

N. H. ATTHREYA

ESSENCE  
OF  
MODERN  
MANAGEMENT

*the art of raising the standard of living*

M M C SCHOOL OF MANAGEMENT



**ESSENCE OF MODERN MANAGEMENT:  
THE ART OF RAISING  
THE STANDARD OF LIVING**

And what hinders our going further and faster.

**N. H. ATTHREYA**

**MMC SCHOOL OF MANAGEMENT  
BOMBAY 20**

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*DEDICATED TO*

**DOROTHY SCOTT**

a great friend of developing countries.

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*This book is presented  
in the "phrase reading" format  
to facilitate speed of comprehension.*

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## ABOUT THIS BOOK

This book has 6 parts.

Part I discusses the fruitful role modern management plays in achieving the larger objective of raising the standard of living.

Part II outlines the substance of modern management in operational terms and underscores its universal applicability—not merely to industries and business, but to trade unions, hospitals, ashrams, government departments, and even one's home.

Part III takes up the purpose, structure and operation of organisations, governmental and non-governmental, large and small, and highlights the inhibiting factors and influences. By implication, it provides clues to fruitful answers. The focus is on the national sector, not on the private or public sector.

Part IV suggests a course of action to the executive reader wherever he is and at whatever level he functions.

Part V attempts to answer the question: Why talk all the time about management's roles and responsibilities ?

Part VI gives a list of management thinkers so the reader may become familiar with their works.

A thousand words cannot get across a message more impactfully than a few strokes of the brush. With the courtesy of R. K. Laxman and Times of India I have used a few selected cartoons that have relevance to the points discussed in Section III. I hope the other sections will provide a thought starter for masters like Laxman.

## THE READER

This book is for the busy reader.

**The reader of this little book is presumed to be the busy executive in industry, government, business, hospital, trade union, or other organisation.**

The reader is already managing a unit now and managing it well—  
he finds it difficult to spare time to keep up with the growing literature in the management field.

He is willing, probably anxious, to know the essentials of modern management—  
he is not able to find the time either for a systematic exposure to the subject or for some reading of the more important literature.

**Since modern management is the analysis and synthesis of experience, successful and not so successful, and since he has rich experience to back him, he does not need elaboration of the subject. He needs only a frame of reference: he can fill in the details.**

In addition to the essentials, he may like to have a list of the books on management which he can read at leisure:



he knows that even a Ph. D. in management is no substitute for continuing self-study.

*There is a second reader* I have in mind—  
and an important reader at that.

**He is the elected leader in our democracy.**

Both for his own sake

and for the sake of the country,

he is sincerely seeking ways and means  
of stepping up the standard of living  
of the people in our country.

Once he comes to know, if only in outline,  
the possibilities and opportunities  
of modern management

in the realisation of national goals,

he may give it the place it deserves.

In the not too distant future, he knows,

the voters will choose their representatives  
on the basis of the later's ability  
to manage resources to fruitful ends.

He would like to survive as a significant statesman  
and not perish as a petty politician.

*The third reader* is the manager-in-the making—  
the young person who is graduating  
in arts, science or technology.

Whatever his/her career—engineering, research  
or home management (yes, home-management too)—  
there will be a management content in it.

Whatever his career,

he will have a role in the common game  
of raising the standard of living of the people.

He would do well therefore to know

the substance of management

and start preparing to practise it.

Since management is not mere knowledge but action and discipline, and since the emphasis in this book is on action and reflection, he/she may like to cultivate the indicated habits of thinking, feeling and taking action.

## ACKNOWLEDGEMENTS

When I thought of this book in 1967  
I felt someone much better equipped  
may have already written it.

Since then I have been discussing the contents  
of part III (in particular)  
with a number of interested friends.

I have also been reading extensively  
the many contributors to  
management thought and action.  
I am richer for such reading.

Dr. H. N. Nanjundiah was good enough to  
peruse the mss closely  
and to make significant suggestions.

Mr. G. Vanmikinathan, besides making  
valuable suggestions, has proposed  
that this book be translated  
into Hindi and other Indian languages.

A few other friends who read the mss  
and made suggestions  
for clarity, completion and effect  
**wish to remain unnamed.**

Professor Nissim Ezekiel helped me  
with the final deft touches.

Young Ravi and Kumar  
cheerfully typed and retyped the mss.

The Times of India Management  
has kindly given permission  
to use some of R. K. Laxman's inimitable cartoons.

**To all of them my grateful thanks.**

N. H. ATTHREYA

## INTRODUCTION

Sir Walter Scott describes *management* as "the art of raising the standard of living". This description is justified by its approach and performance.

In this little book on modern management, we will not discuss its performance; we will discuss only its approach, the approach that makes management a great art.

The charm and challenge of this art lies in the discipline that goes with it.

**Modern Management is a discipline;  
it is a purposeful discipline.**

Modern Management is applicable to all human institutions:  
it is as applicable to an ashram  
as it is to an aircraft factory.

It is applicable

wherever resources are involved, and, in particular  
wherever human resources are involved.

**Where the resources are scarce,  
it is all the more applicable.**

The conventional belief is that 'management' is something cold, calculating, almost sinister, and that it requires working for the interests of a small, exclusive group. One naturally wonders, therefore, what relationship it can have

to the larger social objective  
of raising the standard of living.  
Suppose we look at it this way  
and see whether it makes sense.

Management means efficient use of resources ;  
it is the art of  
combining the resources efficiently  
in order to make them productive.

It does not aim at one's  
subjective aesthetic enjoyment  
but at end products of goods and services,  
at the satisfactions of the members of society,  
members who place a value on them.

Production of goods or services  
is customer-oriented.

The better and wider the use of  
management philosophy and skills  
in a national setting,  
the more and the better  
the customer-oriented production,  
the more and the wider  
the customer-slanted distribution,  
the better the better-goods—  
at-lesser-cost-at-the-right-time situation.

**All this adds up to an all-round improvement  
in the nation's standard of living.**

**All this and more is the substance  
of modern management as it is evolving today.**

**The more this art is practised,  
by people in key positions,  
the better are the chances**

of a raised standard of living—  
quantitatively and qualitatively  
and for all of us.

This is not a case of faith.  
This is a case of ends and means.  
Raising the standard of living is the end ;  
and modern management is  
a tested means to that end.

**Naturally then, at every level,  
Modern Management matters ;  
and as the level gets higher,  
it matters all the more.**

BOMBAY,  
6 MARCH 1972

N. H. ATTHREYA

## CONTENTS.

	Page
About this Book	5
The Reader	7
Acknowledgement	10
Introduction	11
Part I: Modern Management and the Art of Raising the Standard of Living	15
Part II: Modern Management in Outline	59
Part III: What Hinders our Going Further and Faster	93
Part IV: What can We do about It?	219
Part V: Management's Opportunity	225
Part VI: Recommended Reading	232
Appendix: Hippocratic Oath of Management	237
To Readers from Outside India	240

PART ONE

MODERN MANAGEMENT AND  
THE ART OF RAISING  
THE STANDARD OF LIVING



## **1.01 MODERN MANAGEMENT IS GOAL-ORIENTED.**

Modern Management is goal-oriented.  
It starts therefore with objectives,  
a clear spelling out of objectives.

**A clear idea of objectives  
and a constant awareness of objectives  
makes for significant success.**

Modern Management also insists  
that the objectives of the individual units  
should be in line with the objectives of the total unit.

**Sub-objectives should subscribe to  
and be subordinate to  
the main objectives.**

Clearly, the objectives should be balanced,  
supporting and supplementary ;  
also, they should *not* be self-cancelling.

If objectives of individual units  
should harmonize with the national objectives,  
we should have a fair idea  
about the national objectives.

What indeed are our national objectives or goals ?

The nearest to a statement of national goals  
is contained in the Directive Principles  
to the Constitution of our country.

## 1.02 NATIONAL GOALS.

The Constitution of India says in its preamble:

We, the people of India, having solemnly resolved to constitute India into a Sovereign Democratic Republic and to secure to all citizens:

JUSTICE, social, economic and political;  
LIBERTY of thought, expression, belief, faith and worship;  
EQUALITY of status and of opportunity;  
and to promote among them all  
FRATERNITY assuring the dignity of the individual and the unity of the Nation.

The Constitution further says under the *Directive Principles*:

*Article 38*: The State shall strive to promote the welfare of the people by securing and protecting, as effectively as it may, a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

*Article 39*: The State shall, in particular, direct its policy towards securing—

- a. that the citizens, men and women equally, have the right to an adequate means of livelihood;
- b. that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;
- c. that the operation of the economic system does not result in

the concentration of wealth and means of production to the common detriment; . . .

- d. that there is equal pay for equal work for both men and women;
- e. that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength;
- f. that childhood and youth are protected against exploitation and against moral and material abandonment.

*Article 41:* The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of underserved want.

*Article 43:* The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities. . . .

*Article 46:* The State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the scheduled castes and the scheduled tribes. . . .

*Article 47:* The State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties. . . .

### 1.03 RAISING THE STANDARD OF LIVING: A PRIMARY GOAL.

**One of the primary national goals is to raise the standard of living.**

And what does raising the standard of living mean ?

It means more and still more people—  
and, in fact, all of the people—  
having more goods and services  
that make life comfortable and worth living,  
and having the wherewithal to acquire them.

This will become possible  
if more and more people have more rupees,  
*and* if the rupees will buy more and more  
of goods and services.

For the standard of living to rise, then,  
two conditions will have to be satisfied:  
there should be more and more goods and services ;  
*and* the net income of people should rise.

Stating the same a little differently,  
there should be better goods and services  
at lesser cost ;  
*and* more and more should have the means  
to acquire them.

## 1.04 WHAT IS MODERN ABOUT MANAGEMENT ?

If we take the commonest definition, namely,  
"management is the art of getting things  
done through people,"  
management has been there for centuries.

What then is *modern* about management ?

Management is modern in its goals,  
modern in its values,  
modern in its approaches,  
and modern in its techniques.

Management is *modern* in the sense  
that it is a conscious,  
developing, systematic activity  
using knowledge as a resource  
and as it emerges.  
It is organised knowledge in systematic action.

It is *modern* in the sense that it is not final—  
it is developing.  
Students keep learning—  
from themselves and others.  
There is nothing static about it.

It is *modern* in the sense that it is available—  
the knowledge is available to the many that seek it.  
It is not a closed preserve.

It is *modern* in the sense that it has identifiable features which are different from those of traditional management.

These features we will see in outline in the next few pages.

## 1.05 THE CUSTOMER, THE KING.

Modern Management is customer-oriented.

It maintains:

**getting a customer and keeping a customer  
is its main purpose.**

It understands:

If there is no customer,  
there is no management.

It further understands:

The more effective\* the customers,  
the more satisfying the management.

It consciously seeks to have more customers  
through *better* products and services,  
through *lesser* cost and therefore price.

Indirectly too, it seeks to have more customers.

It goes in for a technology

that has productive-employment bias.

If men are in short supply (as in the West)

it says: Give them more refined tools.

If men are abundant (as in India)

it says: Give them sufficient tools.

---

\* 'Effective' means 'willing *and* able to buy goods and services and thereby to be a real customer, not merely a potential one.

**It realises that  
the more the employed,  
the more the customers ;  
the better they are paid,  
the more the customers.**

It realises employees are potential customers ;  
it also realises that it can and should  
make more of such potential customers  
into actual customers for goods and services.  
Consistent with the reduction of the unit cost  
of a product or service, therefore,  
modern management sees a point in raising the wages.  
**It has found that higher wages and lower costs  
can indeed go together\*\*.**

---

\*\* The question may arise: If this is so, why is there so much conflict on the question of wages? One reason is that Modern Management is still a new phenomenon ; it is a trend in the making.



## 1.06 COMPETENT COMPETITION.

Since it is customer--oriented, people-oriented, Modern Management welcomes competent competition.

Competition from without serves as a reminder and a compulsion for enterprises to avoid complacency.

**Modern Management does not wait for external pressures to do its job ; it has its internal mechanisms, besides a sense of pride and responsibility, to do the fair thing by the customer.**

Since it knows it is dealing with human factors, Modern Management believes that it should not hold the customer to ransom, and this means the customer should have a choice.

Strikes, lockouts, slowdowns, and the like should not place the customer in a difficult situation: the customer should have a choice.

Certain actions like feeding the fertilizer to the soil, have to be done at a particular time ; otherwise, the opportunity is lost for the season. The lost opportunities will cumulatively affect the economy and this will affect the growth rate. It is insights like these that make Modern Management think of its social obligation, namely, **the customer should have a choice.**

If the customer does not have a choice,  
opportunities will get missed.

**It is used opportunities  
that make for the creation of new wealth.  
Lost ones are often irretrievably lost.**

Competent competition means  
the customer has a choice.

Competent competition also means  
the customer has a chance  
to get better goods and services.  
Competition forces people to do one better  
than the other man  
in satisfying the needs of the customer.

**Competent competition further means  
the country has a chance.  
Competition forces one to cut out  
excess fat, undue waste.**

Modern Management believes in human worth  
and this can be preserved  
only when there is choice.

## 1.07 LOW MARGIN—HIGH VOLUME.

Modern Management is low-margin-high-volume oriented.

That way it is able to give value to customers *and* to more customers.

**The interests of the enterprise\* are looked after by the high volume part of the approach: it is the product of volume and margin ( $V \times M$ ) that makes the overall surplus.**

The high margin by itself may give a good surplus but that way organisations do not grow, and modern management is growth-oriented too; it understands that grow-or-go is true of enterprises as it is of all living organisms.

---

\* For purposes of discussion, the most complex enterprise—a manufacturing-marketing unit of a fair size—is kept in mind. *For other units, all the aspects of modern management apply if not in degree, in substance.*

## 1.08 SURPLUS, NOT MARGIN.

Modern Management is surplus-oriented.

It is surplus-oriented  
because it is growth-oriented.

It is growth-oriented  
because it is improvement-oriented.

Improvement means investment  
in rebuilding, recreating and innovating activities  
and this has to come out of the surplus, or capital ;  
and if it does out of capital,  
it cannot do so for long.

Surplus is strength ;  
Surplus is largely for future needs,  
surplus makes for strengthening the future.

**Surplus is not profiteering,\*  
it is not deprivation of the weaker.**

It is like the seed in the fruit,  
ensuring manifold satisfactions for the future,  
while giving satisfactions in the present.

**Modern Management ensures that  
seeds are not only gathered as surplus  
but also wisely sown as investment.**

---

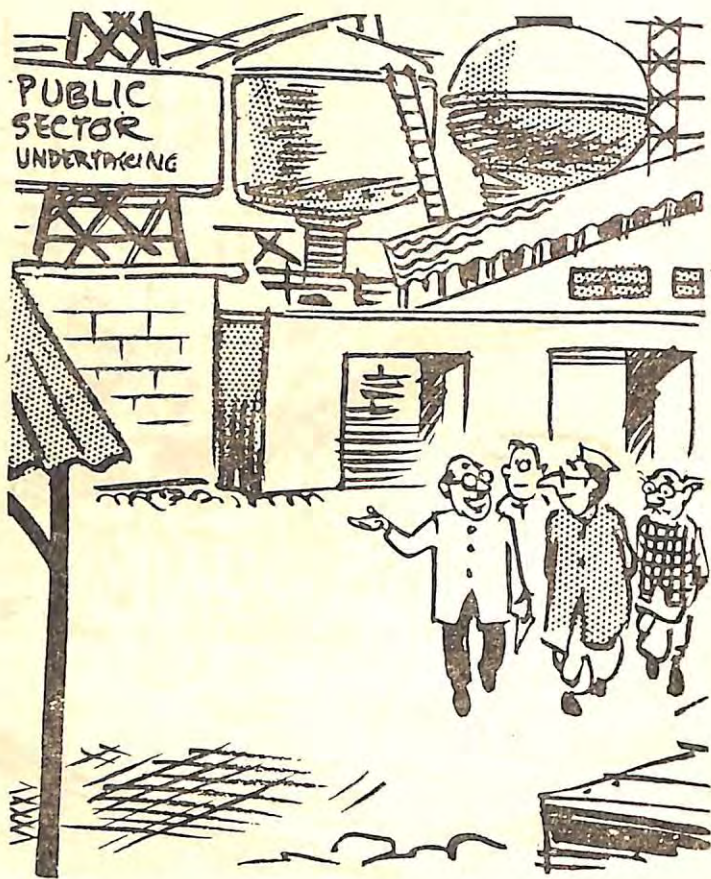
\* Profit is often confused with profiteering. Profit is actually (in the words of Arabinda Ray) "the function of managerial economics to establish the optimum method of giving society the greatest satisfaction from the minimum use of real resources."

by R. K. Laxman



Sure, there's going to be plenty of opportunity for saving—the way prices go up, soon you won't be able to do anything with your income except save it !

by R. K. Laxman



Initially the losses ran to crores of rupees, Sir, but since we stopped production it has proved very economical!

## 1.09 CREATION OF NEW WEALTH.

**Modern Management's concern  
is the creation of new wealth ;  
it is not the readjustment of existing wealth.**

To the continuing purpose of creating new wealth,  
it develops and uses resources—  
human and material resources,  
time and knowledge resources,  
organisation and innovation resources.

## 1.10 RESOURCES UTILISATION.

Basic to a higher standard of living  
is the creation of new wealth.

And how is new wealth created ?

Through the production of goods and services.

How do goods and services get produced ?

**Through purposeful activity,  
through optimum utilisation of resources  
placed at one's disposal,  
for a pre-assigned purpose.**

**Modern Management is  
results-oriented resources utilisation.**

Management science is essentially  
a resources-utilisation,  
a resources-optimisation science.

**Activity for activity's sake,  
expending the resources anyhow :  
that is not Modern Management.**

The goal sought is  
the creation of wealth,  
the creation of new wealth,  
the creation of surplus,  
the creation of goods, services and satisfactions.



**Resources generate wealth  
only when they are looked at as resources  
and utilised as such.**

If they are looked at as mere property,  
if they are not creatively utilised,  
they will be potential wealth, at best:  
this Modern Management has understood.

## 1.11 THE RESOURCES VS PROPERTY APPROACH.

Modern Management takes the resource approach as against the property approach:  
**hence its universal applicability.**  
**It is not bound by ideologies or isms.**

**Who owns what is not material but how the "owner" uses it.**  
If the "owner" looks at "things" as resource and therefore potential wealth, and he goes about it so that new wealth is created, he is practising Modern Management.

If on the other hand he looks at them as property and all that it implies, he is practising primitive management.

This is putting it a little strongly.  
The fact remains that Modern Management begins with a few attitudes to men and things **and this is one of the fundamental attitudes, namely, taking the resource as against the property approach.**

## 1.12 MAN THE CREATOR.

Man not merely utilises resources ;  
he creates new resources as well.

**He creates new resources in the sense that  
he brings a resource to a usable state.**

In fact, it can be said that  
nature has only offerings and no resources.  
Nature attaches no value to anything.  
A resource is by definition something  
having a human value, an economic value  
which arises out of  
finding, adding or imparting something  
to what nature offers.

**Converting nature's offering into a resource  
calls for management.**

Since man is also nature's offering,  
converting him into a resource  
again calls for management.

### **1.13 HUMAN RESOURCE, THE KEY RESOURCE.**

Resources do not utilise themselves.

Whether it is land, machine, material or market, the resources do not utilise themselves; they require a human agency to do the trick.

It is the human agency that generates surplus through the creative and deft handling of resources.

**In the process of resources utilisation,  
the human resource then becomes the key resource.**

## 1.14 MAN, AN APPRECIATING RESOURCE.

Thanks to scarcity, hoarding and the like,  
some dumb resources like chemicals,  
metals and real estate  
have become appreciating assets—  
but still appreciating *assets*.

A thing cannot become  
an appreciating, growing resource ;  
man alone can become an appreciating *resource*,  
to the extent a better use is found for him, of course.

