

Management Ideas



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a monthly newsletter to key executive-leaders on practices, possibilities and ideas generally for stepped up performance
edited by
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author, educator & consultant
on problem-solving and creative management leadership

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IN THIS ISSUE

3826 FROM THE EDITOR'S DIARY; TWO LEARNING FESTIVALS IN U.S.A.	3830 OFFICE POLITICS
3827 A YEAR LONG LEARNING FESTIVAL	3831 OPPORTUNITIES AT 30,000 FT.
3828 SOCIAL CAPITAL; THE TWENTY PER CENT SOLUTION	3832 CONTINUED LEARNING; ANY ONE TO TAKE OVER THIS PUBLICATION? YOU ARE WELCOME TO EARLIER ISSUES OF MANAGEMENT IDEAS.
3829 OLDER WORKERS AND YOUNGER BOSSES	3833 LAUGHING MATTER?

3826 FROM THE EDITOR'S DIARY; TWO LEARNING FESTIVALS IN U.S.A.

ONE is in Atlanta, Georgia, U.S.A. The dates are: 23rd to 27th May, 1999.

The event is the ASTD's International Conference and Exposition.

The conference will consist of over 250 sessions designed by and for the world's human resource development professionals. At the exposition, you will be able to examine the world's largest exhibition of the latest in training and development methods and technology.

ECC Construction Group of Larsen and Toubro has been selected once again as a sponsor from India for the event.

You are eligible for a CONCESSIONAL registration fee of U.S.\$675 (as against the regular rate of U.S.\$1095 for a non-member) even if you were to register at site on the day of the inauguration. Only, to avail this concession, you have to affix "ECC" on the upper left corner of the registration form,

before forwarding directly to ASTD's registration office.

For more information, you may contact Mr.S. Chandrasekar, General Manager, L&T Ltd. ECC Construction Group, Manapakkam, Chennai 600 089 - Telephone 44/234 7259 and fax:44/234 7251.

If you wish, you may refer to this editorial note, for special attention.

ASTD's office: 1640 King St. Box 1443
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E-mail www.astd.org

Attention: Ms Mary McCain

The OTHER event is in Saratoga Springs, NY. The dates are April 23 to 25, 1999.

This 14th international conference is sponsored by the Humor Project Inc.

The theme is The Positive Power of Humor and Creativity.

"This program will not analyze humor and creativity to death - rather, it will provide a

goldmine of practical ideas on how to bring humor and creativity to life."

There will be pre-conference workshops on Friday 23, April, 1999.

Conference fees : postmarked by March, 1999: \$365

Pre-conference workshop:\$115.

A special to friends from outside the United States: If you register for the conference, you can attend one of the three pre-conference workshops for free.

Address: The Humor Project inc. 480 Broadway Suite 210 Saratoga Springs, NY 12866. Fax:518 587 8771 Phone:518 587 8779

3827 A YEAR LONG LEARNING FESTIVAL

OUR OWN Ahmedabad Management Association is having a learning festival this year.

This is year long - Practically every day, some programme / conference / workshop / or the other is on. There are programmes to suit all sections of population, including students and workers and housewives. I suggest that you become a member of AMA and you will get timely information. As a member, you will get their publications. The AMA has thoughtfully preserved some of the lectures on audio and video tapes. These are available to you for your ready reference. And many for sale.

You may write to Mr.K.K.Nair, Executive Director, Ahmedabad Management Association, Atira Complex, Ahmedabad 380 015 Phone:6560643, 400550 Fax:6427139 E-mail:ama@ad1.vsnl.net.in

3828 SOCIAL CAPITAL; THE TWENTY PER CENT SOLUTION

Countries vary in social capital, "the ability of people to work together for common purposes in groups and organizations", and to that extent in prosperity. One key aspect of social capital is the trust dimension. The high cost of low trust we are all aware of. Building a high trust level atleast in our organization deserves focused attention. The following brief extracts are from the brilliant book, "TRUST - The Social Virtues

and the Creation of Prosperity" by Francis Fukuyama of Rand Corpn.

"One of the most important lessons we can learn from an examination of economic life is that a nation's well-being, as well as its ability to compete, is conditioned by a single, pervasive cultural characteristic: the level of trust inherent in the society.

