

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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3586 THE EMERGING FUTURE: *The World Future Society - we recommend that you consider becoming a member: it is only \$35.00 a year. The address: 7910 Woodmont Avenue, Suite 450, Bethesda, Maryland 20814, U.S.A. publishes an annual roundup of forecasts from some of the world's leading futurists. The focus, ofcourse, is the U.S. Scene. Here are some extracts from OUTLOOK '96.*

Business and the economy:

* Business firms will continue to stay slim by assigning functions to subcontractors. This will make it easier for corporations to adapt to the constantly changing realities of the marketplace.

* Today's computer nerds and cyberpunks will be the business lions of tomorrow. Future entrepreneurs are now becoming seasoned travelers on the information superhighway, learning to create virtual enterprises quickly and efficiently. This key skill will give them an edge over traditional, monolithic businesses.

Education:

* Interactive multimedia will become the new tool of education. For the students of tomorrow, the traditional blackboard will be replaced by text, graphics, sound, animation, full-motion, video, and other formats.

* Intelligent tutoring systems should become commonplace in schools after the year 2000 as supplements to teachers' instruction. Such systems would adjust their instruction to suit the student's level of understanding.

* In a decade or so, "wired" universities will compete to tap the best minds around the world for ideas and knowledge, which will then be distributed to students, corporations, and other clients.

* Old-fashioned methods of learning may be more effective than high-tech simulations. Research has shown that the realism of high-tech simulations does not necessarily or consistently translate into more effective learning and retention.

Health:

* The human race is steadily growing taller. While early humans reached an average height of about 4'6", modern humans are about 5'10" tall. This growth may be due to the following: abundant food supplies, especially animal protein; large increase in the consumption of sugar; and immunization during childhood, resulting in fewer growth inhibiting diseases.

* The future of medicine will be needle-free. Injections using pressure jets are already being used, and patients report that they feel less pain than from old-fashioned shots.

* Optimism may be hazardous to your health. Excessive optimism may cause a person to be careless about a medical problem and ignore preventive steps. Pessimistic, workaholic types may actually be healthier overall because they deal with health issues in a realistic and practical manner.

* People afflicted with phobias could learn to overcome their fears through virtual-reality simulations. By gradually exposing themselves to frightening situations in virtual environments, they can learn to reduce their fearful reactions in real life.

The Information age:

* A large gap remains between what the infobahn advocates promise and what current hardware and software can deliver. And there is some

concern that face-to-face communication will be lost as generations grow up in the computer age: "One teenager in Berkeley began using a computer when he was three years old. Today, he's utterly fluent in getting around the Internet, but he can't converse with an adult," says Clifford Stoll, author of Silicon Snake Oil.

* Computer programming will become irrelevant as conversational, natural-language software allows voice interaction with computers. Computer hackers will be replaced by "yackers."

* The "news" may get less and less accurate because of the increasing speed of communications. In the crush to get news out to viewers demanding instant access, journalists gathering news for online media and facing more immediate deadline pressures may have to forgo accuracy. Information consumers will need a new form of electronic literacy to learn how to determine the value of "news" that changes hourly.

Work and careers:

* The concept of the job is fading from the working landscape. In the future, workers will possess a variety of skills and responsibilities, rather than being confined to the parameters of a traditional job description.

* More jobs will be taken over by robots in the near future: Robo-Secretary: Expert systems for e-mail will increasingly be used by cybernauts to filter through the barrage of information sent to them, sorting messages into categories such as junk mail, reference documents, and personal correspondence.

3587 MANAGING FOR EXCELLENCE: (Dr.H.N.Nanjundiah): Managing For Financial Discipline. Financial discipline implies rendering an account, with recorded evidence for each unit of money that is received and expended, in the processes of attaining the declared, legitimate and productive purposes of the organisation. Financial Analysis is the process of determining the functional and operataional relationships between and among the different items of receipts and expenditures, for the purpose of bringing about improvements in the productivity of the transactions to start with; and using reliable parameters for the planning and control of transactions in forthcoming periods of business activities through budgets & budgetary controls.

Accounting for recorded historical evidence of transactions; Costing for determination of expenditures incurred per unit of activity,

whether it be in terms of physical units or time periods, for operational planning and control purposes; & Financing of planned business activities through timely mobilisation and flows of funds for meeting the needs of both long term capital investments in fixed assets and working capital, with due regard to both Liquidity & Profitability; are the principal goals of the practice of Financial Analysis and Discipline. Diagnosing signs of sickness and taking timely corrective actions on the basis of early warning signals so provided are the inevitable concerns of Financial Discipline. Since the future prospects depend almost wholly on published financial reports, a system of Internal Audit is introduced to vouchsafe for the propriety of ongoing transactions as an additional protective measure from the standpoint of exercising timely managerial control.

Since almost every facet of business activity gets transformed into the language of money, financial reports are the principal means of testing the veracity of financial analysis and discipline expected to be commonly pursued by every business enterprise. The fact that each enterprise takes recourse to the use of borrowed funds, on the basis of a hundred or more units in relation to the funds brought in by the promoters, it is also mandatory to publish audited reports on the results of business transactions at stated intervals, for public scrutiny. While not all the information contained in such published reports are totlly reliable, there is nothing better available for people who have invested or loaned their funds to come to know about the state of the health of an enterprise.

3588 OFFICE GIFT-EXCHANGE: *You give me a gift, and I return the compliment: That is good. There is something even better. Cynthia Hanson pursued this idea in a column in Chicago Tribune. An extract follows:*

Tired of those holiday potluck luncheons and Secret Santa gift exchanges at the office? This season you can help your community and boost morale by getting involved in a charitable project instead. There are diverse possibilities, from tutoring children to serving food at a soup kitchen.

