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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 management leadership

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3782 FROM THE EDITOR'S DIARY

CONFERENCE ON SPIRITUALITY IN THE WORKPLACE

The International Conferene on Business and Consciousness:Practical Applications at Work will be held between 7 and 14 November in 1998, Mexico.

The over-60 speakers include Dr. Deepak Chopra and Professor S.K.Chakraborty.

"What you can expect" includes:Resources and tools to take back to your organisation, examples of how businesses have incorporated spriituality into their organisations, choices-create your own conference upto 6 presenters, workshops, panels and discussion groups to choose from at any one time, insights - clarity of purpose and direction, networking - connection with like-minded people, balance - of body/mind/heart, work/play, doing/being, celebration - through theatre, music, dance, humour and fun, vision - to be a leader in your field, excitement - of participating in the leading business conference, the fourth of its kind.

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FT BUSINESS BOOK AWARDS

As more and more books are published around the world, expressly for business audiences, business leaders and managers are finding it increasingly difficult to separate the wheat from the chaff. Which books are worth their time? Which are the most thought-provoking, the most insightful, the most exciting? In short, which books will change the way we do business?

These are the questions that made Financial Times, London do an exercise along with the international management consultants, Booz, Allen and Hamilton. They called it the Global Business Book Awards and they chose to celebrate it every year in a ceremonial way.

The books for the 1997 are

CANNIBALS WITH FORKS by John Elkington.
CORPORATE CREATIVITY by Alan Robinson.
THE NEW WEALTH OF ORGANIZATIONS by Thomas A.Stewart.
REWIRING THE CORPORATE BRAIN by Danah Zohar.
BUSINESS PLANS FOR DUMMIES by Paul

Tiffany. EVEN MORE OFFENSIVE MARKETING by Hugh Davidson. THE INNOVATOR'S DILEMMA by Clayton Christensen. A SCIENTIST'S TOOLS FOR BUSINESS by Robert L. Sproull. SECRETS OF SUCCESSFUL WEB SITES by David Siegel. THE HIGHWAYMEN by Ken Auletta. THE BANKERS: THE NEXT GENERATION by Martin Mayer. INSIDE THE KAISHA by Philip Anderson. BEER BLAST by Philip Van Munching. F.I.A.S.C.O. by Frank Partnoy. CAR: A DRAMA OF THE AMERICAN WORKPLACE by Mary Walton. SKY HIGH by Mathew Horsman. INSIDE INTEL by Tim Jackson. HOW TO SUCCEED IN BUSINESS WITHOUT BEING WHITE by Earl G. Graves. MATSUHITA LEADERSHIP by John P. Kotter. THE ONE BEST WAY by Robert Kanigel. RICH DESSERTS AND CAPTAIN'S THIN by Margaret Forster. THE LIVING COMPANY by Arie de Geus.

The sponsors have also a provision for some special awards. One is called The Edwin G. Booz prize and that goes this year to the book *The Living Company* by Arie de Geus and another, The Lex Prize that goes to *Rich Desserts and Captain's Thin* by Margaret Forster.

3783 FOR THE STATISTICALLY INCLINED

Commonsense tells that rudeness in workplace costs firms. Some presumably are waiting for a scientific study, for facts and figures

A University of North Carolina study looked at behaviour like executives chewing people out publicly. Companies tend to ignore such behaviour, the study said, but that costs in terms of productivity - and money. When bullied, the study shows, 12% of workers did poorer work, 22% didn't work as hard, 52% lost work time trying to avoid the bully and 12% switched jobs.

3784 RING IN THE NEW

Lec Refrigeration is a British company that reminds us of a number of companies in India. What companies did and the way they did worked for many decades. Let us thank God for that. The question now is: Would it for all time? 'NO' is the answer.

In the larger interests, companies have to effect necessary changes just as this company did.

Bognor Regis, a quiet British seaside town, is an unlikely place for a revolution. But that is not too strong a word for the changes unfolding at Lec Refrigeration, a large UK white-goods manufacturer which is trying to shift its management thinking several decades in the space of about 15 months.

Habits developed over more than 40 years - since the company was set up in Bognor by Charles Purley, an entrepreneurial former fishmonger with an autocratic streak - are being turned on their head by a crash programme in worker empowerment.

