



# Management Ideas

**FOR STILL BETTER**

**RESULTS**

**RELATIONS**

**REPUTATION**

**RENEWAL**

a monthly newsletter to key executive-leaders on practices, possibilities and ideas generally for stepped up performance  
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### 3719 FROM THE EDITOR'S DIARY

**AN ASYLUM FOR A TREASURE;** Many Sanskrit books are a treasure house of knowledge and wisdom. It is a human heritage, not a mere Indian heritage. Realising this truth, some countries (like Germany and Canada) have collected, preserved and made use of Sanskrit writings.

May be, in the next few years, we may realise what a wise move those countries have made. By the time we realise this, it may be a little late. Fortunately, there are a few institutions who are taking intelligent, resourceful and energetic interest in this preserving heritage.

One of them is the Academy of Sanskrit Research situated in the sylvan surroundings of Melkote, Karnataka - pin code 571 431 - presided over by a many-talented scholar, Professor M.A. Lakshmithathachar.

I read a news item in their recent newsletter that a family donated a set of Sanskrit books inherited by them. I felt good about the donor and the donee. I see a multiplier model in this event. To be specific, if your forefathers have zealously collected Sanskrit texts of any hue, please offer this to the Academy and offer a donation too.

The Academy says: You are welcome to write to us at

<asrbng@blr.vsnl.net.in>

### 3720 MANUFACTURING MANAGEMENT INITIATIVES

*Organizations feel the need for promising management practices. Specialists in management practices - both local and foreign and especially foreign - are aggressively promoting them. They are well-packaged.*

*Each 'modern' practice costs in terms of time and money. Decision makers would like to benefit therefore from the experiences of others, it does not matter from which part of the world. What follows is a report on a recent British study.*

Which, if any, of the modern management techniques really work? For most of the new approaches that have recently been promoted, the answer is obscured by confusion and cynicism.

The typical life cycle of a management practice begins with extravagant assertions about its effectiveness which gradually give way to bad publicity about its failures, which its champions

then try to rebut. The claims and counterclaims rarely amount to a balanced picture.

But a new study of UK manufacturing techniques has set out some answers to these questions. It has assessed the effectiveness of a score of techniques ranging from business process re-engineering to total quality management.

The Institute of Work Psychology at Sheffield University garnered responses from managing directors of 564 manufacturing companies from 15 sectors.

Its broad conclusions are worrying. "The overall levels of reported effectiveness are not impressive for any of the 12 manufacturing practices." In about 50 to 60 per cent of cases, these initiatives are meeting the objectives only moderately or worse.

But a detailed examination suggests that several of the techniques are at least partially successful in meeting their specific goals. Generally, the management practices appear to be best at improving the companies' responsiveness to their customers and worst at reducing costs, with middling success at meeting quality objectives.

The most successful practices at improving quality were found to be total quality management (seeking continuous change to improve quality); team-based working (allowing teams of operators to allocate work between themselves) and manufacturing cells (giving each group of operators the resources to produce a whole product). These were considered to meet their objectives entirely or a lot in about half the cases.

When it came to cost reduction, the most successful technique was found to be business process re-engineering (radically re-designing production processes) which met company objectives either entirely or a lot in 56 per cent of cases.

The best tools for increasing responsiveness to customers are just-in-time (making products in direct response to customer demands), supply-chain partnering (developing strategic alliances and long-term relationships with suppliers and customers) and concurrent engineering (simultaneously designing and manufacturing products).

The study found limited take-up of even the most popular practices. The most commonly used practices - which are extensively used in at least a third of the companies surveyed - are supply-chain partnership, TQM, JIT, team-based working and integrated computer-based technology.

Looking to the future, the techniques that are likely to become increasingly popular appear to be those that focus largely on improving quality and responsiveness to customers, rather than mainly being focused on cost-reduction. Hence the practices that are growing in popularity are integrated computer-based technology, TQM, learning culture (providing a range of development opportunities for all employees), team-based working, empowerment (passing responsibility for making decisions as far down the company as possible) and supply-chain partnering.

The practices that are fading in popularity are concurrent engineering (simultaneously designing and manufacturing products), manufacturing cells and out-sourcing (the practice of contracting out processes to other companies).

Indeed, outsourcing provoked the most criticism of any of the techniques studied. It was seen as ineffective at everything except cutting costs, where it was only moderately successful. Few companies expect its use to increase; more than one in five expect to use it, less or much less.