Urge from within and input from without,  
effort on his part and  
opportunity in the environment  
make him *grow* and  
**it is this capacity for growth**  
**that makes man an appreciating resource.**

Man *can* stretch himself.

If the situation demands this, he will.

Modern Management creates this situation deliberately.

## 1.15 MAN, A MULTIPLIER RESOURCE.

If a man can grow,  
he can also help other men grow:  
a man thus becomes a multiplier resource.

He may not be able to multiply himself  
in the literal sense ;  
a great scientist, poet or manager  
cannot duplicate himself literally.

Man can multiply himself  
in the sense that  
a trained man can train  
many others who are not trained.

In another sense too,  
man can multiply himself in a dramatic fashion  
and that is by example.

**Modern Management has realised  
that every attention paid to  
this resource of resources  
is a solid investment.**

## 1.16 KNOWLEDGE, A RESOURCE.

A human agency will utilise resources well to the extent it knows the nature of the resources it is handling. In other words, for a person to handle a resource well, he should have a fair knowledge of the resource, he should know *the nature of nature*.

Modern Management concedes that nature will not obey you, that you have to obey nature.

**If you want nature to obey you  
you have to understand nature and go with it,  
so that it can go with you to achieve your goal.**

Understanding nature is, therefore, one of the pre-occupations of Modern Management ; in other words, acquiring new knowledge about nature, human nature included.

Applying the resulting knowledge to assigned goals of the unit is another pre-occupation of Modern Management.

Naturally, then, in its eyes knowledge and knowledge-worker are key resources.

Modern Management seeks  
to gain an understanding of resources systematically,  
to share this understanding with the "task force"  
that is engaged in utilising the resources to a purpose,  
to give this 'task force'  
organised and continuing training  
in utilising the resources.



## 1.17 SKILL, A CRUCIAL RESOURCE.

A human agency will utilise resources well to the extent it is aware of the end results sought, to the extent it knows the nature of the resources, and *to the extent it is skilled in handling the resources.*

**Knowledge is not sufficient ;  
skill is essential.**

Knowledge of a resource  
will certainly help in getting results ;  
but it will not assure results.  
It is skill in handling the resource to a purpose  
that will assure results.

Knowledge of the resources alone  
does not make one adept in utilising them ;  
one needs skill in using that knowledge to a purpose ;  
it is this informed and skilled behaviour  
that makes for optimum resources utilisation.

Skill does not come to a man automatically ;  
(no diploma, no designation or seat of power  
can confer it on him) ;  
one has to acquire it, cultivate it, develop it.

**Skill becomes sooner and more surely,  
if acquired consciously and systematically.**

## 1.18 ATTITUDES, A RESOURCE.

A related resource is attitude.

**Attitude is a resource  
in the sense the positive attitudes  
provide a sort of motive power  
to optimum performance.**

It is related to the skill resource  
in that one leads to the other.

## **1.19 MOTIVATION, A RESOURCE.**

For a person to utilise a resource well,  
he should have a knowledge of the resource,  
he should have the skill to handle it,  
he should have the motivation to meet the purpose.

Motivation then becomes a resource.

If man is a resource,  
we should know more and more about him:  
we should know what moves him,  
what moves him to greater heights;  
and what sustains his tempo.

**If man is a resource,  
it calls for skill in utilising him too.**

All these years, we have been handling men,  
sometimes successfully and sometimes not.

Our knowledge of human nature has been  
rigid, casual, conventional;  
it is of the father-to-son variety;  
it is based at best on one-time experience.

In recent times, organised knowledge  
on the nature of human nature  
is becoming more and more available.

**This new knowledge calls for revision  
of our existing behaviour  
and the revision is not easy either.**

Such revision is made by Modern Management  
because that is the price goal-getting asks for.

## 1.20 TIME, A RESOURCE.

Modern Management *facilitates*  
the process of resources utilisation.

This it does  
by adding to the knowledge of the resources,  
by adding to the knowledge of the task force,  
by adding to the skill of the task force.

All this it does systematically ;  
all this it does continuously.

**It does so because of its realisation  
that one of the multiplier resources  
is the time resource.**

Whatever is achieved is achieved  
within a time dimension.

**Given due respect,  
time becomes an opportunity ;  
ignored, time becomes a drain :  
Modern Management attaches to this fact  
primary importance.**

The objective of better goods at lesser cost  
becomes progressively possible  
only when the time factor is constantly borne in mind.

Conventional training  
can train a person in the handling of a resource  
in six months ;

Accelerated training (A.T)  
can train the same person  
in six weeks:

Modern Management therefore looks for and goes for  
Accelerated Training Technique.

In fact, it goes a step further:  
it sets out to find still better methods,  
it sets out to find still faster methods  
to give satisfactory training.

Telescoping time,  
shortening the time required for a task,  
is a perpetual preoccupation  
of Modern Management.

Reducing the work-cycle—  
the time between the start and the finish,  
through man's ingenuity and  
the products of man's ingenuity—  
this is one of the daily tasks of Modern Management.

Time is cost and if unit cost\* is to come down,  
the unit time has to come down:  
this explains the 'obsession' with time  
on the part of modern management.

**So many forces—human inertia and greed  
are only two of them—are working  
against the raising of the standard of living.  
They can be offset and they are offset  
by getting more and better  
out of the unforgiving minute.**

---

\* If we have to get more for a rupee, the unit cost should go down.

## 1.21 IMPROVEMENT-MINDED.

Modern Management is improvement-minded.

It knows that method makes the difference in achieving a certain goal.

There are many methods of getting projected results, and some methods help you get results more smoothly, better and faster.

**Modern Management believes that what can be done can be done better, that there is a still better way.**

It permits, invites and encourages experiments ; no method need be final.

It is prepared to try—  
and try again.

It accepts temporary failure as an inevitable part of ultimate success.

## 1.22 IDEAS, A RESOURCE.

If modern management is improvement-oriented, ideas become a resource.

Ideas are a delightful plant  
but they are a tender plant.

For ideas to flower,  
we need a conducive climate.

Modern Management  
consciously and constantly  
goes about creating such a climate.

**What is an idea worth :  
it knows the answer.**

Modern Management  
cultivates people that have ideas,  
whether inside or outside the organisation\*.

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\* The words 'organisation', 'enterprise', 'company', 'corporation' and 'unit' interchangeable used in most sections. Only in one or two sections, the word 'organisation' has been used in the technical sense.

## 1.23 MANAGEMENT, A PROFESSION.

Like medicine, management is a profession. It is the profession "to manage resources to the greatest present and future advantage of the community of interests one serves."

As in every other profession, there is a body of (management) knowledge now to assist the practitioner.

**As in all professions,  
the emphasis is on self-discipline,  
the discipline of being a decent citizen,  
a responsible citizen.**

As in other professions, there is an element of missionary zeal in management, the zeal of accelerating the rate of raising the standard of living.

As in every other profession, though not as well structured as in other professions, there is a self-imposed code of ethics\*.

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\* Please see appendix.



## **1.24 MODERN MANAGEMENT IS PRAGMATIC.**

Modern Management is pragmatic.

It certainly understands and appreciates the several schools of management, the many existing and emerging techniques; but it does not swear by any of them.

**What works now and here,  
without prejudice to the future :  
that is what counts.**

It certainly is alive to what works in another country, in another culture.

It is willing to adapt and adopt. Only, it is anxious to fit in the environment in which it operates.

## 1.25 CONCERNED WITH THE FUTURE.

Modern Management believes that it should be a creator of the environment and not a mere creature of the environment.

Modern Management is concerned with the present.

More, it is concerned with the future.

It knows that what it does today may affect the unborn generations for years and it has therefore to behave responsibly.

It realises that today we mould tomorrow, knowingly or not.

**It says, therefore :**

**Let us mould the future knowingly.**

It does things always with an eye on the future.

## 1.26 GROWTH-ORIENTED.

### **Organisations grow or go.**

Modern Management, therefore,  
is growth-oriented.

Growth need not necessarily be in quantity ;  
it can be in quality.

In this growth, man plays an important part ;  
and practitioners of modern management  
help men grow.

They select men with care ;  
they place them in jobs suited to their aptitudes ;  
and they train them for the tasks they are to handle.

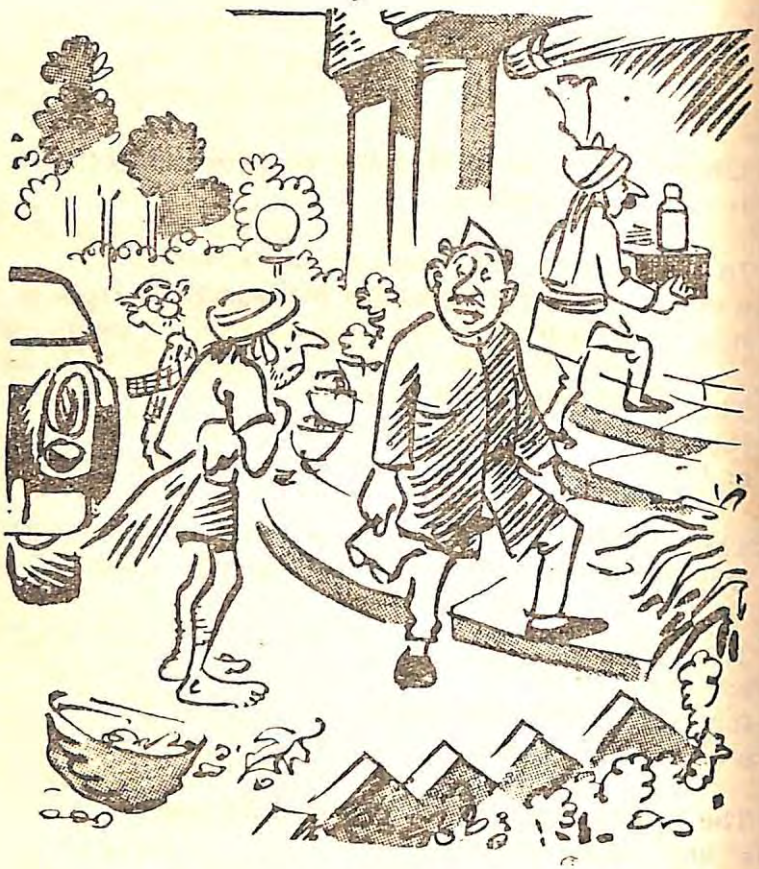
This training is continuous training—  
whether as refresher or development.

The training is  
for work,  
for more responsible work,  
*and* for retirement.

The training may be formal or informal,  
structured or unstructured,  
but the facilities are provided.

**Management takes this as its responsibility ;  
nay, it takes it as its opportunity—  
the opportunity of helping men grow.**

by R. K. Laxman



Well, if the monsoon proves good, prices stabilise, exports increase, I shall see what I can do to increase your wages.

## **1.27 PROFESSIONAL, NOT PROPRIETARY.**

Modern Management is professional, not proprietary.  
And by now it should be clear why.

**The proprietary outlook may make the practitioner short-sighted, lop-sided, and self-centred.**

It is the professional outlook  
that sees in modern management a great opportunity  
to raise the standard of living of others.

Because it is professional,  
management is based on functions, not on status,  
on principles of co-operation, not command,  
on getting intelligent response, not blind reverence.  
Professional response is an asset to management ;  
blind reverence is a drag.

## 1.28 GRACEFUL SHARING.

Modern Management believes  
in *graceful* sharing.

It understands that money, like blood,  
should circulate  
if the economic system is to be alive and kicking.  
It accelerates the flow of money.

Also, it is constantly looking for ways and means  
of increasing the daily wage and the yearly income  
of the work force.

It finds this approach more purposeful and less painful.

**True, it is still feeling its way ;  
but the directions are clear : namely,  
share realistically, share gracefully.**

## 1.29 WITH CUSTOMERS TOO.

Modern Management believes in sharing with the external customers and the internal\* customers.

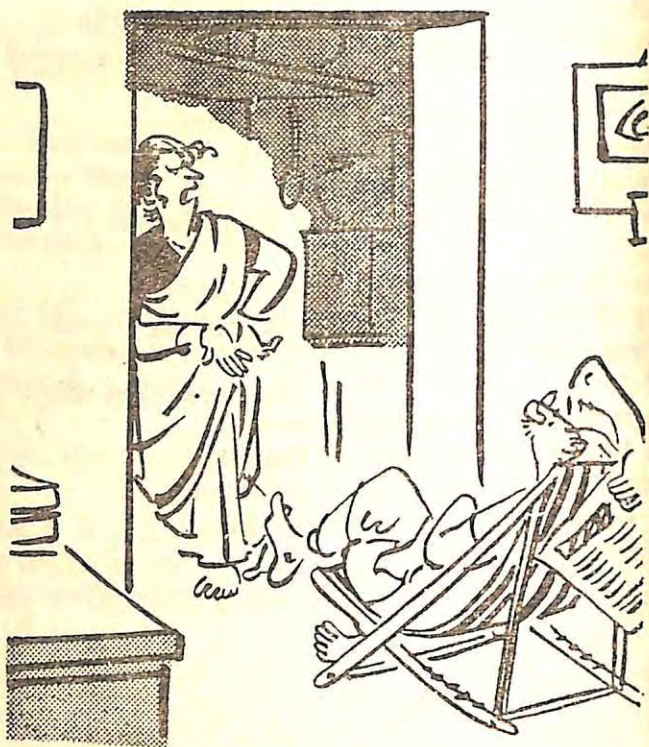
With the external customers it shares—  
through providing better quality,  
through the reduction of price,  
through giving greater *value* for the rupee.

Modern Management certainly allocates part of the surplus for development and growth, for assuring a better future and for the benefit of those who have taken risks ; **but it realises that no one sector can live at the expense of the other.** If one public (investing) is important, the other publics (buying, working) are equally important.

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\* The employees can be justifiably called customers, certainly internal customers. This concept is elaborated in the author's book: *The You and I in Business*.

by R. K. Laxman



You think you are cleverer than all those economists, statisticians and ministers?— Our standard of living has gone up considerably! You don't know it because it has been neutralised by high costs!



### 1.30 MANAGEMENT : THE ART OF RAISING THE STANDARD OF LIVING.

We see then that Modern Management is the art *and science* of raising the standard of living.\*

It strives to create and convert resources into productive wealth—goods and services.

It strives to produce better goods and services at a lower cost and at the right time, using man's ingenuity and the products of man's ingenuity.

It competes with others in the field to give the customer better quality at lesser price— it realises that high volume, low margin is the way to survive and grow.

It pays a better wage and thereby increases the population of effective customers.

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\* As Dr. Nanjundiah observes: More appropriately, management is the art *and science* of raising the standard of living of people. The word *Art* (as conventionally understood) alone is inadequate to subsume the many attributes imputed to management later in this book. For example:

Objectives must be definite, definable and delienated into sub-objectives. The word *Art* is not amenable to this treatment.

Results must be predetermined and predictably attained ; and performance assessed with respect to standards. An art is elusive in doing this.

Such approaches—  
the approaches of Modern Management—  
make for a higher standard of living :  
more men tend to have more rupees  
and a rupee tends to fetch more than it did before.

Towards this end Modern Management  
adopts many concepts, skills and techniques.  
These will be outlined  
in the next section.

---

Management is getting things done: An art is doing something oneself.

Use of knowledge resource is basic to management. In art, of course, knowledge of materials used etc. is necessary but only for doing something oneself and not getting things done.


Knowledge is available to one and all in the field of management and it is usable knowledge. It is not so in the case of an art.

Management is consumer-oriented as you rightly observed. Art is not.

Management is truly raising the standard of living—because of its scientific aspects.

PART TWO

MODERN MANAGEMENT IN OUTLINE



## 2.01 WHERE IS MODERN MANAGEMENT APPLICABLE ?

Management is a technique and it is applicable wherever men are at work *and* men work for a purpose.

Modern Management is applicable wherever there is a mission to be accomplished, wherever we have to get projected results—using men, money, and money's worth.

Modern Management is, therefore, applicable as much to a hotel as to a hospital, as much to an airline as to an automobile shop, as much to an insurance business as to an investment bank as much to an *ashram* as to an administrative department.

There are indeed variations in goals and resources, in constraints and customers.

What is common is the substance of modern management. (And it is this substance we are considering now).

## 2.02 ALL ENTERPRISES ARE "THE SAME".

All enterprises are the same—an airline,  
a textile mill, a hospital  
and a government department.

It is true some units provide services and  
others sell a product.

It is true some are small and others large.

It is also true some operate as a monopoly  
and others in competition with others.

And finally, some enterprises run on a profit  
and others on a non-profit basis.

Whatever the nature of the enterprise,  
governmental, public or private,  
whatever the immediate goal,  
production, education or social service,  
**all enterprises have three common responsibilities ;  
namely,  
proper and profitable use of physical resources,  
development and direction of human resources,  
and research, development and marketing.**

## 2.03 PEOPLE ARE FUNDAMENTALLY THE SAME.

All enterprises need people ;  
and people are fundamentally the same.

They are the same in the sense that  
their needs are the same.

They are the same in the sense that  
their needs are today  
progressively moving upwards.

Once their physical needs are satisfied,  
their security needs cry for satisfaction.

Once the security needs are satisfied,  
their need for recognition says: I am here.

Even when their recognition needs are met,  
their highest needs of self actualisation remain.

In another sense too, all people are the same.

All people have a tendency to work together.

They do think about their job and their organisation,  
whether others want them to or not.

People are also the same in another sense.

**Handled intelligently they become opportunities.**

**Handled ineptly they become problems.**

## 2.04 MONEY REQUIREMENTS ARE THE SAME.

In all enterprises the need for money is essentially the same. Financial aspects of life do apply in every place.

Let us take the extreme example of a non-profit organisation, a public charitable trust.

It is easy enough to believe that the money needs of such an enterprise are different from those of profit-making organisations, but it is not true.

This misconception is partly based on the fact that such enterprises are exempt from income tax—or may be because they are described as 'non-profit'. The mistaken idea that money worries are over, or greatly reduced if a few taxes are not paid, can cause many difficulties.

**Three basic purposes for funds exist in any enterprise.**

First is *the need for the original capital*—enough to launch the enterprise and permit it to begin operations.

The problem in securing these funds is to convince persons with money that the enterprise is or will be recognised as necessary by the public,

and that the new product or service will be produced with sufficient efficiency to provide a satisfactory return on the investment. This is true whether the organisation is started for profit or otherwise. For the non-profit enterprise, the contributor wants to know that sufficient "good" will be done to the community.

Second is the need for *funds to pay* the people who will work in the organisation.

*Operating funds* are also needed to obtain the supplies and services required to carry out the organisation's purpose.

The third—a little controversial—is the need for money as profit. The controversy revolves around the amount and not the existence of profit.

**Once we describe it as survival funds or surplus earnings** we understand the functional nature of profits. It is the differential between the income and expenses. Such residual funds are necessary whether the enterprise is large or small, profit or non-profit. Any enterprise that must replace wornout equipment or keep its plant in good repair or expand its services needs revenue that exceeds operating costs—in other words, it requires profit.



## **2.05 THE MANAGER'S JOB RESPONSIBILITY IS THE SAME.**

The manager's belief that his job is special may stem from his own background, the apparent demands of his board, or what seems to be a unique enterprise situation.

None of these is a valid ground for performing incomplete or unbalanced management functions.

**All managers—irrespective of their business—must perform basic management functions.**

**A manager must carry out the responsibilities and functions of management in order to reach the objectives of the organisation and the goals of his department.**

Regardless of the setting, he must plan, be conscious of personnel relations, communicate, and obtain sufficient materials for people to do the organisation's work.

It means performing certain accepted functions according to principles that apply to all management situations.

The number of the special training courses available for business management and speciality management—such as education, public administration, hospitals, hotels, etc.—emphasises the need for understanding the principles of management.

All such courses point to the need of broad management knowledge for success in any field.