All 1,000 Lec employees are being trained in a series of two-day "workshops" to come up with their own ideas for improving the company rather than having changes imposed by managers.

The workshops are supervised by Sid Joynson, a blunt-speaking and highly unconventional management "facilitator" who refers to shop-floor workers as "heroes" and has unprintable views about many current management practices.

There is a faint air of anarchy about the plant, as the company attempts a complete change in corporate style. The effort is likened to "trying to roller skate while playing Nintendo", by Terry Mahoney, Lec's production director who was brought in last October to oversee the changes.

Catalyst for the switch in philosophy was the pound 22m takeover of Lec in 1994 by Sime Darby, a Malaysian industrial conglomerate encompassing more than 200 companies with activities including tyre and latex manufacturing, oil and gas, property development, heavy equipment distribution and car sales. In the early 1990s the UK company had run into losses, as competition hotted up in the pound 3bn a year European refrigerator market.

Sime Darby see Lec, which turns out pound 50m worth of products a year and where about three-quarters of the workers are on the shop-floor, as a strategic asset helping it to branch into European manufacturing. The Malaysian giant has spent pound 30m building a gleaming new refrigerator factory, now nearing completion next to Lec's rambling and old-fashioned premises in West Sussex. Further investments are likely in the next decade,

possibly taking Lec into other areas of consumer goods.

But largely on its own initiative, Lec realised that to take maximum advantage of Sime Darby's strategy, it had to change. That meant casting off its previously "top-down" management approach, and bringing in Japanese-style kaizen techniques in which workers are trained to work in teams and devise solutions to production problems largely independent of supervisors.

Such programmes are far from new. They have been brought in by many manufacturing companies, particularly in Britain, as a response to the competitive threat from industrial groups in East Asia.

However, many companies that engage consultants to unleash the entrepreneurial energies of their employees "create a strategy but go only a tenth of the way to making it happen", according to Graham Williams, general manager of CSC Manufacturing, part of the US-owned Computer Sciences Corporation and a leading consultancy in "continuous improvement" work methods.

The background to the changes in the fierce competition in the European domestic refrigerator business. The main players include Sweden's Electrolux, the German Bosch-Siemens group, the US's Whirlpool and Hotpoint, owned jointly by Britain's GEC and General Electric of the US.

Asian suppliers such as Matsushita of Japan, and Samsung and Daewoo of Korea, are also viewed as a big longer-term threat. In this environment, modern and flexible production techniques giving companies an ability to react quickly to changes in the market are a "key aspect to competitiveness", according to Scot Stevens, publisher of *Appliance*, a Chicago-based magazine covering white goods.

According to Mike Paige, a toolmaker who has worked 43 years at the company, Lec until recently was "a company stuck in a time warp". Until about a year ago, he says, "no one (from management) ever asked me my point of view".

Many of the characteristics of the Bognor company are due to Purley, one of Britain's most remarkable, though least known, industrial entrepreneurs.

Purley had few educational qualifications. In 1940 he started making fridges for his own use so that he did not have to cycle to Brighton each day to buy fresh fish! Buyers for the machines came forward and in 1942 in Longford Road, Bognor, he established Lec - short for Longford Engineering Company.

Under the stewardship of Purley, who remained chairman virtually up to his death in 1991 and was the largest shareholder, the company steadily expanded. But it retained an idiosyncratic, inward-looking style, according to Ken Cox, Lec's managing director who took over the top job shortly before the Lec takeover after nearly 30 years with the company.

According to Cox, who was formerly Lec's sales director, Purley eschewed modern management thinking. "He was intensely patriarchal, and committed to the company. It was his escape, his garden shed, his whole life." However, he brooked little argument from subordinates. "The company conformed to how it had always been run. Several times it came close to collapse. It never ceases to amaze me that we survived," says Cox.

Purley's approach is now being turned upside down in the existing Lec factory - due to be gradually wound down over the next few years - where large white boards are dotted around close to production equipment. Workers are sticking on to these hundreds of small Post-it notes suggesting swithes in working practice, according to guidelines established by Joynson in his training workshops.

The notes are coloured red for describing specific problems, yellow for facts about these cases and blue for ways to improve matters. The workers are divided into teams of up to 20 people and are given responsibility for sorting out production hiccups, or improving quality through cutting defects, with relatively little involvement by senior managers. Also festooned about the plant are Joynson's slogans, such as: "We attack problems, not people."

