly from our employees and their ability to work together with trust and respect - their ability to value diversity, actively listen to each other, and understand other points of view. To my thinking, this is also what a sense of community is all about. It all boils down to people.

And if, as business and community leaders, we communicate through example our beliefs in trusting, respecting, valuing, listening and understanding, some of it is bound to rub off on the community. It all goes to show you don't have to be a corporate giant to be a good citizen. As I said earlier, it's really the small things that count the most.

POINT TO PONDER

Majorities don't win policy battles. Minorities win battles if they understand politics and how the process works.

-Wayne Cryts-

3623 GAMES FOR SALES: *What is new? What helps stepped up sale? In our country? In other countries? People are in a sense the same. They differ only in degree. What works in one place with suitable modification can work in other places. The following report by Alf Nucifora appeared in Dallas Business Journal.*

The recent proliferation of state lotteries has stimulated a renewed interest in games as a marketing tool. In the key consumer categories and channels of distribution - such as supermarkets, convenience stores, drugstore chains, gas companies, certain consumer packaged goods and fast food - games have moved to the top of the marketing food chain.

Billions of game pieces are printed and produced each year. McDonald's Corp. produced more than 1 billion games pieces in 1995 alone. Games work. Here's what they do:

- <> Attract customers to the store.
- <> Reward customer loyalty.
- <> Encourage repeat purchases.

"Most often, retailers are looking to generate awareness for an event such as an anniversary or an association as with an official sponsorship of a sports league," explained Steve Roon, vice president and director of marketing for Creative Promotional Solution Inc., a games specialist in Atlanta. "They are also seeking to make more frequent shoppers out of their current customers, to attract new first-time shoppers, to increase sales volume and to establish a point of difference into today's 'me too' environment."

Four games dominate the marketplace: sweepstakes, instant win, collect and win, and match to win. The primary objective with sweepstakes is to gather consumer information in order to build a customer profile or database. The gathering mechanism runs the gamut from phone capture, to sweepstakes entry form, to the business card in the fish bowl that one commonly sees in hotel lobbies. Game experts advise that success (response rate) is highly dependent upon the value of the prize, and rules need to be watched carefully.

Rules and regulations, which vary by state, can provide difficulty for marketers who choose to run regional or national sweepstakes program. Remember the one cardinal rule: Proof of purchase is never required.

From the customer's viewpoint, instant-win games are the easiest to play, and it also has the greatest consumer appeal: instant gratification. Normally, it's a scratch-off game (such as the lottery) and serves as a customer reward or added punch to a specific marketing program or promotional effort. Instant-win games are also strong motivators of trial purchase. With collect-and-win games, the obvious intent is to stimulate repeat purchases by providing a game that is both involving and exciting to the customer over a period of time. McDonald's is a master at the collect-and-win format, as can be evidenced by the success of their Monopoly promotion.

A twin of the popular Lotto game, match-to-win provokes a response from the customer. Listen to the radio, watch the television, check

the newspaper ad to see whether your card matches the winning number. Or better still, bring your card into the store and match it against the winning number on the point-of-sale card. Amoco Corp. has just completed a popular match-to-win game involving a "five-free-minutes" phone card tied to a match-to-win incentive. Customers activate the card by phone to see whether they're a major winner.

Before embarking on your own game, consider these tips:

- + Games and sweepstakes, though expensive, can be funded through co-opportunities. Hit up manufacturers, suppliers and vendors for prizes and for funding.

- + Games generally work better for retailers with multiple locations and a broad customer base.

- + Most games will run for a period of four to 12 weeks before wear-out occurs.

- + Games and sweepstakes also can be used in the business-to-business environment as a manufacturer or distributor incentive to wholesalers and retailers.

- + Games also are useful as employee incentives - improving sales, execution and safety.

Games and sweepstakes work because they address basic human needs, emotions and motivations, such as greed, instant gratification, the need to gamble and the desire for thrill and excitement. With that much working for them, they have proven to be a remarkable stimulant of customer trial and loyalty in a marketing environment where customer disinterest is the norm.