Consider the following vignettes from twentieth - century economic life:

- During the oil crisis of the early 1970s, two automakers on opposite sides of the world, Mazda and Daimler-Benz (maker of Mercedes-Benz luxury cars), were both hit with declining sales and the prospect of bankruptcy. In both cases, they were bailed out by a coalition of companies with which they had traditionally done business, led by a large bank: Sumitomo Trust, in the instances of Mazda, and the Deutsche Bank, in the case of Daimler. In both cases, immediate profitability was sacrificed for the sake of saving the institution- in the German case, to prevent it from being bought out by a group of Arab investors.
- The recession of 1983-1984 that ravaged America's industrial heartland also hit the Nucor Corporation very hard. Nucor had just entered the steelmaking business by building mini-mills using a new German continuous-casting technology. Its mills were built in places like Crawfordsville, Indiana, outside the traditional rust belt, and were operated by nonunionized workers, many of them former farmers. To deal with the drop in revenues, Nucor put its employees—from the CEO to the lowliest maintenance worker—on a two or three day workweek, with a corresponding cut in pay. No workers were fired, however, and when the economy and the company recovered, it enjoyed a tremendous esprit de corps that contributed to its becoming a major force in the American steel industry.
- In the Toyota Motor Company's Takaoka assembly plant, any of the thousands of assembly line workers who work there can grind the entire plant to a halt by pulling on a cord at his or her workstation. They seldom do. By contrast, workers at the great Ford workers, having adopted Japanese techniques, are trusted with

similar powers, and have greater control over their workplaces and machines.

- In Germany, shop foremen on the floor of a typical factory knows how to do the jobs of those who work under them and frequently take their place if the need arises. The foreman can move workers from one job to another and evaluates them based on face-to-face dealings. There is great flexibility in a promotion a boue-collar worker can obtain credentials as an engineer by attending an extensive in company training program rather than going to a university.

"By contrast, consider situations in which the absence of trust has led to poor economic performance and its attendant social implications:

- In a small town in southern Italy during the 1950s, Edward Banfield noted that the wealthy citizens were unwilling to come together to found either a school or hospital, which the town needed badly, or to build a factory, despite an abundance of capital and labor, because they believed it was the obligation of the state to undertake such activities.
- In contrast to German practice, the French shop foreman's relations with his or her workers are regulated by a thicket of rules established by a ministry in Paris. This comes about because the French tend not to trust superiors to make honest personal evaluations of their workers. The formal rules prevent the foreman from moving workers from one job to another, inhibiting development of a sense of workplace solidarity and making very difficult the introduction of innovations like the Japanese lean manufacturing system.
- Small businesses in American inner cities are seldom owned by African-Americans; they tend to be controlled by other ethnic groups, like the Jews earlier in this century and Koreans today. One reason is an absence of strong community and mutual trust among the contemporary African American "underclass." Korean businesses are organized around stable families and benefit from rotating credit associations within the broader ethnic community; inner city African-American families are weak and credit associations virtually nonexistent.

"A low social capital country is not only likely to have small, weak, and inefficient companies; it will also suffer from pervasive corruption of its public officials and infect public administration."

"While governments can enact policies that have the effect of depleting social capital, they have great difficulties understanding how to build it again".

One way to build trust, says Fukuyama, is "the spiritualization of economic life." (Your editor has been emphasizing this dimension of corporate life for many decades. Last year, he published a book, SPIRITUAL CULTURE IN THE CORPORATE DRAMA - To Revolutionise Role Excellence and to Make Winners All in the Workplace.)

3829 OLDER WORKERS AND YOUNGER BOSSES

Especially in manufacturing units, we face this situation - young qualified people coming in and being put in supervisory positions. They have to lead and manage much older and much more experienced people. Some do well but many do not. This piece carries quite a few tips.

Talking with World-Herald staff writer Randy Tucker, Ann Kelleher, founder of Mature Resources staffing agency in Omaha, discusses the keys to a successful working relationship between older workers and younger bosses.

A.K. - The success of a working relationship between an older worker and a younger boss depends a lot on the emotional and professional maturity of that younger manager. There are several dynamics that come into play. One of the things that comes into play is that younger managers sometimes feel intimidated by someone older who's been in the job market longer and has more work experience. Sometimes that affects the hiring process because the managers are afraid of hiring someone who may know more than they do. I think that's the person who's less emotionally and professionally mature. A smart manager of any age is going to hire someone who is sharper, perhaps more talented, than they are and utilize that talent. That's what someone who's well grounded in their own ability is going to do.