The criticism of outsourcing may come as a surprise because it has a longer history than many other techniques. But the report found little correlation between a technique's popularity and the length of time it has been in existence.

One of the most striking findings of the study was the very mixed results from using the same technique. Why do some companies succeed with a particular technique, while others fail?

One explanation may be that some companies have unrealistic expectations. "Companies may find it difficult to assess their prospects of success because of the lack of available independent advice," the study says. Most of the information is provided by suppliers and experts, who may have a vested interest in promoting the practice. Another possible

explanation lies in the detailed design and implementation of the technique.

The study found that there are no structural barriers to the use of these practices. In general, all 12 practices appear relevant to all sizes and types of companies.

This strikes an optimistic note in a generally sobering report. "The fact that the effectiveness of these practices also does not vary with company size or manufacturing sectors is encouraging. It implies that success and failure are open to all."

*Source: Vanessa Houlder in Financial Times*

### **3721 LEARNING FROM TEACHERS**

*Knowledge is inter-disciplinary. Probably this explains the success of some of the keymanagers who have not been to a management school. I can readily recall three such managers - one a professor of English literature, another a Sanskrit pandit and third a student of fine arts.*

*We can learn from every discipline. The following item explains how managers can learn the art of man management from teachers.*

Once you've learned how to get an unruly classroom of kids to pay attention, managing a staff of adults is a piece of cake.

Teachers, like managers, must appeal to a tough audience. And students, like employees, respond well to strong, fair-minded leaders.

By studying how effective teachers do their jobs, you can learn a lot about leadership. From motivating people to managing malcontents, good teachers know how to keep everyone focused.

Here are some management tips that you can borrow from teachers:

#### **Set High Expectations.**

The best teachers don't settle for average effort. They're always demanding better.

"You want to set high expectations for every kid and convince them that they can do it and it's worth the effort," said Mark Lewis, who teaches second- and third-graders at Garrison Elementary School in Washington, D.C.

Like a manager trying to fire up his sales staff, Lewis came into his classroom one day and waved some disturbing figures at his students. In the issue of The Washington Post he held in his hand were the standardized test scores of every school in the city, and Garrison Elementary came in next to last.

"I told them, 'We're going to change that this year when it's your turn to take the test,'" he said. "I kept pushing them and even badgering them at home over vacations." Thanks to their diligent preparation, Lewis' students staged a startling turnaround and earned high scores.

#### **Earn respect, not friends.**

"The biggest mistake new teachers make is to befriend kids and be too compassionate at first," Lewis said. "That may sound harsh, but you don't want the kid sitting on your lap all the time. As soon as you feel sorry for a kid, you're doomed."

Similarly, a manager's first priority is to earn employees' respect by treating them fairly and communicating in a straightforward manner. They may not become best buddies, but they may listen to you and perform at full potential if they think that you're a credible leader.

#### **Talk in sound bites.**

"I don't care if you're 10 or 50. If you feel overwhelmed, you'll shut down," said Carolyn Roberts, principal of Northgate Middle School in Newman, Ga. "That's why it helps to communicate ideas by breaking them down into bites of information."

Roberts, who spent 16 years as a teacher and a trainer of other teachers before becoming an administrator, has found that the key to teaching is dealing with short attention spans.

"You want to give someone a bite that they can chew and digest," she said. "Then give them another bite. By building your lessons this way, you guide people to learn without overloading them."

#### **Use Props.**

Words alone may not force a group to take notice. But appeal to their other senses, and you can reinforce your main points.

When Ryda Rosem, an education professor at the University of Pennsylvania, shows elementary school teachers how to teach science, she stresses the need for eye-catching visuals. For example, she'll use a set of photos of different mammals or toss around balls of different weights to get her point across.

"You want to show people something that piques their curiosity," said Rose, who trains teachers on how to communicate with students. "Telling them something alone doesn't work. Show them something at the same time to reinforce the message."

#### **Let a group discipline itself.**

Smart teachers don't try to pretend they're the police. To discipline trouble-makers, they put the burden on the rest of the class to select an appropriate punishment.

"Whether you're dealing with children or adults, you need to develop trust and respect their autonomy," Rose said. She shows elementary school teachers how to convene a "moot court" every week in which the students serve as their own judge and jury.