## 2.06 A JUSTIFICATION.

How can we say that  
all managerial responsibility is the same ?

**In every job there is a technical content  
and a managerial content.**

The first refers to what we ourselves do.  
The second refers to what we get done.

Briefly, management work includes  
planning, organising, staffing, directing and controlling  
the work of *others*.

Operating or technical work  
is all other work the manager performs,  
in effect, accomplishing the result *himself*.

The mix of course will vary from job to job.  
As an organisation becomes bigger,  
as we go higher up in the hierarchy,  
the managerial content of a job becomes higher.

Management thinkers have identified 5 functions  
and 20 distinct activities that make up  
management work.

They are\* in the words of George Morrissey :

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\* *Management by Objectives and Results* by George L. Morrissey (Addison-Wesley Publishing Company, 1970).  
Reproduced with permission.

**Function I. Planning. Determining what work must be done.**

1. *Defining roles and missions.* Determining the nature and scope of work to be performed.
2. *Forecasting.* Estimating the future.
3. *Setting objectives.* Determining results to be achieved.
4. *Programming.* Establishing a plan of action to follow in reaching objectives.
5. *Scheduling.* Establishing time requirements for objectives and programmes.
6. *Budgeting.* Determining and assigning the resources required to reach objectives.
7. *Policy-making.* Establishing rules, regulations, or predetermined decisions.
8. *Establishing procedures.* Determining consistent and systematic methods of handling work.

**Function II. Organising. Classifying and dividing the work into manageable units.**

9. *Structuring.* Grouping the work for effective and efficient production.
10. *Integrating.* Establishing conditions for effective teamwork among organisational units.

**Function III. Staffing. Determining the requirements for and ensuring the availability of personnel to perform the work.**

11. *Determining personnel needs.* Analyzing the work for personnel capabilities required.

12. *Selecting personnel.* Identifying and appointing people to organisational positions.
13. *Developing personnel.* Providing opportunities for people to increase their capabilities in line with organisational needs.

**Function IV. Directing (leading). Bringing about the human activity required to accomplish objectives.**

14. *Assigning.* Charging individual employees with job responsibilities or specific tasks to be performed.
15. *Motivating.* Influencing people to perform in a desired manner.
16. *Communicating.* Achieving effective flow of ideas and information in all desired directions.
17. *Coordinating.* Achieving harmony of group effort toward the accomplishment of individual and group objectives.

**Function V. Controlling. Assuring the effective accomplishment of objectives.**

18. *Establishing standards.\** Devising a gauge of successful performance in achieving objectives.
19. *Measuring performance.* Assessing actual versus planned performance.
20. *Taking corrective action.* Bringing about performance improvement toward objectives.

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\* This is part of the planning function.

## 2.07 A POINT OF REFERENCE.\*

As late as 1935, there were only about 10 known books on management.

Today, at least one book on the subject is published every day, not to speak of the dozens of articles. The sheer weight of the volume of writings on management concepts and techniques is likely to scare us.

It is desirable therefore that we have a point of reference that we can use in thinking about the job of management.

This point of reference can be considered under three headings:

(Please see insert diagram)

1. *The Elements*: A classification of the elements with which every management is concerned in any economic situation.
2. *The Action*: A classification of the actions which the leader must take in influencing any economic situation.
3. *Personal Skills*: A classification of the personal skills which the manager needs in taking the required action.

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\* Adapted from 'MANAGERAMA' a publication of Nationwide Insurance Company. Used with permission.

This understanding of modern management should help the individual and his organisation in increasing individual and organisational effectiveness in the following ways:

1. In performing the management actions of planning, organizing, directing, coordinating and controlling, reference to the list of ELEMENTS OF MANAGEMENT can give the manager assurance that he has considered all aspects of the economic situation. There is, of course, no assurance that his analysis has been correct or his decision right, but he has at least given consideration to all of the broad dimensions of his problem.
2. The guideposts can give the manager a basic point of reference to use in critically evaluating the management literature he reads, the conferences and training programmes he attends. It enables him to organize what is being said and sometimes, *more important, to identify what is not being said.*
3. In his own self-development, the overall design can help the manager maintain a proper balance. Thus, a person interested in the financial part of the business can see the necessity of learning something about organized society, morale, planning and conference leadership if he plans on reaching beyond his present job. A man interested in the human aspects of management, by contrast, may see the necessity for procedures, facilities and controls.
4. Finally, this knowledge can help a group of managers communicate with each other more effectively. It establishes the framework for overcoming semantic barriers in talking about management and business problems.

## 2.08 THE RESOURCES UTILISATION PROCESS IN A NUTSHELL.

New wealth is a matter of products and services.

The products or services are defined.

Man makes them.

Man makes them  
by converting or processing or utilising resources.  
These resources may be material, machinery, market,  
or other and, of course, in various combinations.

He uses knowledge of the resources ;  
he uses his skill in handling the resources.  
He makes the necessary adjustment or sacrifice  
to the nature of the resources.  
(For example, he does not smoke  
if he is handling petrol.)

**In a sense, man 'moves' the resources  
to a projected result.**

To do such moving, man at the task level  
needs *physical support*.  
He needs the support of a plan, for example.

To do such moving, man at the task level  
needs *supervisory support*.  
**Supervisory support facilitates  
top and peak performance.**



In physical terms, such a support is with a plan, materials, tools in time, place, and problem-solving support in times of need.

In human terms, such a support takes the form of training, counsel, guidance, encouragement, recognition, and leadership generally.

**If task force moves other resources, supervisory force helps the task force move itself. It motivates using its knowledge of human nature and skill in handling people.**

Supervisory force is made up of human beings; and as such needs human support, namely, *executive support*.

Executive support takes two forms—the physical support and the human support.

The physical support takes the form of coordination and systems.

The human support takes the form of leadership—and all that it implies.

**The executive force is human too. It needs Top Management support.**

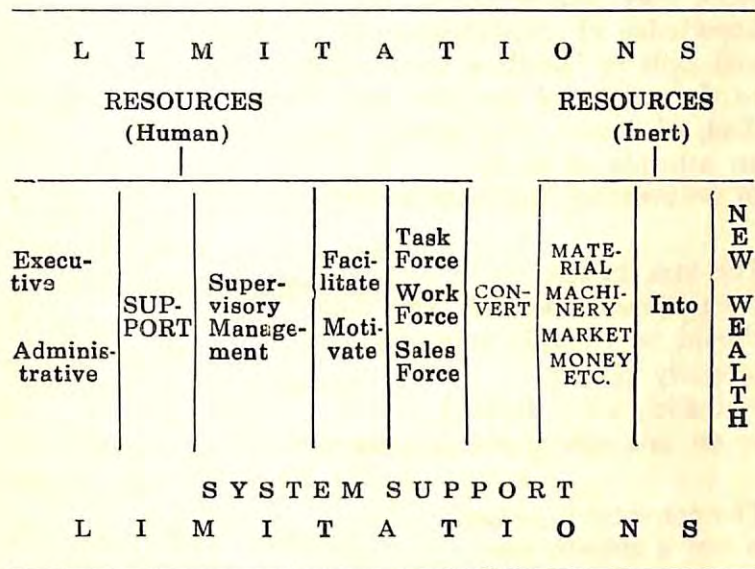
The support largely takes the form of objectives, policies and values.

**All those in the supervisory force and above are enabling other elements of human resources give their best or make others give their best.**

If they are not, they are not managing—  
they are not engaged in resources utilisation.

There are limitations—external and internal.  
They accept these limitations  
but they strive to reduce  
the size and severity of these limitations.

The entire process of resources utilisation,  
the key theme of modern management,  
is visualised in the accompanying diagram.



## 2.09 RESOURCES UTILISATION : WHAT IT CALLS FOR.

Men convert resources into results ;  
the results may be goods or services.

**To do the conversion well,  
the men should have a clear idea  
of the end-results.**

Also, they should have  
knowledge of the resources  
and skill in handling the resources  
to the projected purpose.  
And, of course, they should have  
an attitude of pride  
in so creating the new wealth.

The task force—  
we may call them by any name—  
should be suitably selected,  
properly placed,  
and adequately trained  
to do this conversion process well.

The conversion process  
is not a smooth one ;  
there will be problems.

The task force therefore needs  
the support of supervision.

**Supervision, operationally speaking,  
is to facilitate top and peak performance.  
It is "super vision".**

**Good supervision  
makes it easy to work hard.  
And this is no play on words.**

When the task force concentrates on work,  
someone will have to concentrate on  
what will facilitate this concentration.  
Someone will have to  
plan and provide support of many kinds;  
and this someone is at the supervisory level.

Support is needed by the task force  
for things to go well.  
Support is needed by them  
when things go ill.

Supervisory force provides both kinds of support.

**Top and peak performance  
is not a one-time goal.  
It is a daily goal.  
Sustained performance becomes  
the need of every hour.**

This—the sustained performance—  
can be assured by the human resource.

For the human resource  
(at the task level)  
to assure this,  
the supervisory force  
should have a knowledge of  
the human resource

and the skill in handling  
this key resource ;  
*and* the discipline it calls for.

Human nature—  
like other aspects of nature—  
will act like human nature.  
To get the best out of it,  
we should know enough of it,  
and go with that knowledge.  
**Nature will not oblige us ;  
we have to oblige nature.**

In another book I have outlined  
a framework for action.

Here I wish to emphasise  
only one aspect of  
the human resource.

**Human resource can go up  
or go down ;  
it does not quite stand still.**

Also, man is the only resource  
that can grow if it chooses to.

All that we can do  
is to encourage and sustain  
the will to grow.

To do so, however,  
is great discipline.

The discipline consists  
of many parts.

One is to shed  
one's conventional notions about men.

(eg. the notion that man  
does not like work.)

Another is to make  
behavioral adjustments.  
(eg. to treat the other man  
as an equally self-respecting subject.)

A third is to make the necessary cash sacrifices.  
(eg. giving him all that we can)

If the supervisory forces—  
whatever the name they go by—  
will not abide by this discipline,  
and will do as they like,  
the task force feels let down ;  
and results-getting becomes problematic.

Supporting the task force  
is more than selection and placement,  
more than planning and coordination ;  
it is giving all the support,  
tangible and intangible,  
thoughtful and sustained.

**It is creating and sustaining  
a climate for motivation.**

Physical nature—  
the other resource—  
once bought may not 'need attention'.

**Human nature—  
the key resource—  
does need daily attention.**

If we do not provide for this resource  
daily and thoughtful attention,  
the task force will get active—*the negative way* :  
it cannot stand still.

## 2.10 SERVICES SUPPORT.

Besides direct support by supervision  
indirect support by services  
is provided  
to facilitate the work force  
in the process of resources utilisation.

**Modern Management emphasises  
the supporting role of the services ;  
it strengthens the services  
but emphasises the supporting role of the services.**

The artillery and infantry are both  
fighting the same battle—  
they are *not* fighting against each other.  
The focus is on resources utilisation ;  
the focus is on facilitating the work of the task force.

## 2.11 LEADERSHIP SUPPORT.

If facilitating top and peak performance at the task force level is important, much more important it is at the supervision or managerial level.

**Modern Management has noted that managers are a multiplier resource, and they should be facilitated to remain so.**

And this is done by providing them support from the Top Management force.

And what does this support mean ?

This means leading them by example, by values in action.

This means providing the organisation that will enable them to function to their best effectiveness.

**This means letting them manage, and enabling them to manage well.**

Some of the tested practices that facilitate the process of managing managers include holding people accountable for results,



treating the managerial personnel  
with trust and respect,  
giving them the needed discretion over resources,  
giving them the right to be right  
and the right to be wrong,  
and giving them all the help they need  
in the process of managing.

## 2.12 EFFICIENT AND EFFECTIVE.

Towards this end,  
management personnel should be  
efficient and effective.

**They should do the things right ;  
and they should do the right things.**

As we go higher up in the hierarchy,  
effectiveness—doing the right things—  
assumes special significance.

At every level people are  
responsible for results.

With the resources placed at their disposal,  
they should take the responsibility  
of assuring the agreed-to results.

**There will be over-all results,  
functional results,  
sectional results,  
and intermediate results—  
but results all the time.**

At managerial levels,  
how much time they spend on the job  
is not as material as  
to what end or for what result  
they spend the time.

**It is results, not activity, that is a measure.  
It is effect and not effort that counts.**

This means those at the managerial level  
will have to think  
and think to a purpose ;  
they have to interact with others  
and interact to good effect.  
They have to work with ideas,  
they have to work with people,  
constantly keeping the organisation objectives in mind,  
and not forgetting the organisation's tomorrow.

Results responsibility at every level  
and effectiveness responsibility at higher levels:  
these are basic aspects of modern management.

## 2.13 MANAGEMENT BLOCK.

Top Management	M. D.					Overall Results
Functional Management	D. H.					Functional Results
Sectional Management	S. H.					Sectional Results
First Line Management	F.S.					Intermediate Results

People at many levels differ in their responsibility for results but they are all responsible for results: they are *all* therefore 'management'.  
**In other words management is a block, a whole.**

**Result responsibility is that of the entire block, the whole.**  
 The layers and levels are only for operational convenience.

## 2.14 WHAT DOES HE DO ?

What does a member of the management block do ?

Details apart, 'mix' apart, and level apart,  
he does the following:

1. *He contributes.*  
He contributes to the goals of the organisation.  
May be directly. May be indirectly.  
May be tangibly. May be intangibly.
2. *He focuses on results.*  
Not on mere activities.  
His emphasis is an achievement, accomplishment.
3. *He helps.*  
He helps to get a customer ;  
he helps to keep a customer.
4. *He does.*  
He does things in time.  
He does first things first ;  
he has his priorities clear.  
Whatever he himself can do best, he does.
5. *He respects time.*  
He respects his time  
and that of others.  
Towards this end  
he organises himself.

6. *He organises.*  
He organises himself.  
He organises his work.  
He organises his unit.
7. *He controls himself.*  
He need not be supervised ;  
he need not be managed.  
He exudes character.
8. *He gets things done.*  
He gets things done well.  
He gets things done in time.  
He gets things done using ingenuity  
and using the products of man's ingenuity.
9. *He supports.*  
He supports his *juniors* ;  
He supports his colleagues ;  
He supports his seniors.  
He builds on strength—  
his own and that of  
his juniors, colleagues and seniors  
in the organisation.
10. *He spots waste ;*  
he stops waste—  
at least he reduces it.
11. *He improves.*  
He strives to do things in a way  
that is a little better than yesterday.  
He strives to get things done in a way  
that is a little better than yesterday.
12. *He creates.*  
He creates a climate for innovation.  
He creates a climate for creativity.

13. *He cares.*  
He cares for the organisation.  
He cares for people.  
He cares for society,  
He cares for the good and the graceful.  
He cares for today and tomorrow.
14. *He reviews and renews.*  
He reviews and renews himself.  
He reviews and renews his organisation.

You may feel like commenting:  
*"I have not seen a manager  
who does all this."*

On reflection, you may further comment:  
*"It is in this direction, however, that  
a professional manager is moving.  
I realise that excellence is a journey, not a destination."*

**The professional manager of today  
believes in being his best  
and becoming his best.**

## 2.15 THE EFFECTIVE EXECUTIVE.

A representative of modern management is the Effective Executive.

He is found in hospitals and industries, government departments and *ashrams*.

He may be short or tall, fat or lean.

He may be erudite or unlettered.

He may have versatile interests or narrow ones.

He may be self-centered or generous.

He may be flashy or colourless.

He may drink hard or take only *nimbu pani*.

The one common feature of effective executives is the ability to get the *right* things done.

When we study them, we observe, according to Peter Drucker\*, five common work practices.

They are:

1. Effective executives know where their time goes. They work systematically at managing the little of their time that can be brought under their control.
2. Effective executives focus on outward contributions. They gear their efforts to results rather than to work. They start out with the question, 'What results are expected of me?' rather than

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\**The Effective Executive* by Peter F. Drucker (Heineman; London: 1967).



with the work to be done, let alone with its techniques and tools.

3. Effective executives build on strength—their own strength, the strength of their superiors, colleagues, and subordinates; and on the strength in the situation, that is, on what they can do. They do not build on weakness. They do not start out with the things they can't do.
4. Effective executives concentrate on the few major areas where superior performance will produce outstanding results. They force themselves to set priorities and stay with their priority decisions. They know that they sometimes have no choice but to do first things first and second things not at all. The alternative is to get nothing done.

## 2.16 MANAGEMENT IS SIMPLE.

**Management is simple  
in the sense that  
the values, concepts and approaches are simple.**

They are not hard to understand.  
They may be hard to accept and abide by.

They are hard to abide by  
because sacrifice is involved,  
sacrifice in the sense of enlightened self-interest  
and not in the sense of foregoing all that one has.

They are hard to abide by  
because though good and desirable  
they are difficult to do *and* do consistently.

**Management is not mere knowledge ;  
management is action, disciplined action :  
this is why management is not simple.**

Hundreds of thousands of pages have been written  
on aspects of modern management.  
They are all valid and valuable.  
Some of them are indeed complex.

**When I say 'management is simple',  
what I am emphasising is that  
the essentials are not complex ; the details may be.**

## 2.17 WHAT SEEMS TO MAKE PEOPLE TICK ELSEWHERE IN THE WORLD.

All this seems so reasonable,  
so fair to all concerned,  
and not all that complicated.  
Why don't we practise Modern Management  
in a big way ?

You can add to it the fact  
that as human material what we have in India  
can compare favourably  
with the best in any part of the world.

**Why then are we not going places ?**

I asked this question to myself in 1963 ;  
and added another: What makes other people tick ?

In search of answers, I made a study tour  
in 1963 and 1967  
of the fast developing countries in the world.  
I found all of them score  
in the management of human resources,  
and, in particular, management-manpower resources.

In summary form, in the accompanying diagram,\*  
I am presenting my findings.

**We will observe that all that the others are doing  
is rooted in self-discipline,  
the cornerstone of modern management.**

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\* Please see insert reverse.

PART THREE

WHAT HINDERS OUR GOING FURTHER  
AND FASTER

### **3.00 INHIBITING FACTORS.**

Modern management can help us  
raise the standard of living  
in the shortest time possible.

**For modern management to prevail, however,  
we need certain environmental conditions.**

We do have some helpful factors in the environment;  
we have some inhibiting factors too.  
Helpful or inhibiting,  
most of them are man-made  
and therein lies the hope for a brighter future.

Whatever is highlighted in the accompanying pages  
is *not* a criticism of a current scene.

**Each of the phenomenon mentioned  
has a direct relevance  
to the practice of modern management  
and hence it is mentioned.**

Most of the factors are known to us:  
I therefore don't elaborate them.

**My plea is that people in power  
reflect and discuss these in small groups  
and decide for themselves  
that in their sphere of action  
most of these inhibiting factors become inoperative.**

Factors described in these pages  
cannot be legislated against.

Individuals in power and those who strive for power  
can, if they will, reduce these inhibiting influences  
and thereby create a conducive climate  
for the practice of modern management,  
and what such practice can offer to the common goal  
of a *raised standard of living* and,  
what is equally important, an improved *quality of life*.

# ATTITUDES & APPROACHES TO OBJECTIVES - FUTURE - ENVIRONMENT - GROWTH - COMPETITION - CUSTOMERS

3.01 - 3.13

## 3.01 SELF-CANCELLING GOALS.

Taking the national scene,\*  
in many organisations,  
the goals have not been thought through  
and spelt out.

In the absence of spelt-out goals,  
we have to go by unstated but operating ones.

In the case of unstated and operating ones,  
we have a double confusion.

We do not know  
which goals are primary and which secondary;  
and worse still, we find them shifting.

Again, we find the secondary goals  
are not consistent with  
or supplementary to the primary goals.

In fact, one notices at the highest level  
a phenomenon of self-cancelling goals.

**Not having a clear idea of the goals,  
and having self-cancelling goals:  
that is our handicap No. 1.**

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\* What applies to the larger applies to the smaller, and more so.