R.T. - What do older workers bring to the workplace that younger workers may not?

A.K. - In general, I think people over 40 seem to bring a stronger work ethic to their jobs. If they're not well in the morning, for example, they're going to go to work anyway because they know somebody is counting on them to be there. That's not always the case with the younger generation. You just can't help but be a product of your experiences and where you've been, and the people that have been around a little longer have just been through more hard knocks than most younger people have, and they have learned from those experiences and expect a lot from themselves because they've survived tough times. I see people I work with who are a little older who have higher expectations of their own performance in the work place than perhaps their supervisors do.

R.T. - Do you encounter resistance from clients when you try to place older workers with them?

A.K. - Well, our clients know that we specialize in placing older workers, and they come to us because that's what they're looking for. They're looking for value in the dollars they spend, and they know they don't have to spend as much time or money training or instilling a work ethic in our workers.

R.T. - Once they're on the job, how can a younger manager ensure a good working relationship with an older worker who may not respect the boss as a peer?

A.K. - If the younger manager shows the older worker respect or regard for their experience or knowledge, there shouldn't be a problem. But if an older worker feels like they're not being appreciated or not being respected, that's generally what sparks friction. What I find is that most older workers really do know how to get along with other people, and they know how to be team players, and when they think they're not being treated equally on a team, it can be frustrating.

R.T. - Do you see the trend of older workers working for younger managers as an emerging workplace issue that many businesses will have to deal with in the future?

A.K. - I do, because the available pool of workers is increasingly becoming the worker

who is 50 or older because of the demographics of our country. And people are just working longer because they're staying healthier and feeling good much longer than they used to. The prediction is that of baby boomers who reach the age of 50, it's projected that 25 percent of them will live to be 100 years old, and many of them will work well into their 60s and even 70s.

Randy Tucker, in Omaha World Herald

3830 OFFICE POLITICS

Companies get into avoidable stress situations because they are unnecessarily secretive. In such a situation, any mischievous rumour becomes powerfully negative. This is not peculiar to India. It is a global phenomenon. Here is a case history how someone took it as a problem to be licked.

When Cindy Casselman took a communications job at Xerox headquarters in Stamford, Conn., the company's communications weren't so good. If Xerox made a big acquisition or had a disappointing quarter, many of its 85,000 people read the news in the papers before they got the scoop from the company.

Casselman was determined to change things. "I was manager of employee communications," she says. "I took my job seriously."

But Casselman, now 50, didn't have much formal authority. She was, to use an out-of-favor phrase, a middle manager: someone whose boss had a boss who had a boss. So she assembled a makeshift budget and mustered a volunteer team she called the Sanctioned Covert Operation (SCO) "sanctioned", because her direct boss tolerated what looked like a modest project; "covert," because her actual goals were more ambitious than she let on. Today, thanks to SCO, any Xerox employee can visit the WebBoard, the company's Intranet site, and get more connected to what's happening inside this vast enterprise.

How did Casselman have such a big impact? She had a knack for playing politics.

Office politics. Just say the words, and you sense the disdain. Isn't "playing politics" a tool for people who can't get ahead on merit, who

pursue their own agendas, regardless of what's good for their colleagues or the company? That's the downside of office politics.

But what about the upside? Office politics is a lot like "real" politics. Plenty of politicians launch campaigns simply because they relish the privileges of power.

But some politicians campaign for things that matter to people other than themselves.

"When people talk about office politics, they usually mean something dirty or underhanded," says management professor Allan Cohen, dean of faculty at Babson College and co-author of "Influence Without Authority" (John Wiley & Sons, 1991). "But nobody exists in an atmosphere where everybody agrees. Politics is the art of trying to accomplish things within organizations."

So throw your hat in the ring! If you've got an idea worth fighting for, consult this five-step manual.

Rule 1: Nobody wins unless everybody wins

Office politics is no different from other aspects of life at the office - or of life in general. Appearances matter. It's usually the best-packaged idea that wins, not the best idea. And the first step toward victory is to position your idea so that your victory is everyone's victory.

"Real political skill isn't about campaign tactics," says Lou DiNatale, a senior fellow at the McCormack Institute of Public Affairs at the University of Massachusetts/Boston and a veteran political consultant. "It's about pulling people toward your ideas and then pushing those ideas through to other people. In electoral politics, people overestimate the importance of polls and direct mail. What really matter is: Can you make people want to vote for you? The questions in business are: Can you get people to move? Do people trust your instincts? It comes down to personality and positioning."