"The goal is to let peers judge and supervise the discipline process rather than having it just come from above," she said. "That puts you out of the picture and empowers them to take responsibility as a team."

#### **Try an interactive approach.**

"The biggest thing with both kids and adults is to make them feel important," Rose said. "You've got to let them think that they're making the laws and exercising at least some limited power."

For example, Rose finds that using case studies is an excellent way to allow students to direct the learning process. Case studies serve as the basis for a question-and-answer learning format.

"As we analyse the material, they have to ask me questions where I can only answer yes or no," Rose said. "To formulate good questions under these conditions, you have to think carefully and be precise."

Say, a science teacher is trying to show how a chemical changes color when mixed with another substance. Instead of showing the

class the chemical reaction and then lecturing on it, a teacher can force students to ask yes-or-no questions about it: Does the color change have to do with molecular bonding? Is this reaction expected?

This same approach can work if you want to explain a complex procedure to staff members. Rather than lecture them on what to do and how to do it, you can present a set of facts and invite them to ask yes-or-no questions. This interactive approach encourages them to grapple with the subject matter and analyze exactly what they need to know.

*Source: Morey Stettner in Investor's Business Daily*

#### **3722 TRENDS: Sabbatical - A Perk.**

*Where "knowledge workers" (in Peter Drucker's words) or "curiosity workers" (in Tom Peter's words) are becoming the dominant dimension of the workforce, organizations have to think of perks that make meaning to them. The following perk is one some companies are finding meaningful.*

Richard F. Ziegler, a Manhattan lawyer, just came back from the Rockies. And Mike Phillips, the chief executive of an investment management firm near Seattle, just returned from Europe.

Vacations, right?

Better, Sabbaticals.

"It was about two weeks before I really appreciated how long a period I was going to be gone," said Mr. Phillips, who spent a month in England and another in Italy. "Now, of course, it all seems like it was a dream."

Mr. Ziegler just started his three-month sabbatical and spent the first week on a horse ranch in northern Colorado that had no telephones accessible to guests. "So contacting my voice mail was out of the question," he said happily.

Extended leaves, with or without pay, have become a treasured and, over the last 15 years, increasingly common perquisite for long-term, and even relatively short-term employees.

In a survey of 829 of its members last year, the Society for Human Resource Management in

Alexandria, Va, found that 23 percent offered unpaid sabbaticals and 5 percent offered paid sabbaticals. The sample included some schools and universities, at which sabbaticals have long been offered, as well as many companies.

"While unemployment is low, companies are trying new things to attract, motivate and retain talent," said Barry Lawrence, a spokesman for the society.

Though perhaps not as popular as stock options or signing bonuses, sabbaticals can be a carrot to recruit top talent or a reward to keep valued employees.

Mr. Lawrence added, though, that sabbaticals are a mixed blessing for companies.

"They may help attract people, but you can also lose people if they find a new job or career path while on sabbatical," he said.

Conversely, sabbaticals can also help a company ease out deadwood and disaffected or redundant workers. "We believe it can be a so-called downsizing tool," said Burke Stintson, AT&T's senior public relations manager. AT&T expects that a number of people will not return, a situation that would ease the need to downsize."

But the company says sabbaticals also offer growth opportunities for workers. Since 1992, about 1,500 AT&T employees have taken unpaid sabbaticals, which offer full benefits and a promise of a similar job when the workers return.

"We see it as a way for some people to better themselves and to bring new skills and perspectives back to our workplace," Mr. Stintson said.

Corporate sabbaticals are rarely as generous as their better-known academic counterparts. At many colleges and universities, a faculty member is entitled to a one-semester sabbatical with pay every six or seven years. Faculty members often extend their sabbaticals by taking a second semester off without pay.

Outside the ivory tower, shorter sabbaticals - two weeks to three months - are more common, and the required tenure may be less,

sometimes just a few years. Corporate sabbaticals are much more likely to be unpaid, which can make them unaffordable for some employees; companies that offer paid sabbaticals may require that the time be used for community service or another specific purpose.

At the Segal Company, an employee benefits, compensation and human resources consulting firm based in Manhattan, employees are eligible for a one-month paid sabbatical after 10 years. Segal was one of the first companies to offer sabbaticals, in the early 1960s, and about 30 people have participated to date, said Robert Krinsky, the chairman and administrator of the sabbatical program.