The ideas being introduced at Lec cover anything between altering the packaging for finished fridges to switching to new systems of adding insulation materials.

Mahoney says that by themselves none of the hundreds of employee suggestions bubbling up from the shop-floor is particularly radical.

Taken together, though, he believes they should improve factory productivity by 10 per cent over the next couple of years. "By the end of this year (when the workshops should be finished) we should be getting an extra pound 1m a year free production," he says.

Joynson says many of his ideas have come from copying Japanese-style working practices, most notably practised by Toyota, Japan's biggest car maker. He teaches employees to take responsibility for their actions by breaking work down into small segments, identifying problems and then working methodically to solve them.

He is contemptuous of much of current management practices, embodied in a string of what he says are faddish names such as re-engineering.

"Companies tell me they are investing in their people," he says. "I tell them I don't want to invest in people, I want to set them free."

Joynson started his career as a teenage foundry worker in Yorkshire. He has worked for blue-chip companies including British Petroleum, Glaxo Wellcome and the Swiss engineering company Suter. But he is not to everyone's taste. One manager who used his services at another plant says he found Joynson too confrontational.

More positive, however, is Peter Stewart, a business development manager at the electricity generator PowerGen, which engaged Joynson to "empower" several hundred power-station workers. Joynson, says Stewart, "breaks down inhibitions" and "has a big effect on the bottom line", while John Garnett - chairman of the pound 250m-a-year turnover security systems division of Laird, the UK construction group, - says of the kaizen expert: "He helped us to improve our performance and productivity at a rate that was unimaginable."

Sentiments from the Lec workers so far are generally positive. "Until two years ago we were all kept completely in the dark (by the management)," says Graham Richards, who has worked at Lec for 20 years in the sheet metal shop. "Now the atmosphere is a lot better; we're all being asked to make a contribution."

Lec's version of a Mao-style cultural revolution is not without its problems. It means lots of ideas bubbling around with few people having

an overall grasp of every aspect of what is happening. Also supervisors, or "charge hands", have to adapt to a new role of "coaching" employees to make suggestions rather than issuing orders.

However, the new arrangements can be a lot quicker in getting results; one tooling problem, for instance, was solved almost immediately by the worker concerned asking a toolmaker to change a mould, in the past he would have had to go to an engineer to get this done.

Vernon Jones, one of the charge hands, who has now rechristened his role as a "team leader", says he has adapted to the changes. Jones, who supervises about 30 people says: "I used to be like a headless chicken chasing people around telling them what to do. Now I've slowed down, trying to guide people to see where problems are. The company has also taken on a new quality manager, Adrian Brunton, who previously worked in the electronics industry, to impose some pattern on what might otherwise be fairly disorderly changes.

No one at Lec doubts that the going will not be hard. "When we started this programme at the end of last year we were at the bottom of division three (in the UK football league) and we're now about half way up. But in two years I think we can be in the premier division." says Mahoney.

As for Cox, he is pleased to turn his back on the last 30 years. He says he has become a wholesale advocate of the changes, getting involved himself with regular kaizen "improvement" meetings with the shop-floor staff. "It's exciting seeing people blossom," he says. "People who have been at the factory for years pop out of the woodwork and become leaders overnight."

*Peter Marsh
in Financial Times, London*

3785 SLEEPING TIPS ROAD WARRIORS

Business travellers are growing. It may be good for the transport industry of all kinds. Will it be good for the travellers themselves? One problem travellers face is the needed daily sleep. Here are a few pointers for them

When you left for your business trip, you were worried about making the sale. But when you

got to the hotel, all you could think about was getting to sleep.

Once at their destination, business travelers often toss and turn, plagued with jet lag, not to mention anxiety about coming meetings.

Citing surveys, Dr. Thomas Roth, chief of the division of sleep medicine at Henry Ford Hospital in Detroit, said, "Almost 60% of business travelers have trouble."

But as sleep experts like Roth learn more about the workings of our internal clocks, they're coming up with ways to cope with sleep problems. The travel industry is offering help too, and some hotels make special efforts to cater to sleep-deprived guests.