### 3.02 TAIL WAGGING THE DOG.

If objectives are to be met,  
sub-objectives should subscribe to  
and be subordinate to the main objectives.  
In other words, the tail should not wag the dog.

Looking at the national scene again, we find,  
the tail does wag the dog.

The state's goals become more important  
than the national goals.  
Regional goals become more insistent  
than the state's goals.  
Odd-group goals become more important  
than the regional goals.  
Individual goals become more important  
than the group goals.

**And those presiding over the main units  
and who are therefore in charge of the main goals  
do not assert themselves to see that  
the main objectives take precedence  
over the sub-objectives.**

If we can correct this one phenomenon,  
and only this one phenomenon,  
it will make a difference to all of us.



### **3.03 KARMA THEORY HATAO.**

Since today affects tomorrow  
and since modern management is not a passing show,  
the future is given a rightful place  
in modern management.

Proverbially, we believe in the Karma theory.  
*Action and reaction are equal and opposite.*  
*What we do in this life can affect our next.*

**At least in positions of power,  
we flout this theory and convention ;  
we couldn't care less for tomorrow.  
What suits us now is good enough.**

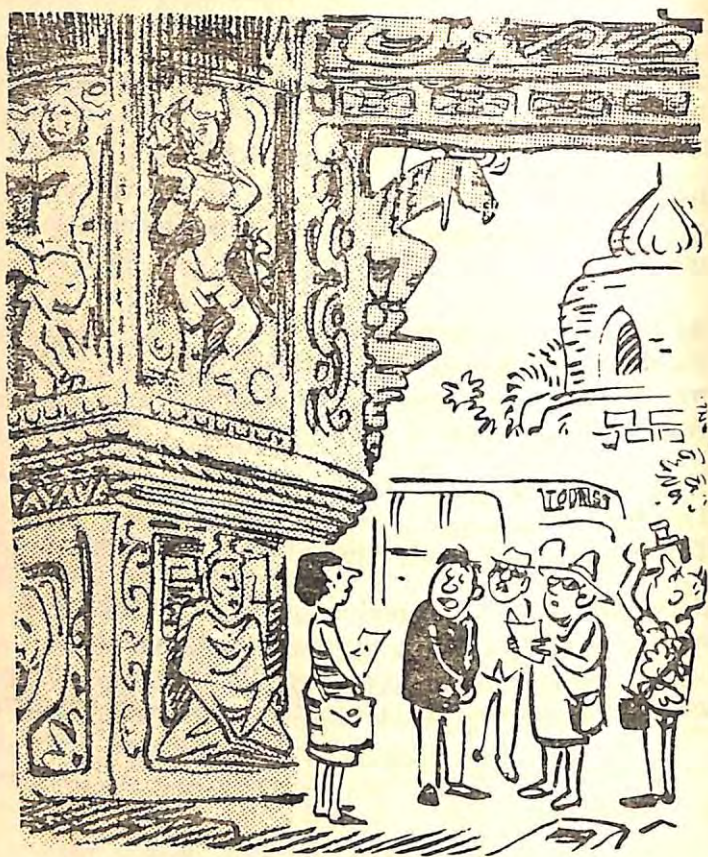
This approach hurts priority areas first.  
This hurts personal relations next.  
This encourages opportunism.

Certainly, this goes against modern management,  
which is essentially a purposeful, disciplined,  
organised way of creating wealth today,  
without prejudice to the creating of wealth tomorrow.

### **3.04 AFTER ME THE DELUGE.**

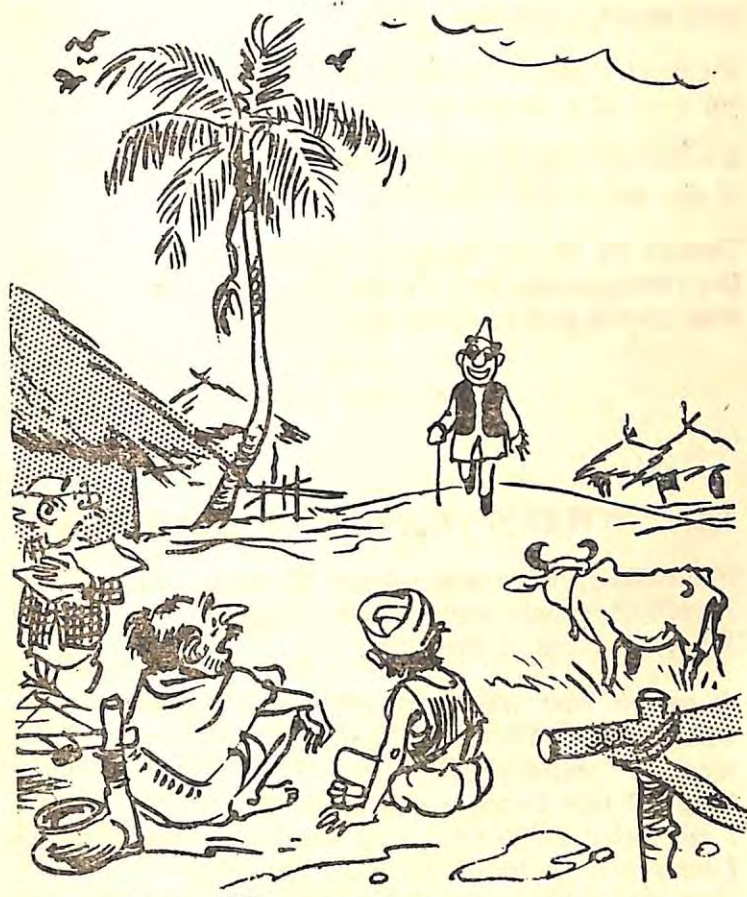
The tragedy of one-year balance sheet  
and a five-year election is that  
we are forced to think in terms of just today.

by R. K. Laxman



—so much for our rich past! As for the future, we visualise in the Plan a two per cent decrease in prices—

by R. K. Laxman



Ah, there he is again! How time flies! it's time for the general election already!

We are becoming willing victims of this tragedy.

We tend to develop myopia—  
we think in terms of narrow,  
unbalanced, short-term goals.

We don't think in terms of the distant tomorrow,  
not even of a decade or two.

We do not sufficiently consider the implications  
of our action for tomorrow.

**Though we do not say it in so many words,  
the young people feel we are like the king  
who openly said: *After me the deluge.***

### 3.05 "WHAT'S THE USE OF GROWING?"

Industrially, we are not even 25 years old.  
Already,\* people have started asking:  
What's the use of growing?

A person who was getting 500 per month,  
when he gets 10,000 per month,  
tends to 'philosophise':

*Why all this struggle and strain?*

*I am well provided for now and so are my children.  
I have also provided for some charities.*

*Now that I have provided for the here and hereafter  
I should take it easy.*

---

\* The traditional belief is that the third generation starts the winding up. Now even the first generation does it.

We should certainly congratulate the person for his enterprise and what he has done for himself and his family in such a short time.

We should not, however, sympathise with him for lacking the modern management spirit.

We should consider the social and economic climate that lulls him into this superstition.

**Yes, it is a superstition to think that if we look after ourselves, all will be well. It is equally a superstition to believe that our neighbours want pitiful doles through hospitals and dharmasalas.**

Our 'neighbours' want a more respectable living. In making this possible, the enterprising section, which is always a minority section of any community, has a major responsibility, *a missionary responsibility.*

**A higher standard of living will become problematic if this small section does not encourage itself, if this small section does not get encouragement.**

That this section should behave properly no one can deny;

but this section should exist and thrive.

In fact, it should be systematically found and thoughtfully tended.

There is no evidence that we do this.

There is no evidence that we see this as a key factor in economic growth.

### 3.06 "WHAT'S IN IT FOR ME?"

The other day an industrialist was reviewing the growth of the pharmaceutical industry.

He remarked with obvious pain:

"What disturbs me is that many people have started asking a disturbing question:  
*What's in it for me if I grow?*

I ask myself a different question:

How much do I need personally?

I ask myself: Is not this opportunity to grow, in itself a special privilege?

They do not agree with me.

If they are not the sole beneficiaries, they'd rather choose to shrink."

Modern Management is a road to personal satisfaction, a satisfaction that arises out of an opportunity to make a visible contribution to a raised standard of living.

The moment people in power ask the question:

*What's in it for me*, the rot has started.

If they're working only for what's in it for them, they should step down and work in secondary positions.

The key positions aren't for them.

Modern Management is not a tool for personal aggrandisement.

### 3.07 THE DOG IN THE MANGER.

*"I won't do it.  
You shall not either."*

This attitude is bad enough.

A worse one is:  
*"I'll take it over  
and do my worst."*

For a unit to operate  
we need many supports,  
not all of which are within the organisation.

Who organises the support  
is not material,  
so long as it is organised well.

**"Let us go out and support them  
so they may support us."  
This attitude is not to be found.**

What we have instead  
is an attitude that  
does not consolidate what we have,  
does not contribute to what we need,  
but does dilute what little we have.

### 3.08 KEEP THE CAKE AND EAT IT TOO.

Satisfaction means sacrifices.

If something has to come in,  
something has to go out.

The one that comes in  
may be of more value  
than the one that goes out—  
it often is or should be.

The point is that something goes out.

The one that comes in and the one that goes out  
may not co-exist.

**One of the problems of growing  
is to make the choice.**

**One of the signs of maturity  
is to make this choice.**

One of the disciplines of modern management  
is this maturity.

At fairly high levels  
we have this phenomenon  
of '*have the cake and eat it too*'.

We are not able to let go  
our 'childhood' preferences.

We, therefore, do not get the benefits,  
of the more promising alternatives.



### 3.09 "HOW CAN WE . . . . ."

In a company having a suggestion scheme, 5% of the estimated annual savings is payable to the suggestor of an accepted idea.

The amount payable came to Rs. 2700 in one case, and members of the suggestion committee recommended a mere 200.

The director asked:

(obviously he is *some* director!)

*Why don't we pay the 2700 ?*

*I take it you have assessed*

*the likely savings through the suggestion.*

The managers confessed that they had made a very conservative estimate of the savings; but added: *How can we pay a mere worker Rs. 2700 ?*

This is one of the attitudes we cling to:

*"There should be a gap between me and you."*

We make it daily wider

by holding tight to

whatever is to be paid to the low and humble

and by, of course, jacking up

whatever can be paid to the higher-ups.

**It has not occurred to many of us that unless this widening gap between the rich and the poor is quickly and demonstrably decreased, the atmosphere of sanity**

by R. K. Laxman



I am delighted to note that your war on poverty has produced such swift results . . .!

which is a pre-requisite for good management  
will start disappearing,  
if the process has not already started.

Apparently, we have not heard of  
the "revolution of rising expectations."  
And related revolutions of  
"rising frustrations" and "shifting expectations."

### **3.10 AC-ROOM MENTALITY.**

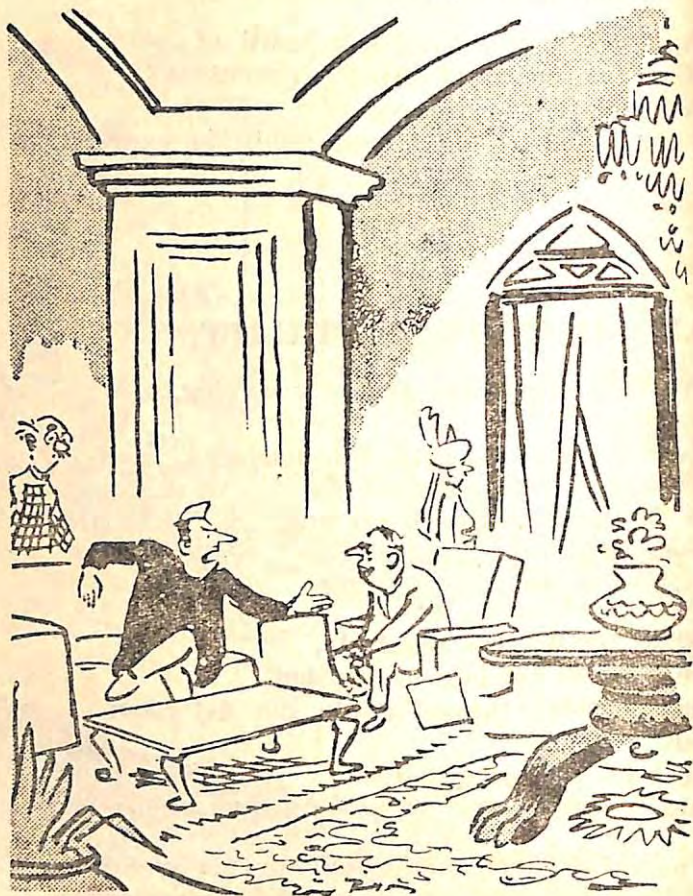
Portable air-conditioners are coming,  
we are told.

Even now, it is possible to move  
from the air-conditioned flat  
to the air-conditioned car and  
from the air-conditioned car  
to the air conditioned office.

**When we do this regularly,  
we tend to get into an illusion.  
Just because things within the AC room  
hardly change  
we tend to think that  
things outside the AC room hardly change.**

We mistake our controlled internal environment  
as representative of the whole environment.  
When we do, we are out of touch with reality.  
Things are changing and changing fast  
in the environment.  
in terms of tastes and expectations.

by R. K. Laxman



Of course, people are better off today than before—take me for instance I never used to live like this before!

We don't realise the change,  
thanks to our artificial environment.

No one will tell us, either.  
They know we won't believe them.  
What we "see" is reality, not what others tell us.

Modern Management is built on a premise:  
Understand reality and adjust yourself to it.  
Nature won't oblige you; you better oblige nature.

Here then is another hindering factor.

### 3.11 A PARLOUR GAME.

There are diversions and diversions,  
but one of the commonest  
is to sit for hours in conferences  
and passionately discuss:  
*Generalist or specialist?*

These diversions ignore  
the real nature of management,  
the totality of professional management.

**There is no generalist or specialist ;  
there is only one 'ist' in modern management  
and that 'ist' is for results.**

Of course, he is for results,  
*consistent with relations and reputation,*  
consistent with today and tomorrow.

This is one of the many diversions that take us away from the substance of modern management and we can hardly afford any such diversion at this stage of our growth.

### 3.12 NO COMPETENT COMPETITION.

Modern Management thrives where there is a compulsion from without and a drive from within.

**The compulsion from without is that of competent competition.**

**The compulsion from within is a sense of pride, a lively social sense.**

*"I have to do well and a little better ; otherwise, I will go under :"*  
if this is the situation,  
we will do our very best.

We don't have this situation in our country today.

In many sectors, we have a monopoly situation.

In a monopoly situation,  
we care a damn for the customer.

What we give and the price at which we give it the customer has to jolly well take.

"Where will he go, anyhow ?"

The moment we are in a position to say this,  
we need not give  
the promised product or the implied service,  
we need not give it in time, and  
we need not give it at a reasonable price.  
We can afford to waste—  
we can make the customer pay for it.  
We can afford to be in-centred, thinking all the time  
about ourselves, our sweet whims and conveniences.

**It is not the size that makes a monopoly ;  
it is the absence of choice for the customer.  
Where the customer has no choice,  
there is monopoly.**

Where there is monopoly,  
modern management exists only by chance.  
When it is a chance  
even where monopoly does not exist,  
how much more so where monopoly exists.

### **3.13 NO CHANCE TO CUSTOMERS.**

Can it be described as the Indian temperament ?  
Perhaps not.  
It may be an universal temperament or inclination.

All over the world, people don't like  
to brook competition.  
They prefer *not* to give  
the customer (the citizen) a chance.

Only, in other climes,  
this behaviour is kept under check.  
In the common interest this has to be so.  
We in India are yet to get it under check.

The customer shall be at our mercy—  
call him a farmer, a commuter or grocery-buyer,  
he should be at the tender mercy of  
whoever we are.

**This phenomenon of Hobson's\* choice  
comes in the way of modern management practice,  
(and therefore higher standard of living),  
more than most others.**

---

\* No choice.



# ATTITUDES & APPROACHES TO MARKETING-SURPLUS-CONTRIBUTION- ORGANISATION — FUNDS — CASH'S WORTH-WASTE

3.14 — 3.27

## 3.14 MARKETING? NO.

One dynamic aspect of modern management is planned, persistent, systematic marketing.

We are still to give marketing a chance.

We think that if we produce, it is enough.

We think if we open the shop, it is enough.

Instead of marketing,

(which, though creative, is certainly no comfort,)

we try to create a scarcity situation

or a monopoly situation,

so that we can save ourselves the effort,

so that we can ration,

so that we can distribute on our terms.

**In the absence of an organised public opinion,**

**a civic-centered press and**

**a self-reliant customer public,**

**we are able to go about 'doing as we like'.**

Occasionally, we are not able to ration;  
things don't sell.

Even then, we don't turn the searchlight on ourselves;

we don't blame *our* marketing attitudes.

Instead, we blame the government

or someone else across the oceans.

### **3.15 TRADING ? YES.**

We trade.

We trade in goods, and services.

We trade in concessions, licences, sanctions.

**We add value  
negatively.**

**We hoard and hide,  
and the goods assume additional value !**

**We delay and dilly-dally,  
and the services assume critical value !**

While this approach adds to our personal wealth,  
it does not add to the country's wealth.

While this helps us to hoard wealth,  
it does not add to the movement of wealth.

More recently, because of a reconversion process  
known as black money, cash wealth is available  
only for spending, not investing,  
even if we wish to invest.

Money as a resource does not go to produce.

### 3.16 THE KANKANI\* MENTALITY.

To the employee public,  
to the customer public,  
and to the society at large,  
our attitude continues in large measure  
to be one of a contractor.

**What interests us is the commission to ourselves.**

What happens to our men,  
what happens to our customer,  
what happens to our country's interests,  
we do not care.

We seem to say:

*It is my business to look after myself.*

*It is their business to look after themselves.*

*If they do not know how,*

*they have to blame only themselves.*

This broker-interest in the public  
is not conducive to a long term game,  
which is what the practice of Modern Management is.

---

\* The *Kankani* is the fellow who induced people to get themselves hired as indentured labour in Fiji and other places; he is a broker in human labour.

### 3.17 SURPLUS-CONSCIOUSNESS ?

Lack of dynamic surplus-consciousness is one of the key factors that comes heavily in the way of the practice of modern management.

If a ton of steel comes into the factory at one thousand rupees per ton, and if after processing it goes out of the factory at five or ten thousand rupees per ton, the factory has through proper management added value to the input, to the resources.

In other words, if resources utilisation is one of the key aspects of management, value adding is an integral part of it. We use our ingenuity, our skill, our talent and all those intangibles which really make one ton of steel equivalent to the value of five or ten thousand rupees worth of machine tools, let us say.

**Possibly, it has not occurred to us.  
Certainly, it is not insisted on by us.  
We hardly give scope  
to our capacity to make new wealth,  
using material and human resources.**

In fact, many in power tend to brush aside this surplus-consciousness as if it is unworthy of our attention, nay, unholy, anti-social, if not downright criminal.

Making surplus is anti-social!  
With this belief, really a built-in-safety-valve,  
**they are all safe.**

They may be safe themselves.  
**In their hands, are things safe?**

Regeneration and growth are laws of living nature.  
What does not grow and regenerate, degenerates, dies and becomes extinct.  
But growth and regeneration arise from creating a surplus between life-energy produced and consumed and using the surplus for growth.  
This is true of all productive enterprises.  
If they do not sustain themselves from their own operation and produce a surplus for renewal and growth, they either die or have to live as parasites on the sustenance produced elsewhere.  
**Yet there are people who argue that concern for public good somehow needs a non-concern for surplus.**

Those who are not adequately informed, and those who do not sufficiently believe in adding value to whatever resources are under their charge, in other words, those who do not have a dynamic contribution sense can prove a liability

to the common goal of raising the standard of living.