The time off, though, may be used for any purpose; pursuing a hobby, painting the house or taking a course. Mr. Krinsky said any early participant at Segal was its founder, Martin E. Segal, who went to Paris in 1965 to study painting and reflect on the future of the company.

More recently, a senior consultant, Omar Saldana, visited Colombia to study the health care system there. Another employee, Jonathan Parker, just returned from two months visiting Thailand, Cambodia, England, Ireland and the south of France. In England, he studied local employee benefits programs.

Mr. Krinsky said that whether eligible employees took sabbaticals, and what they did with them, depended as much on their family circumstances as on their work situation.

"The Segal Company program was founded with two basic purposes in mind," he said. "First, a sabbatical should help you gain a new perspective on your work and life and learn some things that could be of use when you return. Second, it provides an opportunity for someone within the firm to have a higher-level position with greater responsibility filling the position temporarily for the person on sabbatical."

These days, corporate sabbaticals are popular with technology companies like Intel and Apple, which compete fiercely for talent and where many employees work unusually hard. At Genentech, the biotechnology company in South San Francisco, Calif., full-time employees are eligible for a sabbatical of six continuous weeks with full pay and benefits, in

addition to their regular vacation time, in their seventh year of employment. Sabbaticals can be delayed until the eighth year if dictated by business needs.

"The sabbatical program is one of several rewards given to employees in acknowledgment of the high level of intensive work and commitment required at Genentech," said Judy Heyboer, the company's president of human resources. In exchange for that commitment, she said, "we give back the incentive of a more significant break than is typically offered."

Using sabbaticals as a carrot can make sense for companies. "The biggest challenge that any company faces is attracting and keeping good people," said Mr. Phillips, whose employer, the Frank Russell Company, the pension consulting and money management firm in Tacoma, Wash., allows 10-year employees to take eight weeks of paid sabbatical. "If you can do that, most of the other problems are manageable. If you can't, the problems proliferate."

"Part of having a people-centered company is recognizing that balance is important in everyone's life," he added. "We don't celebrate 80-hour weeks around here. In fact, we think that the person who has to work like that is, in the long run, not very smart."

Mr. Ziegler's law firm, Cleary, Gottlieb, Steen & Hamilton, offers its 130 partners a sabbatical after every eight years' service as a partner. The minimum sabbatical is two months, fully compensated, combined with a month's vacation to yield three months away from the office; partners are permitted to take an additional two months' unpaid leave if they wish and if the firm's workload permits. The firm also offers associates a somewhat shorter sabbatical after four years' service.

Professional partnerships often do not offer sabbaticals, but Mr. Ziegler, who is spending the rest of his time teaching a seminar at Columbia Law School, said his employer's program benefited from the fact that the firm is "among the few major firms that determine partners' incomes purely by seniority, permitting partners to take time off without any anxiety over potentially adverse financial impact."

Mr. Ziegler said one of the biggest benefits of a sabbatical was simply knowing that a long period of time off was ahead. "The change of pace offered by the sabbatical also, in effect, permits a risk-free, controlled mini-midlife crisis," he said. "It provides an opportunity to drastically change routine, experiment with something different, and then return to what one does best, hopefully refreshed and recharged."

He added that what he has chosen to do with his time - devising and teaching a course entitled Ethical and Other Challenging Issues in Complex Litigation - gave him time to reflect.

"I'm able to spend some time reflecting and thinking about - in a thoughtful, nonadversarial setting - many of the choices I make now almost automatically in a typical workweek when there often isn't much time to devote to them," he said, adding that the course could improve the firm's standing and thus help with the recruiting of law students at Columbia, "unless I really bomb out in the classroom."

The disadvantages, he said, include the backlog of work that he expects he will find upon his return in November. He is whittling away at it by having his assistant send some work and messages to him at home.

But that has been outweighed by the benefits, Mr. Ziegler said. He added that he was initially uncertain how to explain to clients that he was planning to leave them for three months. "Almost all of them were remarkably supportive, including many in-house counsel whose corporations wouldn't dream of offering such a wonderful midcareer benefit," he said.

*Nick Ravo in the New York Times*

### **3723 STUDY TRACKS FEMALE LEADERS**

*Whether there will be a quota of 30% for women in the parliament or not, more and more women will take up leadership positions in organizations. Modern times requires whole brain thinking and holistic thinking and women tend to have more of this thinking. When, however, they are given the same type of education men are given, they tend to lose this natural gift to some degree. A recent Canadian study tracks traits of female leaders.*

Women who have risen to the top ranks of large corporations tend to possess the same characteristics that will help companies succeed in the 21st century, according to a study done by a McGill University management professor.