Here's how six companies nationwide are giving back to the community during the holidays:

Helene Curtis Industries Inc. is adopting 84 needy families in the Chicago area. "More than 1,000 employees get involved in the program," says Jenny Welch, director of administrative and volunteer services. "The (social service) agencies give us first names, ages and sizes, and then individual departments adopt families. Instead of exchanging gifts with each other, employees buy gifts for the children, and during lunch they order pizzas and wrap the presents together."

Annie's Homegrown Inc., a natural food company in Sausalito, Calif., is offering employees up to three cases of its product to give to their favorite charity. In addition, the company is donating 1,000 cases of its products to volunteer centers across the United States. "We want the centers to reward their top volunteers with boxes of our macaroni and cheese," says president Deborah Churchill. "We believe volunteering is good for the health of the community, so we think it's important to recognize people who are giving their time".

Columbia Sportswear Co. is adopting nine Portland (Ore.)-area faamilies. "Employees are donating everything from clothes and toys to blankets and towels," says spokeswoman Beth Gillespie. "It's a company-wide program now, but it started in one department, at the suggestion of an employee whose church had a list of families that needed help.

Tom's of Maine, which manufactures natural personal-care products, collects winter clothes for Goodwill at its headquarters in Kennebunk. Throughout the year the company runs a "5 Percent for Volunteering Program," which enables employees to spend 5 percent of their work time volunteering at non-profits. "A lot of folks participate in this program during the holiday season," says Matthew Chappell, company spokesman.

The Leo Burnett Co. offers employees three ways to give back to the Chicago community. In addition to donating canned goods to the Greater Chicago Food Depository Food Drive, they can contribute to the Off-the-Street Club, an organization that provides programs for inner-city youth, and buy toys for the Wyler Children's Hospital Toy Drive.

Esprit, a San Francisco fashion manufacturer, is hosting a benefit

book fair, at which a percentage of the sales will be donated to local schools and nonprofits. "Employees complain that they don't have enough time to buy holiday gifts," says Danny Kraus, public relations manager. "Now they can shop here during their lunch hour, and they can give back to the community at the same time."

If your employer hasn't launched a community service project this holiday season, it's not too late to get started within your work group. Here's How:

Create a plan. You're more apt to receive a favorable response if you present a proposal for a specific project ("Our department could organize a Teddy bear drive for the local children's hospital.") rather than if you simply issue a statement to your boss ("We should give back to the community."). Develop projects that match the interests of your colleagues (homelessness, children, the elderly, etc.).

Enlist support. Talk with coworkers before you pitch your idea. You'll need their support for your project to succeed, whether it's a food drive or a service activity such as decorating a senior citizen's center.

Point out benefits. Point out that altruistic endeavors can spark team-building and employees who coordinate the project also develop skills they might not gain in their regular positions.

Start small. Don't take on too much too soon. Organize a project for your department or division, rather than the entire company. Word of your success will spread, and more employees will want to participate next year.

3589 MULTICULTURALISM: *Talking of the current state of the nation C. Rajagopalachari said at the Indian History Congress 1938, "We have not outgrown our tribalism". Since then we have gone for more of it and not less of it. How does the opposite of it affect the corporate performance? The following extract from The Weekend Australian tells the story.*

THE most successful companies are those with a mix of age, race and gender, a recently released human resources study says.

Accounting firm Ernst & Young conducted the Human Resource Component

study to chart the moves away from traditional stereotyping.

"During the 80s, companies insisted upon their new recruits being bright young Anglo-Saxon males only," said Ms Diane Tinkler, the director of human resource consulting at Ernst & Young.

"These companies, which included the Ariadne, Kiel and Quintex groups, are now all gone."

Ms. Tinkler also said the number of women being placed in traditionally male-dominated industries had continued to rise.

"Working women, especially those who have successfully raised children, have had years of valuable experience in time management, prioritising, stress management and motivational techniques," Ms Tinkler said.

"Such women are well skilled in the art of coaching as opposed to controlling. They will tend to recruit staff who are self-directed and proactive rather than staff who need to be managed on a day-to-day basis."

Ms Tinkler said figures indicated that women tended to be their own worst enemies at times, citing a lack of confidence in their ability to achieve in the business world. This was compounded by a lack of role models and strong networks.

Australia's alignment with Asia and the Asian economy had also contributed to the move towards balanced male-female, multicultural workplaces.

"Companies recognise the need to employ people who understand Asian culture. "In the next decade, we will become more customer orientated and focus our energies more on understanding the cultural and business needs of our trading neighbours rather than expecting them to adopt Australia's way of thinking in order to operate efficiently and effectively.

"The results of this study show that it makes perfect commercial sense to assume that a combination of personalities and backgrounds will produce the best results.

"Australia is a multicultural society and employers understand the benefits of accepting people from other countries and using their talents to expand business opportunities."

3590 PETER PRINCIPLE: *In a hierarchical organization says Lawrence Peter, people rise and rise - to the level of incompetence! In a seniority basis promotion - oriented set up, this has to be closely watched. More so because in the coming decade there will be accelerated promotions. The following research finding is worth noting.*

A derailed executive is one who, having reached the general manager level, finds that there is little chance of future advancement due to a misfit between job requirements and personal skills. The executive either is plateaued or leaves the firm altogether.

Studies done over time to discern reasons for derailment find four enduring themes. They are present both over time and across countries.

They include:

- [] Problems with interpersonal relationships.
- [] Failure to meet business objectives.
- [] Failure to build and lead a team.
- [] Inability to change or adapt during a transition.

3591 LAUGHING MATTER?



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