One of the easiest ways travelers can reset their body clocks and beat sleep problems on the road is by using light therapy. Light therapy involves going outside into the sunlight or using a "light box," which is a small device equipped with fluorescent lights. Sunbox Co. (800-548-3968) makes a shoe-box-sized unit for \$250 and a battery-powered visor kit for \$360. Bio-Bright (800-621-5483) sells its Jet Lag Visor for \$349.

Another way to adjust your body clock for a trip is to change your bedtime a few days before you leave. If traveling east, go to bed earlier and wake up earlier a few days before the trip. Do the opposite if you're traveling west.

What about using melatonin, the popular supplement sold at health-food stores? Studies have shown that melatonin can help fight jet lag. Melatonin is a naturally occurring hormone released by the tiny pineal gland deep in the brain to prepare the body for sleep. (When light returns, production stops.)

But Roth advises caution. "It's an exciting possibility," he said, "but we don't (yet) know how much to take. There are too many questions." One of the most pressing, he says, is what constitutes a therapeutic dose.

The National Sleep Foundation in Washington, D.C., is also advising caution. The group has said, "Melatonin is, at present, an experimental approach to sleep problems, and travellers should consult their physicians before using it."

Some travelers insist that eating certain foods or following a special diet can eliminate jet lag. For instance, the so-called anti-jet lag diet

advocates alternating high-protein with high carbohydrate fare on different days. According to the National Sleep Foundation, though, "There is not conclusive evidence that diet can in any way minimize jet lag."

Prescription sleeping pills can be effective when used properly, Roth says. That means taking these drugs only for a short time, without alcohol, and under the supervision of a physician.

Sleep experts aren't the only ones trying to help business travelers these days. Hilton Hotels Corp. has opened 25 "sleep-tight" rooms at five of its properties. (Locations include the Beverly Hilton, Beverly Hills, Calif.; Chicago O'Hare Hilton; New York Hilton and Towers; Hilton Hawaiian Village on Waikiki Beach; and the Capital Hilton, Washington, D.C.).

The goal is to "create the ultimate hotel sleep environment," hotel officials say. Hilton developed the rooms with help from the National Sleep Foundation. Sleep-tight rooms are equipped with white sound machines, compact disc players and special light systems similar to those used by astronauts to realign their body rhythms.

Hilton also offers a dual wake-up call: an initial call is followed by another one 10 minutes later. And room refreshments include cheeses and milk instead of caffeinated products like chocolate and coffee. Milk and cheese contain tryptophan, an amino acid, which can induce drowsiness.

Sleep-tight rooms don't cost extra, according to Jeremy Baka, a Hilton spokesman. Thanks to positive response, Hilton is planning to expand the program.

Other hotels will also respond to requests for features such as dual wake-up calls. They can arrange for you to stay in a room away from ice machines, staircases and elevators. And they can forward non-urgent messages into a hotel voice-mail systems.

Here are some other tips on getting a good night's sleep while on the road:

- ◆ **Take along soothing sounds.** Portable "white noise" machines are available through Sharper Image (800-344- 5555) and other outlets. "Getting Through the Night," a two-tape, guided-imagery

program by Marilee Zdenek, a Santa Barbara, Calif., author and consultant, is designed to help you get to sleep quickly. (The program is sold at bookstores for about \$16 or via phone order from Two Roads Publishing, 800-438-7444.)

- ◆ **Set up a bedtime ritual** "Check out the doors and windows," Zdenek said. If you don't feel secure, ask for another room. Wind down before bed; turn off the television and minimize other noise. If you have a busy day ahead, write down everything you must do. That way, you won't do a mental checklist as you're trying to fall asleep.
- ◆ **Watch what you eat** Avoid alcohol and caffeine for at least three or four hours before bedtime. Both can hamper sleep.
- ◆ **Get comfy** Bring objects from home, such as a picture of your spouse or family, or a favourite coffee mug, to feel more at home.

*Kathleen Doheny,
in Investor's Business Daily*

3786 A STRUCTURE TO CONSIDER

Entrepreneurs come up not merely with novel products and services but with novel approaches to organizational structure. The structures fortunately are available to the public to consider. Here is one we found from a recent issue of L.A. Times.

As Leslie D. Michelson sees it, one of the chief reasons society is deteriorating is the absence of community in people's lives.

So when he and a like-minded entrepreneur, Jacqueline Kosecoff, decided 10 years ago to start a health services company, Michelson set two goals.