Can a small business afford the outlay in mounting a game or a sweepstakes? The answer is yes, but success hinges on many factors. Boost the value of the prize as much as possible. Keep the mechanics simple. Develop an effective mechanism for promoting the program.

Know the regulations by consulting a law firm or a games specialist. Look for syndicated or off-the-rack Programs that have proven successful in other markets. There's got to be a reason why Las Vegas is so popular and successful.

POINT TO PONDER

Only the wisest and the stupidest of men never change.
-Confucius-

3624 PAIN & PRODUCTIVITY: *The following report from Los Angeles Times talks of what seems happening in U.S.A. in respect of manageable pain and what inadequately managed pain of the workfree does to organizations. If this can happen in U.S.A., this can happen even more in India. Education to prevent pain and assistance to alleviate pain is badly needed if we wish to reduce the invisible losses.*

When a big ballgame is on the schedule, injured athletes often insist that they have to "play through the pain" for the sake of the team. And while many working people do the same thing on the job, others head to the sidelines when their backs ache or their heads throb--hurting their employers' bottom lines.

A new report by the Louis Harris & Associates polling organization estimates that 14% of America's full-time workers took sick days last year because of pains ranging from headaches to carpal tunnel syndrome. On average, they were off work three days. That made pain one of three most common reasons for sick days. (The cold and flu category came in first with pain rivaling caring for an ill family member for the No.2 spot.) To cover the wages of workers on short, pain-related absences last year, employers paid out \$3.3 billion, Harris found.

Still, the report's findings--based on a national survey of 1,007 full-time workers and a separate poll of 300 employee benefits managers--pointed out that employers are doing relatively little to relieve this expensive problem. Even among companies that provide so-called wellness programs, the survey found that only 18% offer guidance on preventing aching backs or on managing other pain problems.

Also, while the Harris report focused on short-term absenteeism, it suggested that employers are lax in preventing long-term repetitive-motion injuries that lead to costly workers' compensation claims and related expenses. The employee benefits managers included in the poll, which was paid for by Ortho-McNeil Pharmaceutical, represented firms with at least 150 workers.

"There are some missed opportunities here," said Robert Leitman, a Harris executive vice president who was in charge of the study. Stepped-up pain prevention programs, he said, would probably provide "a real payback" for many employers.

One common, low-cost suggestion from the experts: **Teach employees exercises for avoiding back problems.**

Many of the pains reported by employees, to be sure can't be blamed on their jobs. In all, the survey found that 52% of employees who responded said they suffered pain unrelated to work, including in that category such ailments as headaches, along with low back, neck and menstrual pain.

By way of comparison, 15% of workers surveyed termed their pains work-related, stemming from such ailments as carpal tunnel syndrome and other repetitive-motion injuries. But whatever source of the problem, pain cuts into a company's productivity.

"Employers need to intervene in their own self-interest, aside from the fact that it's a humanitarian thing to do," said J. David Haddox, an assistant medical school professor at Emory University in Atlanta and an expert in pain management. That notion is seconded by ailing workers such as Jackie Stewart, an accounting clerk at the downtown office of the Los Angeles Community Collegae District. After 12 years of working for the district—spending much of her time punching data into computers—pain in her back and wrist occasionally require her to take a day off.

"If it's not horribly bad, I don't want to miss work," Stewart said. But at times, she explained, the pain has been intense enough that "I couldn't even carry a purse in my hand." Still, Stewart considers herself fortunate in at least one respect: She is covered by a union contract that provides for ergonomic programs to avoid or reduce repetitive motion injuries.

POINT TO PONDER

To improve is to change; to be perfect is to change often.
-Winston Churchill-

3625 BRIDGING THE ETHICAL GAP: There is often a wide gap between companies' professed values and their actual behaviour, or at least the public's perception of it.

That is the main conclusion to be drawn from two separate, but far from contradictory, surveys of senior business executives published

this week. **The importance of being ethical** - by Ashridge Management Research Group and the UK consultancy Integrity Works - concentrates largely on the views of non-executive directors of Britain's leading companies.