Casselman's campaign inside Xerox illustrates DiNatale's point. Soon after she joined the company, she learned how bad communication among employees had become. She and a few colleagues concluded that a Web site could change things for the better.

Hence the WebBoard - a project that lots of people inside Xerox were just as likely to consider threatening as to find inspiring. So as Casselman stumped for it - whether to recruit allies or raise funds to build a proto-type - she emphasized the benefits that would accrue to whatever audience she was addressing at the time.

Rule 2: Don't just ask for opinion - change them.

Opinion polls have a bad name, but no serious candidate runs for office without them. Politicians don't use polls just to identify their supporters. They also try to find out who opposes them, how deep the opposition is and how people's views evolve over time. What goes for electoral politics goes for office politics. You can't change people's minds if you don't know what they're thinking.

John Gorman of Cambridge, Mass.-based Opinion Dynamics Corp. says, "Go after basic questions. Do people really believe that what you're proposing will benefit the company? Do they believe that what the company says it's about - its mission statement - is what it really is about? Whose help do you need? Whose permission do you need?"

Gorman adds that the process of exploring people's opinions gives you an opportunity to shape them as well. You can ask questions in ways that build support for the outcome you want.

Rule 3: Everyone expects to be paid back.

There's the good news about office politics: Most people already have most the resources they need. "People tend to underestimate their potential power," says management professor Cohen. "Because they don't know how to get power, they assume they don't have power. Don't think you have nothing to offer people just because you don't have the budget to buy them. Even the 'poorest' people in an office have currencies they can work with."

So what is the most precious currency of organizational life? On this question, all the experts agree: personal relationships.

Cohen speaks of the Law of Reciprocity. "The secret of the universe," he says, "lies in six words: Everyone expects to be paid back."

Rule 4: Success can create opposition

Now it's time for the real work of the campaign: cutting the deals, big and small, that turn your goal into a reality - and reckoning with the resistance that any campaign generates.

Xerox's Casselman had a readymade information network in the form of her SCO team. But she needed money and programming talent. So she launched a deal-making spree across the company.

Casselman also cut a deal with her boss, Joe Cahalan, Xerox's director of communications: He would allow her to work on the project, but only if she raised \$250,000 per annum for the WebBoard on her own. Piece by piece, Casselman got the funds.

But Casselman's very success began to ruffle feathers. Opposition came from her own department. She'd been so busy selling her idea to other parts of Xerox that she'd overlooked the people closest to her. A few of her colleagues resented Casselman's high profile. And many of them worried about the extra work.

A compromise emerged. Casselman would conduct a 30-day trial before the WebBoard's public debut. It was a nerve-racking month for Casselman, but the trial was a huge success.

Rule 5: Don't ignore the aftermath of success

Election day for Casselman was Nov. 15, 1995. Chairman and CEO Paul Allaire traveled to Dallas to deliver the keynote address for Xerox Teamwork Day. Allaire celebrated the spirit of cooperation at the company. He spoke honestly about a recent round of job cuts. He talked about the future. And he described Xerox's newest internal communications tool - the WebBoard.

It was a huge win for the SCO team. It was also the beginning of the end for its campaign. The team had never developed a strategy for the aftermath of success. Everyone shared the unspoken assumption that after the WebBoard's creation, Xerox would create a stand-alone team to maintain and improve the site.

Bad assumption. The WebBoard never became a formally independent unit. Tight budgets limited its expansion. The SCO disbanded.

That said, there's no denying that Casselman herself has benefited from the WebBoard's creation. In February, she became executive assistant to Mark Myers, the head of corporate research and technology at Xerox.

Michael Warshaw, in Los Angeles Times

3831 OPPORTUNITIES AT 30,000 FT.

Typically, when we fly, we make up for missed sleep or missed reading. Some think there are more worthwhile things that can be done. Here is an experience of one such professional.

I have done one of my most important presentations flying into Frankfurt. Another time I was sharing a taxi with a Zimbabwean telecommunications executive on the way to Johannesburg airport.