*"We should leave the world richer than we found it".*

This is not philosophy.

This is precisely what modern management expects of its practitioners—

the world being the little units they're in charge of, the little opportunities they get during their work life to create goods, services or ideas.

### **3.18 "IT DOESN'T PAY".**

It does not pay to contribute ;  
it does not pay to contribute in a big way  
to the surplus and growth of the enterprise one serves.

**Some have the insistent urge to contribute :  
They constantly ask : What can I contribute  
that will significantly affect the performance  
and the results of the institution I serve ?**

Even they are pressed to reconsider their stand.

Many practices bring about this situation.

One is that contribution is not encouraged.

Another is that a contribution-compensation formula is not operative.

**As the saying goes,**

**those who sing and those who don't  
are eligible for the same quantum.**

In fact, for recognition and reward,  
criteria other than contribution are used.

Worst of all, those who contribute  
are told in so many words that they are simpletons!

### **3.19 DIVERSION PAYS.**

A senior official told me once:  
These laboratories are supposed to do research.  
Instead they grow roses or  
run diploma courses in interior decoration!

No, we are not opposed to roses  
or courses in interior decoration.  
Both are valuable and they add zest to life.

Some one should do them.  
If we are the people to do them,  
let us go ahead.  
If we have excess energy or resources,  
let us go ahead.

**What one finds, however, is that this is a diversion.  
The implicit task has been played down,  
if not altogether bypassed.**

**What one also finds is this diversion pays,  
Either because the diversion**

caters to the pet fancies of the boss.  
Or because the diversion is the only way  
to impress the busy boss  
who visits you for a few minutes  
and who is impressed only by  
what his gross eyes can see  
or what the lay public sees and talks about.

**In such a situation, the worldlywise unit chief  
will just do what it pays him to do ;  
and we cannot quite blame him.**

Meanwhile, the professionals in the organisation  
and the perceptive citizens wonder:  
What is all this *tamasha* ?  
And at what cost to the organisation  
and the people that make it ?

This is a silent wonder.  
Even if it is vocal, it gets submerged  
by the trumpets the diversion provides.

### **3.20 STILL IN A GRANT ECONOMY.**

Some do not look at resources  
as a means of generating additional resources,  
using their knowledge resources.  
They seem to look at it only as imprest cash.

**In large segments of our national life,  
we have not outgrown the grant economy.**



We expect "a rich uncle"  
to periodically and progressively  
fill our coffers.

If we convince him we need more,  
we have achieved our goal!  
We also think it is an achievement  
to have spent the money during the allotted period.

### 3.21 THE BOGEYMAN.

The ruling belief is that  
honest spending is all-important.

**Honest spending is important but  
equally, if not more important, is  
efficient spending and effective spending.  
Where the latter aspects are not emphasised,  
there is spending and no creative investment.**

Where honest spending alone is emphasised,  
there is a further diversion and that is  
the tendency to be merely right on paper,  
to be above the reproach of 'audit'.

I am not suggesting audit has no place  
in the orderly scheme of things.  
What disturbs a student of management like me  
is the standard objection to any suggestion:  
*Audit will object.*

Goals are not important; timeliness is not important;  
but "a no-objection report from audit" is important.

by R. K. Laxman



He says he hasn't built it because he's afraid he would be charged with the misuse of public funds!

In certain circles,  
'audit' has almost a paralysing effect.

So long as there is no malafide action,  
why should an audit objection frighten us ?

**Incidentally, a knowledge of the history of 'audit'  
may give us the right perspective.**

**When did it all start and what for ?**

**Do the same conditions and purpose obtain still ?**

Spending can be seen either as an 'outgo'  
or as a part of an objective-oriented performance.

**Because it was seen only as an 'outgo'  
a system of audit which was concerned  
with the quantum and regularity was instituted.**

It suited a system of government,  
a remote control government,  
which was only concerned  
with the maintenance of law and order.

When public expenditure  
has become development-oriented.  
the concept of audit needs to change.

In view of the changed context and purpose,  
the role and way of audit should have been long ago  
redefined and updated.

This has not been done.

If the reports are correct,  
things have since become worse!  
Purposeful and timely action which is basic  
to capitalising on an opportunity for an organisation—  
has of late become more difficult, not less.

### 3.22 "WHAT CAN THE ORGANISATION GIVE ME?"

Instead of enquiring what I can give the organisation, instead of looking at it as an opportunity to serve society, some key men tend to focus their efforts on what the organisation 'owes' them; what they can get out of the organisation.

While this perhaps is understandable in the case of self-appointed persons in certain positions, it becomes strange where the persons are appointed to key positions.

It is not as if they are not well-provided for. In fact, they are as well-provided for as elsewhere.

It is desirable and feasible that people look after the organisation; and organisations look after all people, and key people in particular.

**There is certainly a case for providing them with more for the onerous responsibilities they have taken up. This extra they should ask for and get; but they should *not* take from the organisation on their own.**

If they do, others wonder:  
*Why not me too?*

No organisation can stand for long the drain occasioned by such an attitude and approach.

by R. K. Laxman



Stupid charges! Absolutely false! It is very unfair—my son never used influence or pulled wires to get the licence! I gave it to him!

### 3.23 AN ATTREYA HYPOTHESIS.

Man's innate desire is to accomplish, to contribute.  
If he is denied the opportunity, he feels frustrated.

**In that frustrated mood,  
some seem to ask :  
If I can't help the organisation,  
why not I help myself !**

Whether this is a way of punishing  
the organisation and thereby the society  
for denying them the opportunity  
to accomplish and contribute  
only psychiatrists can say.

It is possible that they would do what they do  
even if the organisation provides enough outlets  
to their urge for a creative contribution.

It is possible that they have  
the unhealthy tendency to convert every situation  
to their personal advantage.

**My hypothesis is that  
absence of modern management disciplines  
in developing economics and large organisations  
leads to this unsavoury by-product.**

Of course this is encouraged  
by the absence of discipline at the top.  
It becomes a matter of 'follow the leader'!

People tend to tell themselves:

*"If he can get away with that much  
let me get away with this much.  
Since his hands are not clean,  
I know he cannot catch me."*

### 3.24 WASTE MAKERS.

It is not given to everyone  
to make new wealth.  
We may not be producing something  
or selling something,  
and in that direct sense  
we may not all be making new wealth.

Everyone can, however, spot and stop waste—  
waste of resources of every kind.

**The daily avoidable, tangible waste in our country  
can be conservatively estimated  
at Rs. 6,00,00,000.**

Yes, in this calculation, the intangible waste-  
like waste of talent or enthusiasm-  
has *not* been taken into account.

The waste accumulation is insidious,  
relentless and, often, invisible.

Waste consciousness matters *at every level.*

Waste, however, does not stop  
by an executive order.

Every one has to work for it every day  
and the chief has to give a big lead,  
an organised, systematic, sustained lead.

As it happens we behave very much  
like an affluent nation.

We treat every resource as the other man's—  
and we have a quarrel with the other man,  
so we're glad he is incurring a loss.

In fact, if we can help in the process, we would !

The prevented waste will not help me  
(argues the man at the bottom *and* the man at the top)  
and so why bother ?

When millions live this 'profound' philosophy,  
we irrevocably lose only an estimated six crores a day !

While this confused sense of who-benefits lasts,  
a key aspect of modern management,  
namely, innovation and improvement,  
hardly get a chance.

### 3.25 ONCE MONEY BECOMES . . . . .

Once money becomes money's worth  
we seem to treat it like mud.

Money's worth is not the same as cash. Granted.

Money's worth, however, is material or equipment ;  
it is human time and talent ;  
it is resource, potential wealth.

When money's worth is not looked at  
as resource, as potential wealth,  
there is waste.

A sizeable portion of money's worth  
is today unused, partly used, misused.  
In other words, it is wasted.



One sees the *Himalayan* efforts to get funds, and the *pathala*\* approach to things got out of the funds.

**True, unlike fund-raising which is a one-time affair, utilising resources bought out of those funds is a continuing and care-demanding task.**

The implications of the prevailing attitude to money's worth are painful indeed for the common cause.

Every intelligent visitor to the country expresses surprise at our indifference to inherited and recently raised resources, social, cultural, physical and economic.

### **3.26 KISKA BAPKA ?**

“When I travel on my account, I always go third.”

When it is on company's account, it is, where possible, a chartered plane!

True, there is something like the status of a company or a country to be preserved; and for the sake of a few rupees, we should not start “travelling third”.

A peculiar (or is that peculiar ?) phenomenon obtains: If it is my personal money, I grudge even a rupee. If it is the company's, I throw away thousands.

---

\* The deepest depth.

Perhaps the argument is that  
I personally cannot afford it but my organisation can.

**What the onlooker notices is not the thousand  
but the 'throw away' attitude ;  
and he too develops the same mentality  
to the company's resources.**

Throwing it on oneself or on one's cousin  
is another matter.

To be extremely liberal with the other man's money  
could mean frittering away of resources.

### **3.27 FOR A MERE 1%.**

When the fence feeds on the grain,  
what happens to the field ?

A Tamil saying.

I agree a mere 1% is not to be sneered at.

*"A 1% of one crore is one lakh  
and one lakh is some money ;  
and I need all the money.*

*Even if it is only a few hundreds,  
it is something to me.  
You know what I am getting now  
and you know in what discomfort I am living."*

As an argument, this is logical.

To an individual, this is something.

What about the organisation ?

What are the costs and consequences to it ?

**A 1% 'in' to us individually may mean  
10 to 50% 'out' to the organisation.**

If it is speed money,  
the organisation does not lose much ;  
though the society does  
because of patent injustice.

**Often, this is a dilution price, a conscience price.**

**The deal here is :**

**If you give me this price,  
I'll let go the interests of the organisation.**

So what, some may further argue, and add:  
*these are days each fends for himself.*

In that case, organisations do not become  
places of joint performance  
but instruments for personal siphoning off.

I say 'personal' because I learn that  
such siphoning is a group process!

The larger the organisation  
the more the bleeding ;  
the more strategic the organisation,  
the more casual the bleeding.

*"But everybody does it"*—that is one excuse we get.  
**As if it absolves all the implications  
of this phenomenon for the common cause.**

If people look after themselves  
and ignore the organisation's interests,  
we will have not merely the non-creation of wealth  
but the fast eating up of existing wealth.

ATTITUDES & APPROACHES TO  
ORGANISATION — STRUCTURE — SIZE —  
GOVERNING BODIES — POLICIES —  
PROCEDURES

3.28 — 3.34

**3.28 NOT ORGANISED FOR  
ACHIEVEMENT.**

Where goals are not spelled out clearly  
where surplus-creation is not one of the goals,  
where contribution-compensation is not related,  
existence of institutional units  
may help individuals, but not the community.

The very idea of coming together in an organisation  
is to achieve more, to achieve better.

**While we are in an organisation,  
we not merely have the benefit of number,  
but we have the unique benefit  
of multiplying strengths  
and cancelling weaknesses ;  
we get the benefits of a team.**

But to get the best benefit  
we should be *organised for achievement.*

Have we conceded  
the place of organisation in achievement ?  
Have we started applying  
the findings of organisation research ?

Are we aware of  
the influence of technology, of belief systems,  
and non-static conditions  
on organising for achievement?

### **3.29 UNCHANGING SUIT.**

We prescribe one single type of structure  
*whatever* the mission of the organisation.  
We make indiscriminate and wholesale use of  
*the mechanistic type* of organisation.

If we have to run a one-mile race,  
operate a fast machine tool,  
process a chemical under a below-zero temperature,  
we have to think of an appropriate dress,  
*appropriate to the function.*

An organisation structure that will  
facilitate managing a research laboratory  
will be different from a structure  
that will facilitate exporting a competitive product.

**To this aspect of achievement  
the structure of an organisation—  
we are still to give sufficient thought.**

As in the case of an individual,  
so in the case of an organisation,  
when it grows in size and complexity,  
we have to progressively modify and update  
the structure to suit current needs,  
to suit the changed environment.

In most cases we make do  
with whatever we had as we started.

**We do not seem to recognise  
that organising for achievement does not happen ;  
that one has to work for it all the time.**

### **3.30 LAW OF THOUSAND.**

Like structure, size also affects  
effective management.

If the size goes beyond a particular limit,  
then Parkinson's Law of Thousand operates.

The laws says:

*If an organisation has a thousand people,  
it has released the forces of self-destruction.*

If the size of the personnel is beyond a "thousand",  
the "in" seems the only real thing ;  
and the large majority gets busy  
"creating" work for one another  
and internal struggles become all-important.  
**The reality, the reality of the outside customer,  
gets totally ignored.**

Growth in sheer size is a phenomenon in our country.  
Conscious efforts to keep off the logical consequences  
are yet to be seen.

### 3.31 COMMITTOCRACY.

When you don't want to commit yourself,  
committee yourself:  
this seems tragically true—  
tragically for the cause of democracy  
and the common cause of achievement.

Committee is *a* means to certain ends.  
Committee is *a* form of democracy in action.

**The moment we make it the means to ends,  
the moment we make it the form of democracy,  
we provide another inhibitor to modern management.**

National time apart,  
committees make heavy inroads  
into the vitals of modern management in our country.

Committees *are useful* to provide points of view.  
Committees are useful to help balanced judgement.  
Committees are useful to assist fair decisions.

But assisting decision is one thing  
*and* making decision is another.

**If the chief executive makes a decision,  
using the committee as a resource,  
but not dictated to by the committee,  
he can look after the organisation  
and its long-and short-term goals.  
In other words, he can manage.**

May be because of inertia,  
may be because of lack of trust,  
and may be for some other good reason,  
we tend to resort to committees on occasions  
where at best what is required by the chief executive  
is an advisory panel.

If the governing council \*  
makes policies and provides guidelines,  
and the full-time chief executive and his colleagues  
make executive decisions, we may be going some places.  
As it happens, the members of the executive committees  
feel membership is a seat of power  
and not an instrument  
to the better performance of the unit.

**When committees make decisions,  
the desire to assist an effective decision  
recedes into the background.**

**Sectional interests, personal whims  
or me-in-power feelings prevail.**

We are a polite lot ;  
we do not like to offend—  
certainly not in the open,  
certainly not the powerful people.  
We do not call a spade a spade.  
If we disapprove a proposal made in a committee,  
we do not express ourselves in the meeting itself ;  
we do it after the meeting is over, to "someone else."

The proposal, of course, is "passed".  
It may not be an effective decision ;

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\* 'Executive committee' sounds a contradiction in terms,  
managerially speaking.



I don't know whether  
we can call it a democratic decision either.  
**At any rate the primary purpose of a committee—  
namely, to improve the quality of the decision—  
gets defeated.**

Also, chief executives choose to be soldiers  
rather than effective executives.

They say: *I will do  
whatever the committee wants me to do.*

And sometimes (or is it often?)  
the committee delays telling him what to do—  
yes, the committee does not meet.

Committees are useful and if used with discretion  
can facilitate the judgement of the chief executive.  
If used indiscriminately, the two key elements  
in modern management—*time and decision*—  
get short shrift.

### **3.32 BLOCK NOT "BLOCK".**

*"When our MD is in town,  
he is the boss;  
and all of us are errand boys.  
When he is abroad or not in town,  
our G. M. is the boss;  
and all else are errand boys.  
What we are called or paid  
is not at all material.  
This we know and to this we're reconciled."*

This seems the position in many organisations. We do not realise and concede that MANAGEMENT is a block made up of Top Management, Middle Management and First Line Management.

**Results-responsibility is that of the entire block. The area and the extent of results-responsibility will vary but not the essence of the fact of results-responsibility.**

Since we've not quite conceded this facilitating factor for achievement, we remain handicapped.

### 3.33 "THAT IS OUR POLICY".

To play any game, we should *know* the rules. And we should *have* rules.

Many organisations do not have rules. If they have, they do not spell them out. They are not able to spell them out for the simple reason that they are policies, 'policies' to mean whims!

**"This is *our* policy," can cover many sins of commission and omission.**

When we give a promise, it is a policy.  
When we go back on our word, it is also a policy!

### 3.34 RULES OF THE GAME.

**What cannot be obeyed  
will not be obeyed.**

This is not throwing a challenge.  
This is focusing on a reality.

The point is that we should know:  
Why these rules of the game ?

They are there, I suppose, to facilitate performance,  
to facilitate joint performance with others.

If this is so, the rules should be  
realistic in the first instance.

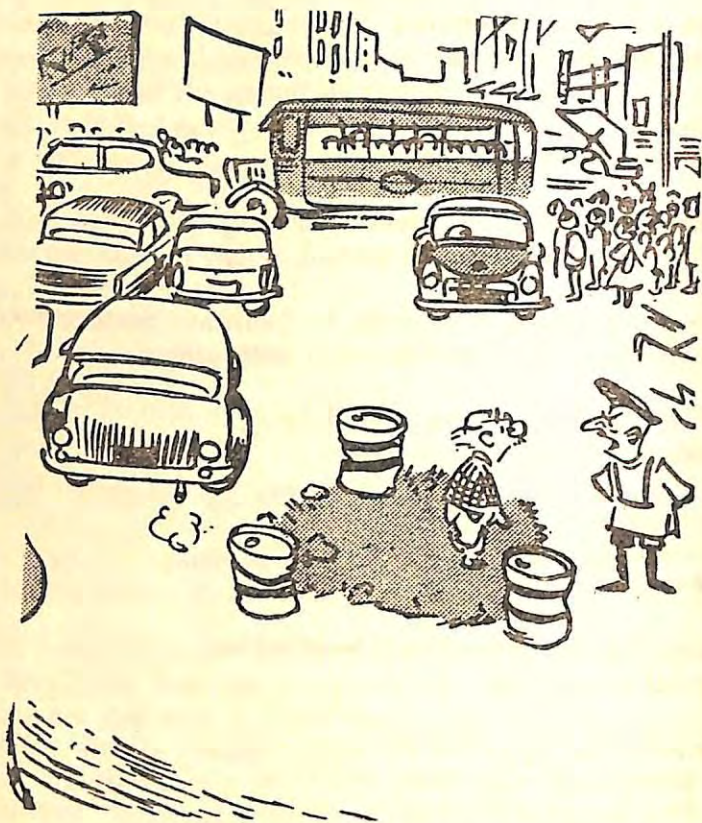
If rules are impossible ones,  
we should be surprised only  
when some people abide by them !

**Secondly, the rules should be observed  
by all concerned.**

Thirdly, the spirit of the rules  
is more important than the form.  
If this is not conceded,  
the rules-observance becomes primary ;  
goal-achievement becomes secondary.  
What came to help stands squarely in the way.

We do not refer here to eternal ethical principles ;  
we refer here to man-made well-meant rules.

by R. K. Laxman



Don't argue. Rules are rules—you can't cross except at the pedestrian crossing!

**The rules therefore should be revised and up-dated from time to time, to meet the changing requirements.**

As it happens,  
the way the rules are treated proves a major handicap:  
they are not spelled out in many places ;  
they are worshipped for themselves in other places ;  
and they are not up-dated in most places.

ATTITUDES & APPROACHES TO  
HUMAN RESOURCES — CHIEF  
EXECUTIVE — MANPOWER PLANNING —  
SUCCESSION — EDUCATION —  
RECRUITMENT — SELECTION —  
PLACEMENT — TRAINING —  
DEVELOPMENT — SELF RENEWAL

3.35 — 3.48

3.35 THE KING PIN.

His will prevails,  
the will of the chief executive.  
Even his whims prevail.

Whatever the principles of modern management,  
however qualified the professional managers may be,  
the will of the Number One man will prevail.

This is true all over the world.  
And particularly in our country,  
where power is centralised

**In India, in most set-ups, the No. 1 man is the No. 1 man  
and the rest are the rest.**

The chief executive sets the direction, tempo and style.

An organisation is indeed the lengthened shadow  
of one man, the chief executive.