First, he wanted an atmosphere in which Type A crusaders bent on reforming the nation's system of health-care delivery could thrive. Second, he wanted to create a corporate culture that would bind workers into a cohesive, supportive team during the long hours they would spend in the workplace.

Evidence indicates that the partners have succeeded on both scores. The Santa Monica company they co-founded, Value Health Sciences, is the nation's leading applied health services research company. Its software

programs help doctors and hospitals in the managed-care industry assess how best to treat patients, determining such things as whether back surgery is called for or whether a pharmaceutical product increases risk.

In formulating the idea, the partners saw an opportunity to help ensure that quality would not erode as the emerging managed-care industry launched a relentless pursuit of lower costs.

Seeking to give the place a "ma and pa" feel, Michelson, 46, and Kosecoff, 47, agreed to operate as co-chief executives. And they encouraged the doctors, researchers, software programmers and support staff they hired to consider the company a family. If an employee felt uncomfortable approaching Michelson, he or she could walk into Kosecoff's office instead.

"It surprises us more companies don't use that (co-CEO) model as we move from industry to services and intellectual property," Michelson said. "Why would you settle for half the IQ and no "binocular perspective?"

The co-CEOs draw employees out on significant events - both happy and tragic - in their personal lives.

When family circumstances warrant, the company goes out of its way to accommodate. If a parent has to leave at 4 p.m. to pick up a child, that's O.K. People basically are invited to set the hours that work best for them. And many workers telecommute from Phoenix, Boston and other far-flung locales.

"We mourn together, we celebrate births together, we take care of one another," Michelson said. "We really care about one another."

When Kathy Nitta, an associate vice president in software development lost her mother last year, Michelson and Kosecoff urged her to take as much time off as needed.

"Leslie wrote a note to my family," Nitta said. "Gestures and communications like this make me feel a real sense of belonging. I spend a lot of hours here - at least 60 a week. It's important to find a culture where I'm comfortable."

Michelson, who said he has occasionally dipped into his own pocket to help employees enmeshed in crises cover their rent or mortgage, said he knew the company had

succeeded in establishing a community feeling when, five years ago, the staff pooled resources to replace a new bicycle stolen from a secretary's garage.

"Nobody even asked me to contribute," he said. "She was in tears because she was so touched."

After the 1994 earthquake, when their office building was a shambles, Michelson and Kosecoff arranged for employees to meet with trauma counselors. They also insisted that everyone try to get back to work, contending that business as usual would help repair frayed nerves.

When Michele Rutin's husband-to-be decided to move to Phoenix 3 1/2 years ago, the associate vice president and product manager gave a month's notice. Her bosses said, "If we can work it out, will you stay?" Rutin said she was shocked and thrilled at their willingness to let her telecommute much of the time.

Value Health, where pay tends to fall in the industry's middle range, has an innovative approach to perks for its 180 employees. For example, the less a person gets paid, the more the company will subsidize the individual's membership at a nearby health club.

Martha Groves, in L.A. Times.

3787 HOW TO BE MEDIAGENIC

TV culture has set in Just as we have to be computer literate we have to be TV literate as well. We should be mentally prepared. More importantly, we should know how to be mediagenic. Here are a few pointers from Morey Stettner (Investors Business Daily.)

Executives routinely hire media trainers to prepare for TV interviews. But what they're learning can upgrade off-camera presentations, too.

When you're talking on the air, all aspects of your public speaking are on display. Viewers notice every comment, gesture and facial expression. The same goes for any big presentation.

"It's important to please your audience, whether or not you're on television," said Barbara Laskin, president of Laskin Media, a media-training firm in New York. "Regardless of the situation, you need to drive your content home fast. You cannot take too long to get to the point."

TV-saturated American audiences have come to expect polished, camera-ready speeches. By applying media trainers' techniques, you can grab your listeners' attention and be more convincing. Here are some media trainers' favorite speaking tips:

Ace the Q & A

If you're ambushed for a live interview on a news program, you may tense up when faced with aggressive questions from reporters. But unless you're careful, the same problem can affect you when you're giving a routine speech and you're fielding questions from the audience.

"If executives are asked a difficult question, it's common for them to look down or away, cross their legs or adopt the fig-leaf position" in which they clasp their hands in front of them, said Susan Tomai, president of Evergreen Media Counselors, a media-training firm in Washington, D.C. "These are signals that you're uncomfortable with the question. It's better to keep an open posture and maintain friendly eye contact."