All 119 respondents in the report felt business ethics was a significant issue, even if there was little consensus about what the term meant. But while the majority thought it "very important" for business to be viewed as ethical, less than half felt this to be the case in practice. More than a quarter thought that the public views business as "quite unethical".

That said, 54 per cent of respondents consider that company standards are better than they were 10 years ago - 22 per cent said they were worse - and 43 per cent disclosed that their firm operates an ethics code. Thirteen per cent have adopted the practice of "ethics awareness training", while a further 8 per cent carry out an ethics audit.

The findings of the Ashridge research reinforce the view that an organisation's conduct is largely dependent on the stance of its chief executive. Many of the conclusions, moreover, find an echo in the other study - **Insights into values in business** - carried out by the Helsinki-based consultancy Values into Action and based on responses from 70 senior executives." in Britain, the Nordic countries, Europe and beyond". Three in five said they conduct their business activities and practices according to a common code of values. But more than three quarters of these believed there was a gap between ethical values and actual behaviour, and one in five said that business necessity overrides such values. Values into Action adds that a study of more than 400 annual reports highlights the need to clarify use of the word "value". It makes the distinction between "business values", which are situational and relative, and "ethical values", which are universal and absolute. Corporate value codes - which often look more like corporate goals than value statements - should explain how they relate to each other.

Values into Action says managers who want to check their companies' "ethical health" should ask themselves whether the following are true or false:

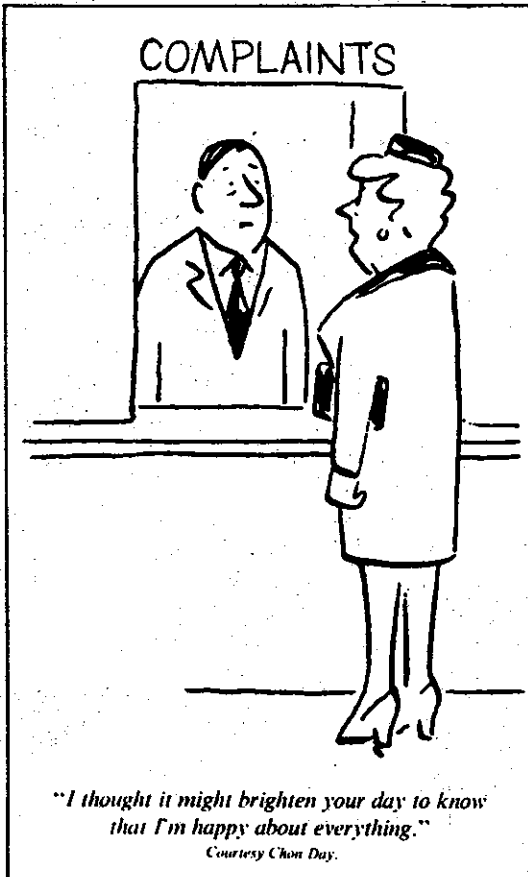
1. People in the company conduct their business activities and

practices according to the same code of values.

2. Because of the current (economic) situation, there is less time to show employees the consideration they deserve as individuals.
3. Survival depends on getting back to basics, cutting costs and reducing overheads.
4. Faced with a choice, business necessity overrides ethical values.
5. Sometimes there is a gap between ethical values and the way in which the company and/or people in it behave.
6. Management trusts employees and employees trust management.
7. Sometimes there is a discrepancy between what executives preach and what they expect their colleagues and employees to practice.
8. People willingly and genuinely want to put the values of the company into practice.
9. We accept and honour our responsibilities towards other "stakeholders" (those who are taken into account when business decisions are being made, or who are affected by the outcome of business decisions) as well as customers, shareholders and employees.
10. Frank, fearless and critical dialogue both upwards and downwards in the company is actively encouraged and practised.

Source: Financial Times, London.

3626 LAUGHING MATTER?



Edited, Printed & Published by
N.H.ATTREYA of MMC SCHOOL OF
MANAGEMENT, 3E1, Court Chambers, New
Marine Lines, Mumbai 00 020

Photo offset by DAKS COPY SERVICE
PVT.LTD., Mumbai 400 023.

Annual Subscription Rs.190/-.