Besides power and status,  
the number one job carries many tangible attractions.

It is natural therefore that there are aspirants.

The aspirants are interested not in what they can give the chair but what the chair can give them.

**They come not to give the organisation or give through it.**

**They come to take, and that liberally.**

This may be understandable on their part.

What is not understandable is that decision-makers oblige such people.

**When the chief executive is appointed for considerations other than managerial competence, we are doing an injustice to the organisation and all the resources that it implies.**

So long as he is on the *gadi*, the resources in general, and the high level human resources in particular, may become idle or negatively active.

*The bottleneck of the bottle is at the top—*  
this is more than a clever saying.

Our approach to the selection of king-pins does not quite indicate that we are interested in the fruits of modern management.

### 3.36 A PROCESS OF OSMOSIS.

Certain values, skills and disciplines are essential at the top.

It is possession of these that make one effective at this level.

The skills that are required at the top executive levels are not the same as those required at the foreman level, say.

It is difficult for the foreman to concede this readily.

Those who take the mountain-top view and those who have watched effective executives at the highest levels will concede that something else is required at this level.

This something else consists of certain values, skills and disciplines.

It is possession of these that makes one effective at this level.

**The most difficult part of the top-executive position is the discipline that goes with it.**

These values and skills and disciplines are to be *assiduously and consciously acquired*.

**The seat of power does not give one these by a process of osmosis ;  
nor does mere passage of time,  
nor blood relationship.**



The chief executive position is the only position which cannot serve as a training position.

One can surely start by doing less than one's highest capabilities ; but not do everything by trial and error as a means of learning.

That will prove too costly for all.

Non-recognition of this fact of life is another hindering influence.

### **3.37 PETER DEFIED.**

When we appoint a person to a key position we generally do so on the basis of what he has done on a previous job.

This sounds logical  
(and even just a sort of recognition ?)  
but when we examine it closely we find it contains a false logic.

Let us see the point with the help of a simple example. There is a good professor in a college and he is outstanding in research work. The post of a Principal falls vacant.

*"He is an outstanding professor of research.  
He is also a senior person of the faculty.  
Let us make him the Principal."*

An Einstein might say when invited to become the President of Israel:  
*"Thank you, I know something about science ;  
I do not know anything about the affairs of government.  
Thank you again for thinking of me."*

The college professor rarely does that.  
He says: *"Thank you for the honour done to me,"*  
and accepts the new assignment.

He may do well in the new assignment too.

**What often happens is that  
we lose a good professor of research  
and get a bad and a sad principal.**

The fault is not that of the professor  
but that of those who appointed him as Principal  
on the basis of false logic  
and a sentimental sense of justice.

**The point is that the key criterion for appointment  
is the person's probable fitness for the new job  
and not his proved fitness in an earlier job.**

Extrapolation in placement matters  
proves Peter Principle\*,  
to the cost of the community and the individual.

**If the person deserves a reward,  
let us give it to him in some other way.  
Let us not promote him.  
It may be frustration to him.  
Certainly it becomes a frustration to the resources  
placed at his disposal.**

---

\* According to Dr. Laurence J. Peter, in a hierarchy, every employee tends to rise to his level of incompetence.

Especially for Number One positions when we appoint people this way, we are punishing the unit; we are handicapping the unit for no fault of the unit.

To that extent we ask the Nation to forego a chunk of the new wealth; to that extent we are postponing the day of raising the standard of living.

### **3.38 TIRED AND RETIRED.**

We saw that the king-pin of an organisation, the pace-setter of an organisation, is the chief executive.

If it is a growth organisation, we will be stifling its growth, if we appoint a tired and retired man as the chief executive of the organisation.

**This does not mean disrespect to the individual. There is indeed no substitute for the rich wisdom that comes out of long and varied experience.**

The organisation can certainly use him but in a capacity other than that of a chief executive.

And this is why.

There are exceptions, but most of them  
have a past to preserve and no future to make.  
They'd rather not stick their necks out.  
They'd persistently play safe  
at the mediocre level.

**They'd not experiment or innovate—  
and they'd not let others experiment or innovate.  
They're anxious to "hand it over intact."**

They'll insist that *their* methods and style work;  
they'll not welcome methods that'll produce results.  
When their methods do not work,  
they will blame everybody else,  
everything else except themselves,  
except their lack-of-touch-with-reality.

And "the world" will believe only them  
and back them in their further follies.

Meanwhile, the organisation will be in the doldrums;  
and because of the attendant diversions,  
few will notice the damage done to the organisation  
for a long, long time.

### **3.39 WHEN THE TIME COMES.**

By definition, a company is eternal.

By definition again, man is mortal.

We have to provide for both these realities.

Except in some voluntary organisations,  
the successor is not named.

The successor is not even thought of.

The result is that private organisations go to seed with invalids in the seat.

Also, key posts in public organisations have an endless holiday once in a few years *and* the organisation takes a further dip.

Maybe we think that thinking of succession is the theorist's pet fancy.

Maybe we know that thinking of even a panel of successors is inviting trouble.

Or, maybe, we think that when we do quit the seat or are forced to do so 'others' will somehow find the successor. ('Others' also believe the same way!)

This belief obtains even in owner-managed companies. (Perhaps they think the law of succession will take care of it.)

I am not suggesting that we should create succession fights.

I am not suggesting that naming a successor is like writing one's will.

I do suggest that in the larger interests of the organisation, and the organisation's place in society, we give management succession (for the key positions) considered and continuing thought.

### 3.40 "OCCUPATION"\* EDUCATION.

We have not merely a large number of people but a fine quality of human beings.

Potentially, our human asset is great indeed.

And yet we face a situation of  
'water, water everywhere  
and not a drop to drink.'

This situation has been partly created  
by the way our young people are being prepared  
in our schools and colleges.

They have been prepared for a life that is not there,  
and work that is not there.

Lord Macaulay designed the system  
for a different purpose, namely 'occupation',  
occupation of another country.

Occupation-education is one thing ;  
and achievement-education is another.

**Achievement-education is functional ;  
it is for work, it is for life ;  
it is to perform well, it is to live well.**

We don't have this achievement-education  
and it is affecting our work and life ;  
and why don't we face it ?

---

\* Like occupation army.

by R. K. Laxman



I told you, the calibre of the new recruits is rather low: that young chap wants to know where the junior management pool is!

Why rationalise and say  
we train our young people to think  
and not simply to earn their bread ?

Do we really train them to think,  
think to a purpose ?

### **3.41 GROUP BEHAVIOUR : TRIBALISM.**

“We’ve not outgrown our tribalism.”  
So said Rajaji in 1936  
at the All India Historical Congress.

Unpalatable as the statement is,  
in the context of the common purpose,  
we have to concede this phenomenon and its impact  
on the game of raising the standard of living.

It is natural and understandable  
that linguistic and cultural affinities  
bring people together.

The loyalty to one’s immediate circle is human,  
whatever the cost or the consequences  
to the rest of the community.

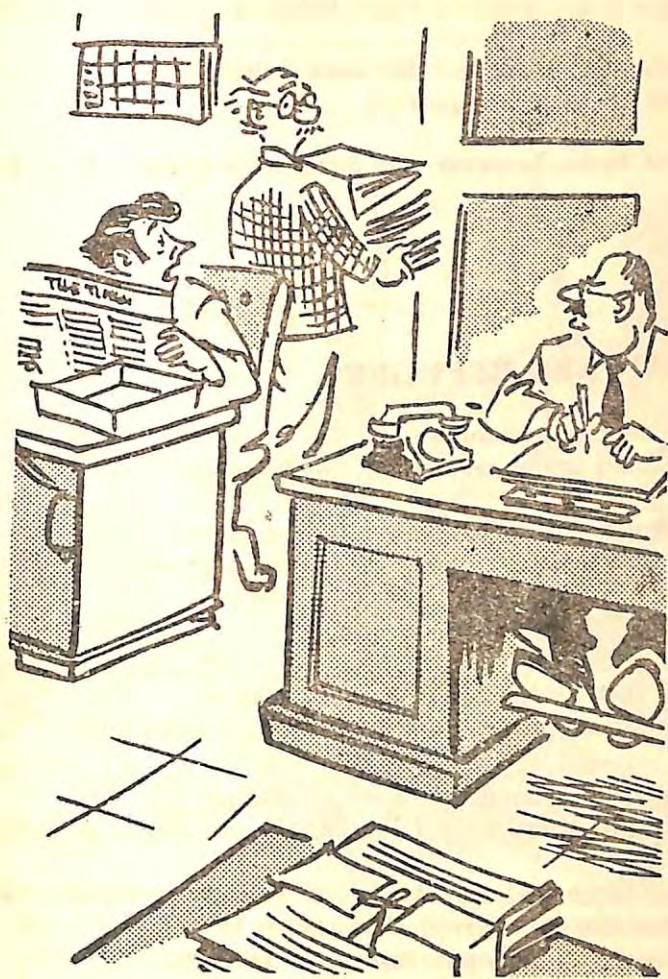
**The trouble arises only when  
a job is mixed up with a task to be accomplished.**

In a task, the man has to *give*, to accomplish.  
In a mere job, the man *receives* cash and its worth.

In the game of raising the standard of living,  
the focus should be on tasks, not jobs.



by R. K. Laxman



Uncle, what's nepotism ?

In placing people on tasks  
the focus should be on accomplishment.

This is not possible when tribalism is given free play.

**Jobs get filled and the men benefit  
and there is no quarrel.**

**The tasks, however, get done inadequately, if at all.**

### **3.42 NEO-REFUGEES.**

If man is a resource,  
trained manpower is all the more so.

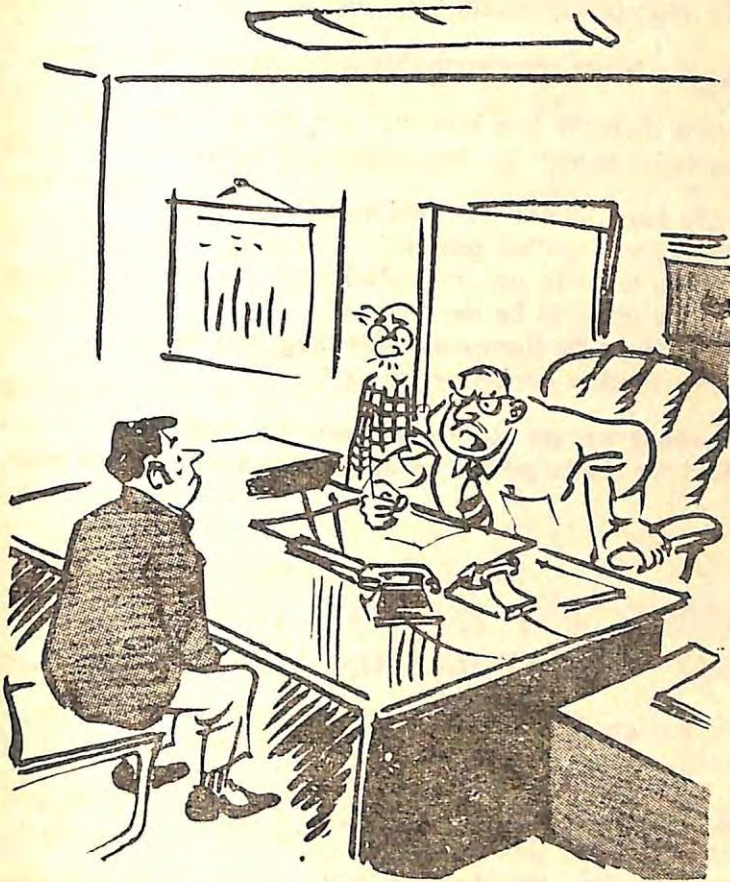
An estimated 30,000 high-power talent  
is outside the country almost permanently—  
they have no work here in India:  
I call them the neo-refugees.

Of them some are pleasure-seekers.  
Creature comforts and big money mean much to them.

And some have taken an education  
that fits them only for a highly developed society.

**The large majority, however, are achievement-seekers.  
They have prepared themselves to achieve.  
They seek an opportunity to achieve,  
and preferably in their mother country.  
And we can't give them this opportunity in our country.**

by R. K. Laxman



Rs. 1200/- is a lot of money per annum, young man! You know how much I have to earn to that much?

The problem is not one of no-need-to-achieve-here. Nor is it one of 'we can't afford their salaries'. It is one of seeking out and managing high-power talent for high-power work.

We have not mustered this attitude and skill yet.

What disturbs one however are the glib remarks made by people in responsible positions.

*"We have no use for them here."*

*"They are spoiled people."*

*"They want to get our salaries."*

*"They want to be our bosses."*

*"Let them be there—at least they will earn some foreign exchange for us".*

**Perhaps we are still to outgrow the belief that we oblige people by employing them on our rolls.**

### **3.43 EXTRAPOLATION ALL THE WAY.**

*"I am good in one,  
so I am good in all".*

Even Nobel Laureates are not exempt from this feeling, even in the year of grace 1972.

Press and celluloid build a picture of the celebrities and the celebrities themselves come to believe it.

When they come across a saying like  
'How much you should know  
to know how little you know,'  
their tendency is to brush it aside.

*"Who is this person raising a doubt?  
All these other people cannot be wrong."*

**So I volunteer for any position  
and wangle it too.**

Permitting this belief  
helps me take any job.

Will it help the organisation ?

The powers that be don't seem to  
ask this question.

### **3.44 TRAINING ONUS ON THE OTHER PERSON.**

Training is preparing a person  
to hold a competent job.

Logically, it is the responsibility  
of the person who is to hold the position.

**In our country we become rigid victims of this logic ;  
we maintain that the onus is on the incumbent to a job.**

Since Independence, we have seen the Indian employee  
doing whatever he can to train himself.

He has been learning things the hard way,  
the unsystematic way, the sporadic way,  
and certainly the incomplete way.  
With all these handicaps, he is doing a good job.

This is at the blue-collar and white-collar level.

If we take the starched-collar level,  
there has been very little training.  
Some believe that academic qualifications  
are sufficient preparation "for any job".  
Some believe that on-the-job learning is good enough.  
Still others believe the seat of power  
confers on them the needed ability.

I am not suggesting that we don't do a thing  
to train people for their tasks.

**I do, however, submit that we have not still seen  
the relationship of job training  
to individual productivity,  
and more so to managerial productivity.**

This becomes clear when there is a cost squeeze.  
The first expense item that gets the axe  
is the little organised training activity we have had;  
training personnel for the job  
seems the most expendable.

**When visitors to Germany, Japan or the USA claim  
that training men for their jobs  
is one of the secrets of their success,  
we hardly seem to believe them ;  
we think we are not told the real secret.**

### 3.45 SELF-DEVELOPMENT.

If at least self-development is the rule,  
the inadequacy of training will not be felt.

Self-improvement through self-development  
is not the rule.

**The large majority sincerely feel  
that self-development is a Western fad.**

When it is pointed out that  
a Ph. D. from the West  
*starts working after* he gets his Ph. D.,  
and a Ph. D. from India  
*stops working from* the time he gets his Ph. D.,  
many openly proclaim that  
our educational standards are higher and that is why!

**The fact is that for some odd reason  
we equate a degree\* with  
a conclusive stage of development,  
and we feel that  
no special effort in the area of self-development  
is really necessary for the qualified people.**

---

\* Many studies point out that academic achievement in itself does not assure job effectiveness or success. One team of psychologists observes:

Besides intelligence, what do we find in an effective or successful man? There are several specific qualities or attributes that in our observation not only characterize unusual men, but are also essential to the kink of success that has depth, meaning, and permanence.

The trouble is that at our universities  
we have only learnt ;  
we have not learnt to learn.

The further trouble is  
that academic qualifications  
more than on-the-job performance  
influence one's career-growth in many organisations.  
Men naturally ask:  
*What is the use of your self-development ?*

---

These men learn from experience. They grow in skill, competence, and understanding to the extent that they use their experience effectively.

They have an inner drive. Their energy and drive reflect an inner compulsion that far outweighs the outer attractions of success. They are dissatisfied with the mediocre, and do something about their dissatisfaction.

They have faith in themselves, a realistic faith solidly grounded in courage, discipline, and personal organization. They have faith in pushing ahead when somewhat frightened and unsure of the results.

They are men of character with values that are consistent, enduring, and compassionate.

And all of these qualities reflect that extra ability to do a little bit more with what they have. They are the men who get results. They *make* things happen when their fellows are content to *let* them happen.



### 3.46 PLAYING GOD.

Often I used to wonder when reading the ancient texts:  
*Why this obsession with arrogance and humility?*

Only when I see management in action  
do I see its great relevance to the common cause.

**When I am arrogant, I don't grow  
and I don't let others grow.**

If a man does not grow, how can he help others grow?  
If there is no growth, where is vital life?

We *are* not all-knowing; we *need not* be all-knowing,  
we cannot be all-knowing,  
we have a point of view,  
others too have a point of view.  
And to look at the many facets of truth,  
even an economic truth,  
we need the benefit of the many points of view.  
Having had that benefit and using our best judgement,  
we can certainly make a decision.

*When you tell me :*

*Yours is not to think, yours is to obey,  
you possibly get the benefit of my hands,  
but that is only a small part of me.  
The big part of me is my head and my heart.*

**This is certainly true  
of the knowledge-worker, the creator.**

There is a disquieting trend  
even in management education circles.  
The young people are told:

You're the natural leaders,  
you're the qualified leaders.  
The purpose perhaps is a lofty one,  
namely, to revive self-confidence in our young men.  
What is happening is  
that such conditioning is  
giving them an attitude  
that is not helpful, professionally or socially;  
it builds in them a habit of arrogance.

The implications of arrogance on the job  
to the country and the community are severe indeed;  
and perhaps to the individual himself in the long run,  
if he is a professional.

### **3.47 MANAGERIAL OBSOLESCENCE.**

When we hear about *managerial obsolescence*  
we seem to think that this is the latest slogan  
from the jargon-conscious West.

**In fact, managerial obsolescence is a grim reality.**

In a protected economy,  
among a tolerant population,  
knowing one better than yesterday,  
being one better than yesterday,  
doing one better than yesterday,  
is not all that compulsive.

The question is:  
In the process, how much are we losing?

We may not lose in national competition ;  
we will lose in international competition ;  
we will lose in ideological competition.

**We will lose in the promises  
we could have kept for our people.**

Our output depends on our input.  
In the sense that added knowledge of  
and skill in handling resources  
would mean higher achievement.

When knowledge is enlarging in geometric progression,  
if we stand still, the gap and our obsolescence deepens.

The answer to managerial obsolescence  
is management development.  
And management development  
is in essence man development,  
and man development to be worthwhile  
is self-development.

**Others can guide and aid us  
but we have to choose and exert ourselves.  
There is no substitute for self-propulsion.**

We as individual managers are still to realise  
that self-improvement through self-development  
is a personal responsibility  
and a professional responsibility.

We do not spend part of our income  
and leisure for our self-development.

We do not ask our organisations to  
help us with the facilities.

Once we feel we've arrived  
we do not exert ourselves even on the job.

Where is the question  
of exerting ourselves outside the job  
in the interests of self-development?

Even when organisations nominate us  
to management development projects,  
we think we are obliging the organisation!

For the effort we expect a prompt compensation!

If we have been, so to speak, shot into space,  
we honestly believe 'managerial obsolescence'  
cannot happen to us.

Management obsolescence is for mere mortals!

Organisations do not realise that  
man is the only resource that can grow  
and that by permitting managerial obsolescence  
they are denying themselves  
the greatest single opportunity.

**Investment in man's growth is still an item to figure  
in the chief's agenda and in the balance sheet.**

### **3.48 "IT IS ALL THE SAME THING".**

*"I am installing a job-evaluation system",*  
the speaker said, and went on speaking.

At question time, a member of the audience  
pointed out,

*"This is not a job evaluation system  
but a financial group incentives system".*

The prompt answer was: *It is all the same thing.*

Modern Management jargon is bandied about.