Tomai also warns executives not to babble in response to questions. "Don't overanswer difficult questions," she said. "You should answer them as briefly as you can. A lot of managers throw in long stories. That's not going to work - you'll get cut off if you're on television, and even if you're not, you'll put people to sleep."

Plow ahead

"Whether the cameras are rolling or not, don't retract what you just said," advised Jim Cameron, president of Cameron Communications Inc., a media-training firm in Darien, Conn. "If you make a mistake and say something you regret, just move on. Don't call attention to it, don't apologize, and don't be defensive." According to Cameron, reporters and general audiences listen the same way. They will focus more on something you say if you keep backpedaling to clarify a point.

"They may not have noticed or cared what you said the first time," he said. "But they'll sure pay attention when they notice that you're dwelling on it too much."

Remember two or three things

Unless you're caught off guard for a live on-camera interview, you have the luxury of preparing your main points so that you feed your listeners only what's most relevant or compelling to them. This all-important preparation step works equally well when you're delivering a regular speech.

"Choose in advance the two or three things you want your audience to hear and remember," said Susan Silk, president of Media Strategy Training Center Inc., a media-training firm in Chicago. "Once you identify those key points, you've got to find four or five ways to say the same thing."

"Reinforce your message using transparencies or other audio-visuals aids, analogies, anecdotes or statistics.

Spark a dialogue

Just because you're on center stage doesn't mean you must hog the spotlight. The best interview subjects, like the best public speakers, ask questions as well as answer them.

"Come to any speech with five good questions to ask your audience," said Silk. "Get a dialogue going with them. They'll remember more of what you say if you get them involved."

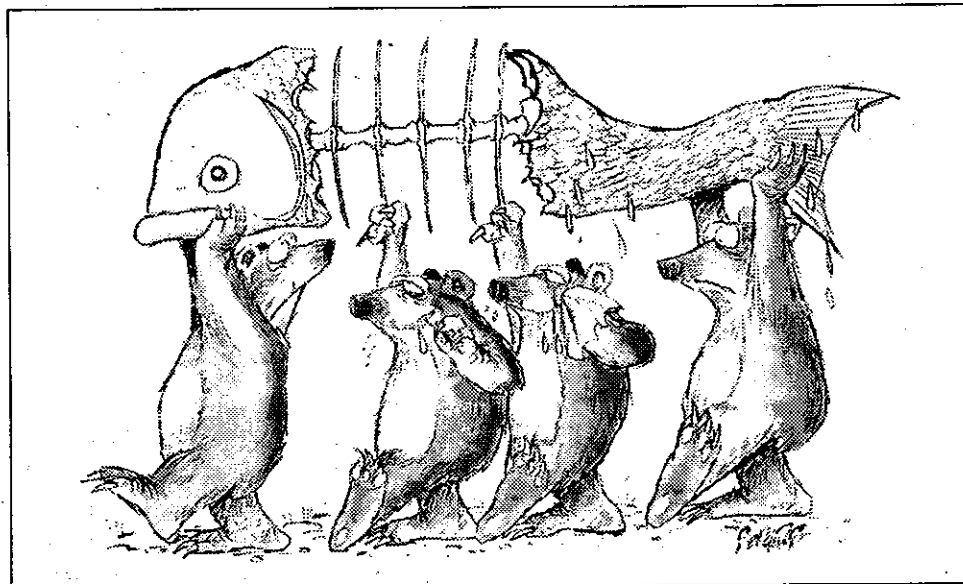
For example, if you're describing steps your company has taken to enhance its service, ask your listeners about experiences they have had as customers. If the group doesn't respond, you can always pose questions and then answer them: "Here's a question many customers ask me...."

Serve the meat first

Beware of leaving your best stuff for last. If you're on television, you may not have time to conclude on a high note. And if you're giving a speech, you may lose your audience unless you hold their interest from the opening minute of your presentation.

"I advise executives to speak in terms of descending importance," said Jeff Thompson, senior vice president of James A. Fyock & Associates, a public relations firm in Winston-Salem, N.C. "Audiences want to hear the bottom line right at the start. You should never keep them waiting for your best stuff."

3788 LAUGHING MATTER?



It finally dawned on Philby that middle management had gotten out of hand

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