Not all presentations are multi-screen sensory assaults. The critical ones, those that establish the first contact between you and the prospective customer, are often made on the road. That is when you have to rely on your "human technology". Most people make up their mind about other people in the first 30 seconds. So what can you do, as you click on the Lufthansa seat belt, to make a good impression on your neighbour? And how can you establish whether or not this is a sales opportunity?

As someone who travels a great deal, I have used the following half-dozen tactics with some success:

- Be neat and presentable.
- Try to make your companion feel comfortable. Choose your opening question with care.

Make it appropriate and non-threatening, such as: "Do you do this flight much?" Most people like to talk about themselves. Depending on the length of the reply, you can usually tell if someone is open to more questions.

- Use your next questions to build the agenda for the discussion. At this point, they are probably not aware of an agenda, but you should have one. It is a case of making sure you are going to talk about what interests them, not what interests you.

These questions should help you find out what kind of business they are in and whether you know much about it. Ignorance of hedge funds management is no barrier to conversation - ask the right questions and you will know more about them than you will ever need. The question for you is: Can I do anything to help this person and his or her organisation?

- Be a wonderful listener. And do not just listen, hear. Never interrupt, unless for clarification.
- Find parallels. Do not make direct comparisons, because nearly everyone believes their business is different from any other. But try to introduce information about someone or some company in a similar situation whom you may have helped.

This will usually prompt an interested response and give you the first opportunity to speak succinctly about the products and/or services you offer.

- Suggest a follow-up. You want your fellow passenger to feel that you have displayed genuine interest in his business and that you have created sufficient interest in yours.

If so, he will want to see you again. Perhaps you offer your business card and wait for him to offer his; or you ask if he would find it worthwhile for you to follow up with a call next week.

Remember to keep the game at a high level. After all, you are at 30,000 ft.

Brian Johnson in Financial Times

3832 CONTINUED LEARNING;

Mortimer Adler, author of the very popular book, HOW TO READ, has written another perceptive book, HOW TO SPEAK, HOW TO LISTEN. The later book concludes thus:

"Without continued learning throughout all the years of one's adult life, no one can become a truly educated person, no matter how good the individual's schooling has been.

"What are the major and most universal forms that such continued learning should take? My answer is threefold.

"**One** form of learning consists in the discoveries about life and society that individuals make in the course of their experience. A **second** consists in the increasing knowledge and enlarged understanding derived from the reading of books that can provide such goods. The **third** consists in the benefits conferred upon the individual by engaging in profitable and pleasurable conversation with others about the discoveries of travel, about books read, about knowledge acquired, and about things understood.

"The first two without the third fall short of the consummation to be sought for the process of continued learning in adult life. To consummate that process is to become an educated human being.

That is why learning how to speak and listen well are of such great importance to us all."

(In view of the above, your editor has been doing his bit for helping people upgrade their skills of reading, speaking and listening. On each of the topics, he has published books. Taking into account the time constraints of city life, he is CURRENTLY planning a two day intensive coaching on the skills of listening and speaking. You are welcome to get on his mailing list.)

ANY ONE TO TAKE OVER THIS PUBLICATION?

There is a time to start a venture. There is a time to handover the baton. If that is not possible, there is a time to stop.

This monthly started in 1963. It is now available for a take over. I want to hand it over when I am still in good shape and form.

I welcome offers.

The benefits for the institution or individual who buys this will be:

1. The personal privileges of being an Editor
2. Attendance at conferences
3. Books for review
4. Building a good knowledge base
5. Above all, the satisfaction of providing thought starters and action starters to the

readers besides giving good, clean, heart-warming reading material month after month

6 The beneficiaries can be one's staff and stakeholders or/and the general public.

The buyer will be a believer like me in investing in people, in knowledge, in ideas and in goodwill.

I will help and guide the buyer for an agreed period.

Should you like to take over or help some one to do so, please communicate with me at the earliest. My fax number is 022/200 0446.

DEAR READER, if the take over does not happen before March 15, 1999, reluctantly, I have to discontinue this publication. I will ofcourse return to the Reader balance subscription, if any; apart from thanking the Readers for their support all these years.

YOU ARE WELCOME TO EARLIER ISSUES OF MANAGEMENT IDEAS.

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You can keep bound volumes of the earlier issues for reference and renewal.

At your various meets, you will find them handy and useful for liberal distribution among your personnel and customers etc.

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3833 LAUGHING MATTER?



*This is the new 3-point policy on employee motivation.
Any questions?*

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