This creates a two-fold problem.

The first one is minor.

Big words get mixed up with big deeds.

The second is major.

**The average Indian can promptly assess**

**the precept-practice ratio of key men**

**and if he finds the gap too wide,**

**he rejects not merely the men**

**but the precepts of Modern Management.**

**Consequently, not merely**

**the organisation stands damned ;**

**the profession of management stands damned.**

Relatively speaking,

we can afford men who do not know,

and who, therefore, cannot bypass basic issues,

through the glib and clever use of management jargon.

**ATTITUDES & APPROACHES TO  
ORGANISATIONAL BEHAVIOUR — BOSS —  
TEAMWORK — WORKING WITH &  
WORKING THROUGH PEOPLE —  
DELEGATION & CONTROL —  
INTERPERSONAL RELATIONS — RULES  
OF THE GAME**

3.49 — 3.64

**3.49 A VERTICAL SOCIETY.**

Work life calls for a horizontal relationship,  
a colleague relationship, one of working with "equals".

This does not come easily to us ;  
vertical relationship comes more easily to us.

Senior-junior relationship is necessary ;  
equally necessary is the colleague relationship  
in a work world, a fairly inter-dependent world.

**In practice, some of us  
are not able to concede the last statement.  
We seem to think there can be  
only one of two relationships-  
above or below, superior or subordinate.**

And we enforce this belief ;  
and even where this enforcement worsens matters,  
we do not reconsider it.

Lack of colleague relationship in teams  
is yet another road—block we are facing.

### **3.50 CHIEFTAIN NOT CAPTAIN.**

At workplaces we have to work for people,  
with people and through people.

We are reconciled to working for people  
and through people  
but *not with* people.

Perhaps this is a hangover from childhood  
where we have obeyed people (parents)  
and where we have people (household servants)  
who obey us.

We tend to recreate this childhood world  
outside the home and in the work world.  
And if we are in the seat of power,  
we succeed in recreating this world.

**If we have a compound (or even a cabin)  
and a few assistants,  
the chieftain illusion deepens and crystallises.  
We think we are a world by ourselves  
and we need not coordinate with others  
for a larger objective.**

The urge is that of a chieftain-  
to beat the other chieftains!  
And, of course, other chieftains return the compliment!

### **3.51 HAVE WE PLAYED THE RELAY RACE?**

We have presumably not played the relay race,  
or a game of football or of cricket.

If we have, we have played it mechanically.  
We have not absorbed the spirit of the game.  
If we have, we'll be organised for achievement.

In the game of creating new wealth,  
in the practice of Modern Management,  
**the spirit and disciplines of the relay race,  
of football, and of cricket play a crucial part.**

We as a team have a goal.  
When our team wins, we win.  
We have to support and supplement each other.  
We should be clear about each other's role  
in the over-all mission.

**We have to mesh in.**  
**We have to know and observe the rules of the game.**  
**It is an all-or-nothing proposition.**  
**One cannot win and let the team lose.**

Also, when we violate a rule of the game,  
probably without meaning it,  
we take the penalty gracefully.

We also concede: Let the best team win.  
We are keen on our team win and will do our best ;  
but that can't be at the cost of the spirit of the game.



When the players are sportsmen, the Modern Management game is effective. Apparently, many of us, when we enter an organisation, are keen only to play our own little game and not the common game.

### 3.52 ONCE IT IS DECIDED.

When we work in a group we have the liberty to present our point of view, to influence people by our point of view.

Perhaps we feel that because of our background, our point of view will give the best benefit to all concerned and certainly to the organisation.

**We have every right to present it.  
We are in fact morally bound to present it  
if we think it is a better point of view  
for the good of all.**

We may succeed or fail to persuade others.

If we fail and if we feel strongly, *and* if principles are involved, not merely judgements or points of view, we are right to politely walk out.

If we wish to be in the group, once a decision is taken, the mature approach is plain.

We should abide by it,  
even if we do not enthusiastically support it.  
We cannot come out and complain.  
But we do.

### **3.53 HAIL CONSENSUS !**

Cussedness pays.

Many are availing of this phenomenon  
as an opportunity.

Make yourself difficult  
and you'll be appeased.  
This formula seems to work  
especially where committees play a key role.

The disturbing phenomenon is that, more and more,  
committees are making vital decisions.

The respect for the individual,  
in itself and in the right place, is a good thing  
but the obsession for consensus  
makes even the informed majority  
submit to the cussedness  
of a vocal and possibly scheming minority.

This weakness in the body politic  
is getting more and more exploited  
to the detriment of the common cause.

One can have a genuine difference of opinion.  
One could and should express it freely.  
Having done it, he should stop.  
If he overtly threatens  
that he'll take the battle to the street  
the rest should have the courage  
to leave him in the streets.  
Many of us don't have this courage ;  
the result is inaction or inadequate action.

### 3.54 WHO SAID WE PLAY CRICKET ?

In cricket, we go by the batting average.  
In creative management too.

It is clear that errors of judgement  
are in the very nature of a life of decision-making.

In management we look for consistent centuries.  
One duck, and the man is out-  
not for just the game, but for life.  
If the man is not sent home,  
he is humiliated sufficiently.

The congenitally achieving stick their neck out,  
knowing as they do the occupational hazards.

The majority however bow out.  
They argue to themselves:  
Since we will be judged by what we do 'wrong',  
and since wrong comes out of attempting to do right,

why attempt at all!  
Either they check and double check  
to come out with a 'perfect' diagnosis—  
by that time 'the patient' may be dead —  
or resort to one of the tested techniques of non-action.

The daring hesitate.  
The hesitating stand still.  
And opportunities slip by.

### 3.55 "DEMOCRACY IN DANGER"

Any organisation succeeds because of a small minority.  
This minority is purposeful,  
energetic, creative and strong.

**In the larger interests of the organisation  
we need to support the strong.  
And do we support the strong?**

We should support the weak.  
That is in a different sense, in a different context.

And supporting the strong does *not* automatically mean  
supporting it at the expense of the weak.

Also supporting the weak need not be the same as  
destroying the strong.

There is a fair amount of organised attempt  
to destroy the strong-  
through "non-violent" techniques!

by R. K. Laxman



No, Sir, I wouldn't advise you to sack him for coming late—then we'll have to employ an accountant, a general clerk, a steno, a receptionist and a telephone operator!

**Those who could and should support the strong  
let them down—they succumb  
to the siren calls of “democracy in danger”.**

Permitting these slogans carries  
the real danger to the substance of democracy.

If we are not strong enough to support the strong,  
the size of the cake will shrink faster than ever.  
The strong will shortly become an extinct species.

### **3.56 A DIVINE RIGHT THEORY?**

At top levels, we switch people  
from any job to any other job.

At the topmost levels, we *can* switch over  
from one job to another.  
Provided. . . .

**Provided we have the discipline  
to manage managers.**

Part of the discipline is  
to realise that managers are knowledgeable,  
to respect the managers as key resources,  
to know we don't know (in many areas).

**The trouble starts when top men feel  
they know everything, and what they do not know  
is not worth knowing,  
when they feel  
they're the only knowledgeable people around.**

In some places, the chief executives are so often changing and managers are so chief-executive-oriented, that they have time only to adjust themselves to the new and newer chief executives.

In such an atmosphere, managers may not manage—they are put out of action.

Being professionals, they may try for a time. When they meet with stonewalls of power, they give up.

Power makes one feel good—and giddy. Unless one develops personal discipline and supplements it with instruments of discipline, a veritable Tughlak regime is established.

### **3.57 DIVIDE AND RULE.**

Divide and rule—  
the colonial rulers practised this rule  
and almost as a fine art.  
It served their purpose well.  
And the purpose was to hold on  
to an occupied territory.

When we take a unit for management,  
the purpose is different.

**The purpose is to keep it as a whole.**

**The purpose is to make it one “fighting” unit.**

**The purpose is to make people move in one direction,  
at one tempo, for one set of goals.**

This changed purpose since Independence has not been realised in many circles. The tendency is still to divide and rule. We rule, no doubt, but we don't manage; we are in charge but we don't get optimum results

### 3.58 A MONOPOLY FEELING.

We tend to feel we're interested in the organisation.  
**We feel we alone are interested in the organisation.**  
**We further feel that all others are out to loot it.**

I know I am putting this too strongly but this is a prevailing phenomenon.

We keep all the responsibilities for results with us and therefore the necessary powers to get things done.

We encourage people to "delegate upwards". Things that can be decided and done at certain levels do not get done there: we don't trust others as responsible members of the organisation.

**To make sure that people do not exercise initiative, we frame rules that are restrictive of action.**  
**Things don't move; and things cannot move.**

Things wait for us and as more and more come to us only a few things get timely attention. The rest will have to wait endlessly.



Meanwhile, action has been delayed, thereby postponing or losing an opportunity for the creation of new wealth.

### 3.59 RELEGATING NOT DELEGATING.

In a recent study made at Bangalore, the researchers came to this conclusion:

*Workers are task-oriented and officers are fringe-benefit oriented.*

Shocking as it may sound, we have to stop and ask why.

One reason seems to be that we expect task completion from the worker.

On the other hand, in the case of an officer, we can but we don't expect a decision.

In fact, we expect him to 'delegate upwards.'

Either because we do not trust his judgement or because we have no work ourselves!

Or maybe 'I am the only fellow who knows what is good for this organisation'.

When things get 'delegated upwards', things have to wait.

In 'good time' the papers will be disposed of and the country's common goal pays for this 'good time'.

**Surplus creation in a big way  
is related more to opportunities.  
And opportunities are related to time.  
If things are to be done in time,  
the man at the task should do it.**

Of course he should do it  
within the framework of the objectives and policies  
of the organisation,  
exercising his best judgement.

If he cannot ask and answer the question:  
*Does this move advance or retard  
the objectives of my organisation,  
does it help or hinder,*  
he does not deserve to be in the seat.

If he can, he should have the discretion to decide.  
When he decides, he may be wrong at times.  
**While he is given the right to be right,  
he should be given the right to be wrong as well.**

In our country, we want to save him  
from the latter right.  
We want to hold it as a monopoly at higher levels.  
We insist that things are 'delegated upwards'.

**At enormous cost to the country and to our manliness.**

When the officer is denied this task  
of taking a decision and making it stick,  
he has to do something to earn his salary—  
he makes, I suppose, a case for more fringe benefits!

### **3.60 PAPA KNOWS BEST.**

During the Congo crisis a noted British historian came out with the extraordinary theory, in the course of a BBC symposium, that democracy cannot thrive in a hot climate which made people more irritable and less tolerant of criticism.

Whether climate does it or something else it is hard to say.

**People in power claim two monopolies.  
One is they can be intolerant of everybody else.  
The other is none shall criticise them.**

Disagreeing with them is considered defiance and is even equated with a case of "discipline".

There is only one point of view, namely, theirs, and there shall be only one, just that one.

In such an atmosphere,  
creativity strikes a retreat—  
a casualty Modern Management can ill afford.

### 3.61 THE LAW OF THE STRATOSPHERE.

Another phenomenon is even more disturbing.

As we go up in the hierarchy,  
we claim immunity.

Yes, from the very laws  
we are making or administering.

In fact, we take immunity for granted.

**Perhaps we think it is a fringe benefit  
that goes with the job.**

Once rules of the game are defied by 'the teacher'  
they are defiled by 'the students', 'according to taste.'

Once the rules are thrown to the winds,  
the game becomes a sham.

### 3.62 IF YOU DO . . . . .

*Yatha raja thatha praja*  
(As the leader, so the followers).

**This is true even today ;  
and the chief executives  
are the 'rajas' of today.**

And what do the leaders do ?

They want to be above the rules  
that they frame or are supposed to enforce.  
They don't enforce the law on themselves.

In the larger interests,  
if a professionally minded person  
does his job of enforcing a law  
evolved for the better working of the unit,  
he is shown 'his place'.

The unilateral threat system  
which is widely present  
encourages this phenomenon.

*"If you are not nice to me I will hurt you."*  
This is the substance of the threat system.

Many excuse themselves, therefore, by saying  
that their family conditions do not permit them  
to take the beating, to face the consequences.

**So they'd rather let go the law breakers.**

**And they also let go**

**the inner circle of the people in power.**

Some in power demand such 'concessions';  
and some do not object if these are extended unasked.

The pinch is felt when the rule is to be waived  
for their nearest and dearest.

*And* when many can qualify for such relationships  
by an attractive enough and often paid price.

**Once rules of the game are given the go-by  
there are traffic jams  
and the law of the jungle is let loose.**

In this climate,  
those who subscribe to Modern Management  
and therefore to order and discipline,  
and live the law, however inconvenient,  
will be held impractical people.

Since Independence,  
more and more people are becoming ' practical ' indeed !

### 3.63 DOUBLE STANDARDS.

**What we do for law in respect of ourselves  
we ' compensate ' when we apply it to others !**

We are strict with those we describe as ' others '\*;  
we demand perfect adherence to rules from others.

If the men don't do things perfectly,  
we express our anger in red-hot terms and, we add,  
that we do it in the interests of the society.

We punish them severely  
if they do not observe the rules in letter and spirit ;  
and we canvas popular support for our firm stand.  
The diversion thus becomes complete.

Those who are down the line  
take the beating,  
because of their sense of fairness—  
fair to the common objective—  
but there are others who protest.  
**They say : What are you doing, mister ?  
How long will this playing to the gallery pay ?**

---

\* The ' others ' would not include the powerful and the rich ;  
they are those who have no access to ' people ', platform or  
press. They come handy to the self-righteous to work up an  
illusion of law implementation. The observant, however,  
point out that this is pettifogging tyranny.

### 3.64 USAGE RIGHTS.

A police inspector once told me  
that on receipt of a telephone call,  
he rushed and caught a burglar red-handed.  
He added: "It will be many months  
before the burglar is convicted.  
If at all, may I add?  
Law and order failure  
is not because of failure on our part.  
It is because of a worship of a procedure  
that is well conceived but mechanically executed.  
The procedure itself needs to be  
updated to suit current conditions."

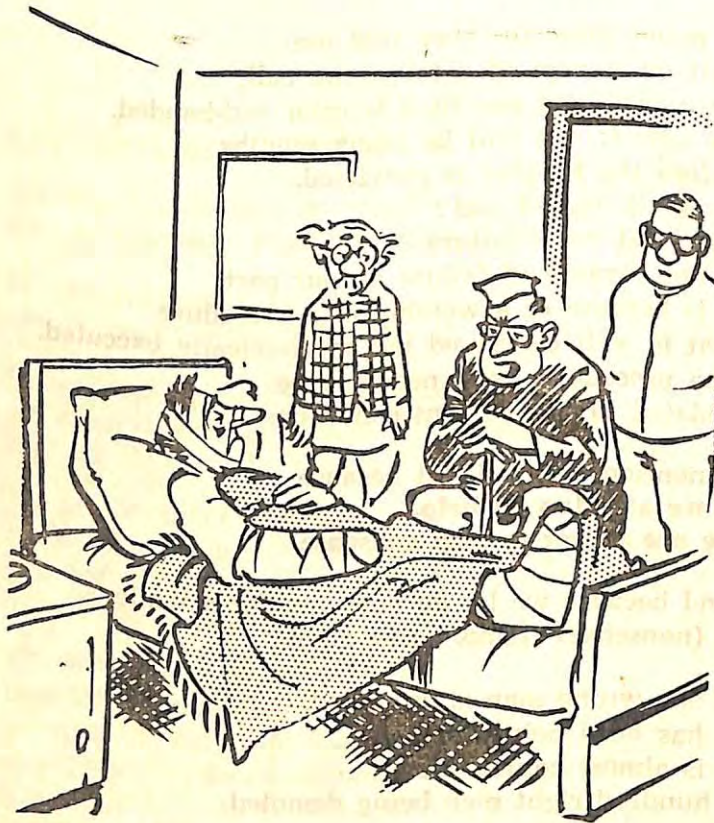
I mention this incident because  
**if we are slow to help,**  
**we are slower to stop nonsense.**

And because we let go nonsense for a while  
it (nonsense) claims usage rights!

If one wrong man is promoted,  
it has been pointed out,  
it is almost equivalent to  
a hundred right men being demoted.

In a similar way,  
when we do not call off nonsense promptly,  
sense starts suffering.  
The fair thing is not done to fruitful resources.

by R. K. Laxman



Don't worry, I will punish him severely after finding out all the political, economic, legal, constitutional implications of his conduct!



ATTITUDES & APPROACHES TO  
DECISION MAKING—PROBLEM  
SOLVING—SYSTEMS—CHANGE—  
METHODS IMPROVEMENT—  
INNOVATION—ORGANISATION  
VITALITY

3.65 — 3.81

**3.65 MISTAKES-MAKING A MONOPOLY.**

Obviously, we mean well.

We want to save our children  
from the consequences of poor judgements—  
so we make the judgements for them.

This we do  
even when our 'children' are sixty!  
Yes, even when our children are sixty.  
A matter of habit, maybe.  
Or, maybe, just proof that  
we still want to save them from mistakes.

**That this incapacitates them  
for the rest of their life,  
we do not seem to realise.**

Perhaps we have missed the point,  
that judgement like muscles grows only by exercising.  
The way to develop good judgement then  
is to make bad mistakes!

by R. K. Laxman



It cost 20 lakhs? Fantastic! We can't afford it—pull it down at once!

In other words, the process of developing judgement that is so essential for decision-making is a matter of exercising choice and feeling our way and acquiring the skill.

**To develop judgement and exercise it, we should have the right to be right and the right to be wrong.**

**It cannot be only the right to be right.**

**The right to be wrong cannot be a monopoly.**

The right to be wrong is an existing monopoly.

The result is

- 1) decisions are not made at all ;
- 2) decisions are made too late ;
- 3) decisions are made in a hurry ;
- 4) decisions are made ineffectively.

### **3.66 DISCRETION TO DECIDE.**

Opportunities are related to time, and if things are not done in time, they're a loss to that extent.

The one who can do it is the man on the spot.

Assuming he has the requisite ability, if he has the discretion to decide, he will achieve on the job.

May not be all the time.

Certainly often.

Unless of course he is the wrong man in the seat.

True, he should exercise judgement within the framework of the organisation's objectives and policies.

**If we operate a retail shop,  
and we are physically present there  
for 16 hours or more,  
delegation may be unnecessary.**

When we have organisations of some size, situated at many geographical locations, and when we have high-powered managers, if we do not give them the discretion to decide, we are handicapping the organisation. We are denying the organisation what these people can give them.

We can guide them, train them, control them—delegation and control go together and delegation does not mean abdication—  
**but we can within agreed limits  
let them have  
the right to be right and the right to be wrong.**

**And we don't.**

The organisations lose and therefore the country too.

### **3.67 PRIORITIES AND PRESSURES.**

**Resources are limited  
and demands on these resources can be unlimited ;  
and will be unlimited.  
One has therefore to choose.**

The easy way is to succumb  
to the immediate pressures.  
That way, however, we won't get  
the best out of the resources.

This is saying the obvious.