Nancy Adler, who specializes in international human resources, says these women are outsiders who have a vision of their company beyond the bottom line.

In a paper published in the journal *International Management*, Prof. Adler looked at academic and business studies that predict the type of management necessary for success in the 21st century. She also studied the backgrounds and personal characteristics of women who have been national leaders or chief executive officers of companies with annual revenue of more than \$1-billion (U.S.).

She says it is too early to determine all of the traits of female business leaders because not enough of them have reached the upper echelons, but some of the characteristics they share with female political leaders have become clear.

Most of the women are university educated, often leaving their own country to get their schooling. And despite the belief that they inherited their power or their business, most female leaders earned their position, Prof. Adler says.

Many of them are driven by a vision beyond the economic goals of the corporation, such as Anita Roddick, founder and CEO of British-based Body Shop International PLC, which has become known for its environmental commitments.

This integration of corporate and societal goals will become increasingly important as governments are less able to meet the needs of their people and their business communities, Dr. Adler said in an interview.

Two current examples are Eastman Kodak Co. and Xerox Corp., which are both known to have good in-house training but considered moving their offices out of Rochester, N.Y., because they couldn't find properly educated staff. They have entered into a partnership with local educators to improve the quality of graduates.

Looking at political leaders such as Irish president Mary Robinson, who campaigned in more small communities than any previous presidential candidate, Prof. Adler suggests that building a broad base of support is a characteristic of women in business as well.

Young girls have been shown to excel at developing relationships and at working collectively. And studies show that female managers tend to have a more inclusive style than their male counterparts, but there isn't enough information to call it a pattern in top female executives.

But as organizations flatten out structurally and spread out geographically, this style will become more important. In her article titled **Global Leaders: A Dialogue With Future History**, Prof. Adler says that some highly successful but hierarchical 20th-century corporations such as International Business Machines Corp. and Digital Equipment Corp. have suffered because they have been unable to adapt to this new leadership style.

"Women appear to have inadvertently become the prototypes of a career pattern that will be needed more broadly among 21st-century leaders," she writes.

One of the clearest trends of female business leaders is that they are recruited from outside a corporation proportionately more often than their male counterparts. For example, advertising giant Ogilvy & Mather brought Charlotte Beers in from outside to become CEO. British firm Pearson PLC, which publishes *The Financial Times*, hired an American as its CEO, making Marjorie Scardino a double outsider.

Prof. Adler says one way around the so-called glass ceiling that has traditionally stopped women from moving up within a company seems to be a lateral transfer.

"The positive way of looking at (the glass ceiling) is that it's a career path we need to have in the 21st century."

*Source:Globe and Mail*

#### **3724 RECOMMENDED BOOKS:**

National Safety Council **FIRST AID HANDBOOK**; This book provides easy-to-follow step-by-step instructions that tell exactly what

emergency care to administer for virtually all injuries or sudden illnesses.

This life-saving manual stresses the many do's and don't's of treating victims - infants and children as well as adults - until a qualified medical team arrives.

A book that deserves to be on the reference shelf of every workplace - office or factory or other.

Priced at RS.425 (which includes the cost of packing and forwarding), copies can be had from Select Books, 3E1 Court Chambers, New Marine Lines, Bombay 400 020

### 3725 INNOVATION: A SURVEY

Innovation is the spark that makes good companies great. It is not just invention but a style of corporate behaviour comfortable with new ideas and risks.

The Fortune magazine has been making an annual Corporation Reputation Survey. The results of the 15th such survey were recently out.

The ten top ones are Coca-Cola, Mirage Resorts, Merck, United Parcel Service, Microsoft, Johnson and Johnson, Intel, Pfizer, Procter and Gamble, and Berkshire Hathaway.

The eight key corporate attributes of reputed companies were innovativeness, quality of management, value as a long term investment, country and environmental responsibility, ability to attract, develop and keep talented people, quality of products and services, financial soundness and use of corporate assets.

### 3726 LAUGHING MATTER?



*Eric & Bill*

"Sorenson, when you said company sales were looking good, what company were you referring to?"