**Unless a personal discipline is brought in,  
pressures will give way to priorities.**

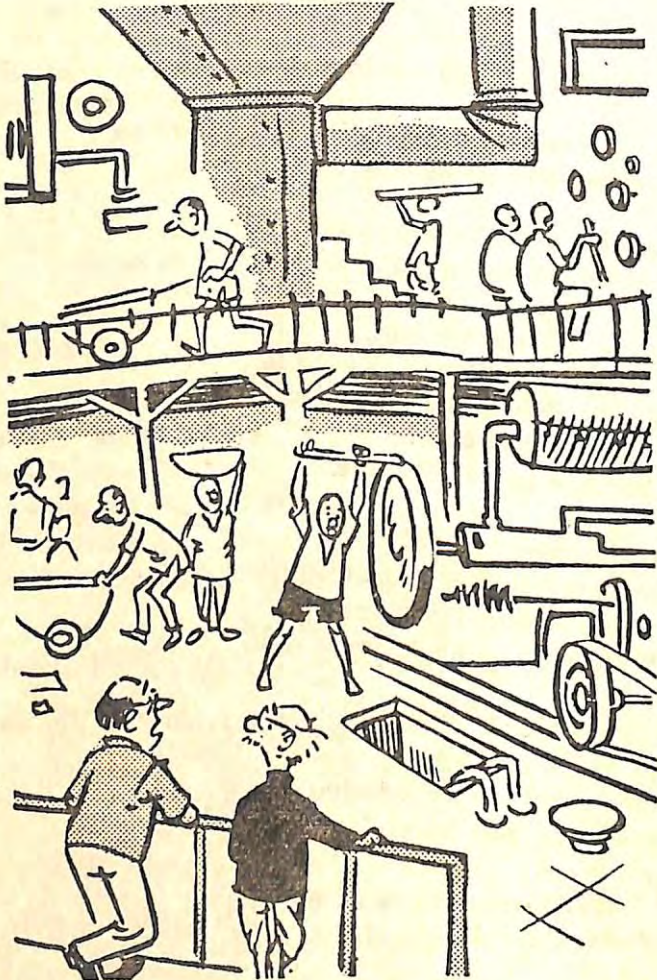
In particular, the time resource is limited.  
Much has to be done and all that has to be done  
cannot be done 'now';  
some will have to wait.  
We have to choose.  
If we do choose the priorities,  
and this is not easy,  
we become more effective.

If we happen to hold  
positions of higher responsibilities,  
the attention to priorities  
becomes all the more important.

The place of effectiveness in the scheme of things  
is yet to be realised.  
We have not conceded that  
effectiveness can be and should be learnt.

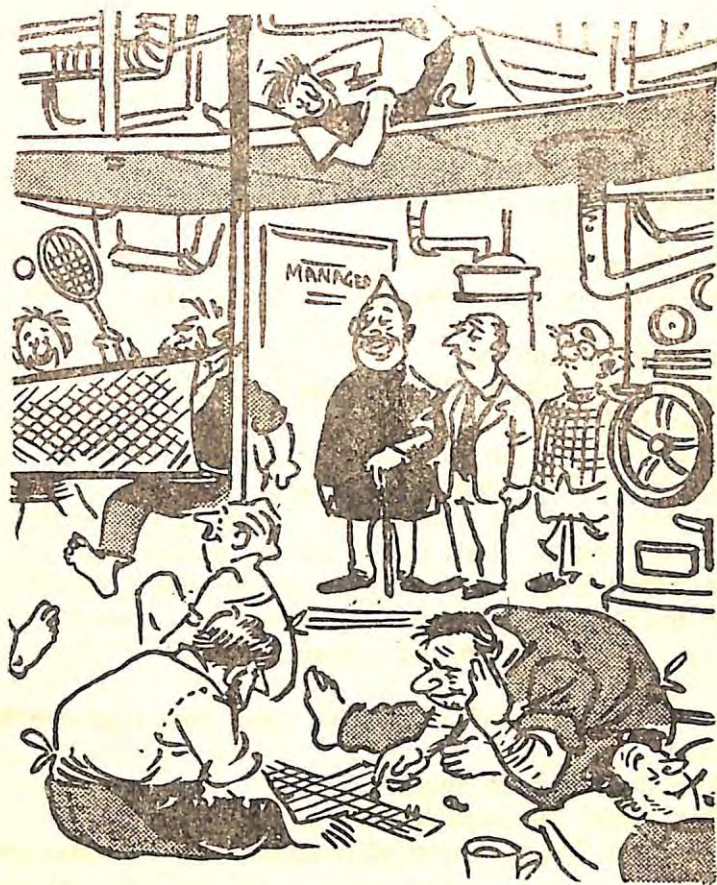
**And effectiveness means that  
pressures yield to priorities.**

by R. K. Laxman



Actually this factory produces nothing. It is just a device to employ labour.

by R. K. Laxman



Your production figures may be pretty low,  
but I am glad to find your workers so con-  
tented and happy!

### **3.68 DECISION CRITERIA.**

In utilising resources to productive purposes, decisions play a strategic part ;  
the basic decisions and the subsequent decisions.

The quality of the decisions depends on the criteria one applies.

And the criteria will vary from person to person.  
And even for the same person, from time to time.

The criteria can be  
creation of new wealth for the society,  
it can be  
the building of an industrial empire for oneself,  
the creation of wealth for oneself,  
the slashing of an existing or emerging competitor,  
the boosting of one's image in the public eyes,  
the boosting of one's image in one's own eyes,  
the burning desire to settle a score with someone,  
or plain impulse shopping/buying.

**The organisational objectives and the organisation suffer  
when the key men apply criteria  
other than the creation of new wealth,  
other than the optimum utilisation of scarce resources.**

It is in decision-making that  
Modern Management techniques come handy.

But it assumes that  
keymen have these larger objectives.



Other (and 'unofficial') criteria have been permitted to prevail and, alas, are still permitted to prevail.

### 3.69 COLD FEET IN WARM COMPANY.

Why don't associations, trusts and the like produce consistent or outstanding results?

It is not as if such bodies have not the people—the full time people and the honorary ones.

It is that such units are structurally handicapped: they are run by committees.

**And committees make pigmies out of people.**

Once they are in committees, even the most decisive develop "decidophobia"\*. Even the most generous people turn miserly and start penny-pinching. Even the most daring play safe—so safe indeed it becomes unsafe for the unit. Parkinson seems to have kilos of truth in what he says about committees at work.

Committee is a functional device; and it will be well if it is treated that way.

---

\* The morbid fear of making fateful decisions.

As a device to set up policies,  
as a device to initiate or explore ideas,  
as a device to get many points of view,  
and even as a device to patronise  
or provide a moral support,  
a committee can be a good one.

**As a device to make operational decisions,  
a committee—and more so a large committee—  
a committee of non-full time people,  
is hardly the instrument.**

The committee has proved and is proving a drag  
to any number of organisations  
whose potential for performance is of a high order.

### **3.70 IN TERMS OF ETERNITY.**

We did live in a leisurely age.  
Realitywise, we don't any more.  
In many set-ups, this adjustment to reality  
is yet to be made.

The consequent disrespect for time,  
for the 'other' man's time in particular,  
can be only described as tragic  
in terms of its consequences.

**Just for a piece of single routine paper,  
resources worth lakhs remain idle for months ;  
and no one seems to count the national cost.**

by R. K. Laxman



Whatever it is, he at least takes decisions!

Whether the avoidable delays are because we have a quarrel with the receiving end or because we think only in terms of eternity, is not clear.

**What Modern Management treats as the key resource, namely the time resource, is given short shrift.**

In fact, there seems to be an unstated belief that "aging" adds a special quality to decisions, even to minor decisions. What could be decided on and disposed of in days is held over for months.

**Of late, another dimension has been added to it.**

**It pays to delay !**

Delay has developed a vested interest in the hands of the practitioners. How we will get over it is daily becoming more and more problematic.

### **3.71 SOLUTION—OBSESSED.**

We get solution-obsessed,  
instead of problem-focused.

**When we are solution-obsessed,  
we get more interested  
in implementing 'that' solution  
than in licking the problem.**

If someone points out that in the process we will only worsen the problem since that is not the proper solution, we brush aside the person and his proposition.

The result is we don't get the benefits of Modern Management.

Modern Management commends:

State the problem.

Spell out the constraints.

Say what end-results you want.

Think of a number of alternatives.

Choose the one that is best among the workable ones.

We do not avail of the systematic problem-solving approach it commends.

### **3.72 SCAPEGOATING.**

Only dead people don't make mistakes.  
And, of course, those who don't do a thing!

Where there is activity, mechanical or human, certain things do go wrong.  
Perhaps because of a mechanical or human failure.

**If there is a mechanical failure, thank God,  
we find a remedy.**

**This courtesy we don't extend to man.**

When things go wrong, we look for a scapegoat.  
Once we have found him,  
once we have punished or humiliated him,  
our mission is accomplished ;  
we have done justice—  
to whom or what is not clear to me.

There are silent scapegoats.  
There are also scapegoats that have to be silent  
for one odd reason or other.  
Both come handy indeed.

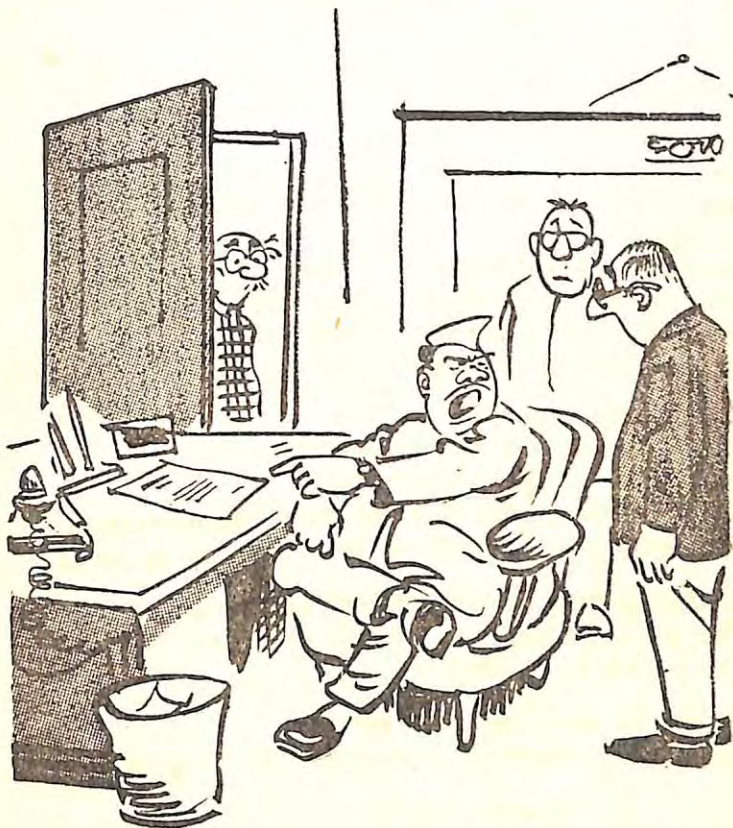
**Scapegoating and Modern Management  
do not go together.**

**One of the essential disciplines  
of modern management is  
finding out what is wrong, not who is wrong ;  
finding a remedy and not fixing a blame.**

Today's problems are yesterday's mistakes.  
Yesterday's mistakes are probably  
those of poor selection and placement.  
What needs correction is  
today's selection and placement.  
Who need punishment (if at all)  
are those who did the selection.

**We are not Mahatmas to punish ourselves.  
To absolve ourselves of the ' sin ' we punish by proxy !**

by R. K. Laxman



You mean to say that you placed this note here a month ago? And yet you never bothered to draw my attention to it?

### 3.73 DEMOCRATISED DISTRUST.

We almost divide a department, a company  
or even the country into two—  
ourselves who're interested in the unit  
and others who're not.

Since others are many more  
and since individual appropriate punishment  
is difficult,  
we go in for collective punishment ;  
what may be described as ' preventive punishment ' .  
This takes the form of restrictive rules  
so that the law-abiding majority is put out of action.

It has been said that  
during the British occupation days  
every other Indian was suspect.  
**Since Independence this has been ' democratised ' -  
now, every—not every other—Indian is suspect !**

In this process, the clever get away with murder.  
The well-meaning are put out of action.  
The nation is divided.

When one sees Japan in action,  
one notices where we are tragically slipping.

### 3.74 BUT THIS WAY ONLY.

We have an idea of the results we want ;  
and we want to have results.



by R. K. Laxman



Yes, this project should have been completed many years ago—but we haven't begun it yet, because the authorities keep very strict control over the expenditure!

Only, some people in key positions add:  
'You should get the results using this method.  
I cannot compromise on the how.'

In their considered view,  
the other side of 'how' is 'any-how';  
and that they'll not permit.

They do not quite seem to see:  
A goal has to be reached  
within certain constraints.  
The constraints may be because  
of nature's limitations or of man's values.

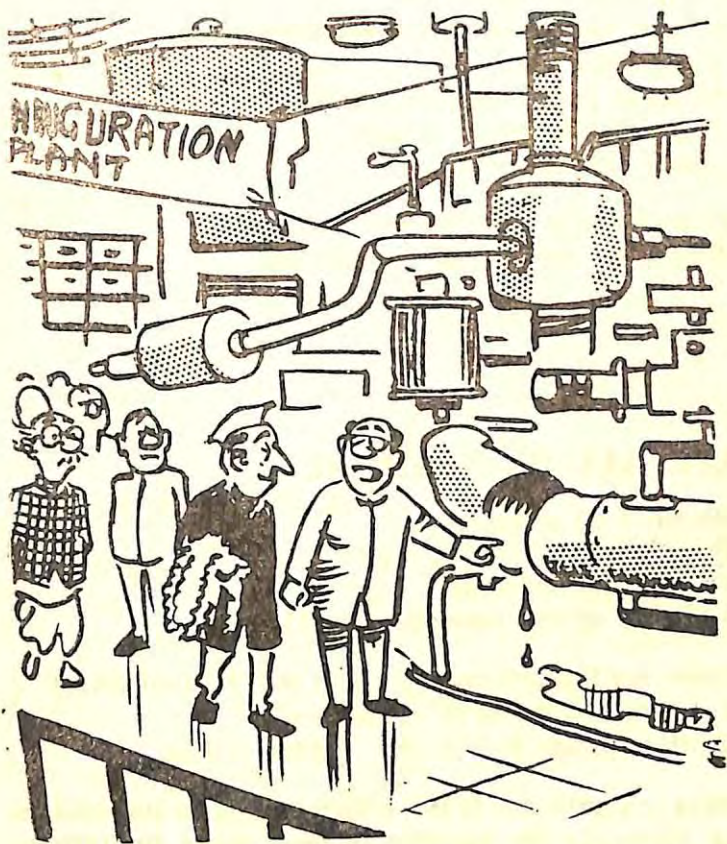
Nature's limitations are understandable  
and man's values are acceptable.

Within these constraints  
it is possible to get the results  
*in a number of ways.*  
**So long as a way does not violate  
the values we hold sacred,  
we should go for the way  
that is most promising.**  
**Certainly we should not insist  
on a way that has much less chance than other ways.**

That, unfortunately we do.  
We insist on *our* way.

If people equally interested in the results  
point out the possibility areas,  
we react with the statement:  
*My mind is made up;*  
*don't confuse me with facts.*

by R. K. Laxman



There is a defect here due to some fraud during construction—it can be set right by appointing an inquiry committee, Sir.

Our ego has to be preserved  
and it is preserved *this* way.

**It can also be preserved  
without prejudice to the common cause.**

All that we need do is to seek  
the most promising and feasible way  
of getting projected results,  
within agreed constraints.

This choice we do not consider.  
Why not I am not able to fathom.

### **3.75 ALL OR NOTHING.**

We can't do something.  
Therefore, we tend to argue,  
we can't do anything.  
And this at the executive level!

There are limitations and there will be limitations  
within which we have to operate.  
Limitations are in the very nature of life.

**What is significant is the way we react to limitations,  
the ingenuity we exercise to meet these limitations.**

Practices here in our country and elsewhere show that  
the limitations can be classified into three categories—  
controllable, controllable-in-time and non-controllable.  
Experience also shows  
that they do not cry over non-controllable limitations.

Experience further shows that  
they do not add to existing limitations!

**'Control the controllable'**  
is one of the valuable approaches  
of Modern Management.  
To avail of it we have to get over  
the 'all-or-nothing' attitude.

And we have to learn to do  
many things less than the best.  
Doing so is in order  
if they are the right things to be done.

### **3.76 ONLY CHECKS.**

Checks have come ;  
balances are yet to arrive!

Did I say checks ?  
I should perhaps say checkmates.

We know how to stall action  
and we do so in the name of checks.

Since balances are yet to be considered,  
we get the consequences of delayed action.

What neighbouring countries like Singapore  
are getting done in three months (weeks ?)  
we're getting done in three years or more.

Perhaps one reason is that  
we relate any action in terms of  
how it benefits the other fellow,  
instead of how it benefits the country  
through that fellow.

We are but human and if we feel jealous  
it is natural, it is understandable.  
Only, what price does the country have to pay!

### 3.77 THE ORIGINAL SIN SYNDROME.

We cannot help *inheriting* original sins.  
We do can help *creating* original sins.

But we continue creating original sins.

By 'original sins' I mean  
unthinking ways of doing things *in the first instance*.

When a thing is done,  
the person who does it for the first time  
is neutral to the way of doing it:  
to him one method is as good as another.

**Once he has taken to a way of doing it,  
he cannot see any better ;  
normally, he will not tolerate any better.**

One who takes his place  
will not deviate from this 'standard' practice either.

Once it gets going,  
to replace one way of doing a thing  
by another way of doing it is not easy—  
the forces of inertia are  
all in favour of inertia, the *status quo*.

This I call an original sin.

Since Independence,  
we've had literally a million opportunities  
to avoid this original sin,  
to develop and introduce a productive method  
in the shop, office and field.

**We have not availed of them.  
Even today we are not availing of these opportunities.**

Those who can do something about it  
take the easy way out, the lazy way out—  
the way 'we have always been doing it'.

Another sheet-anchor of Modern Management—  
a systematically thought-through productive method—  
is avoidably denied to most organisations.

### **3.78 TERROR OF PRECEDENCE.**

*Has this been done before, this way?*

This is a convenient tool  
for controlling a distant kingdom.

Further, this is a useful guideline to preserve the *status quo*.

As of today this is proving a solid road block to the observance of Modern Management.

**Modern Management's focus is on missions, goals, results. How can I get them better, quicker, with less resources?**

While it has no quarrel with the old, it has no particular attachment to any old method. In fact, it tends to challenge everything. It asks: Why this way? Why not a better way? It maintains: The best is the enemy of the better.

Change is not comfortable.  
Bringing about change is not easy.

Who said Modern Management is comfortable or easy?

### **3.79 RIP VAN WINKLE.**

One aspect of the art of creating new wealth is to attach importance to time. If instead of making  $x$  quantity in a month, we make  $2x$  without prejudice to quality, and without undue implications in the future, our skill in creating wealth is of a higher order.



Better methods make this possible.  
Better methods mean man's ingenuity  
and products of man's ingenuity.

**The widely prevailing attitude to better methods  
is cold if not totally unhelpful in our country.**

True, it is silly to use a product  
just because it is novel.

We should see its relevance to our needs.

Before we do, we should know what exists.

What generally obtains is a Rip Van Winkle attitude  
to the products of man's ingenuity.

We don't know what methods are available.

Worse still, we don't care what are available.

In fact, we go a step further.

If anyone brings them to our attention,  
we call them names and dub them alien.

That way we are handicapping the organisation  
for whose effectiveness we are responsible.

Innovation and a climate of innovation—

both are basic to the practice of Modern Management.

With the prevailing Rip Van Winkle attitudes,

even at summit levels, one can only express surprise  
when one sees an oasis here and an oasis there.

### **3.80 WHAT'S THE LATEST?**

If being a Rip Van Winkle does not help,  
running to the other extreme does not help either.

There are some in key positions  
who, like teenagers, say:  
*What's the latest? Get it.*

Whether the latest has any relevance  
to today's or tomorrow's objectives  
is hardly thought of.

**Perhaps the key people concerned  
are only anxious to be described  
as 'modern' and 'progressive'.**

Their question is not:  
*Is it appropriate for the purpose?*  
Their question is:  
*Is this new or old? Is this the latest?*

Often such people are birds of passage ;  
and the successors will face the music  
of this crying craze for 'modernity,'  
and for modernity's sake.

**This has led to idle equipment and capital  
worth a few hundred crores,  
taking the country as a whole.**

Resources diversion on this account  
has also handicapped us in another way—  
we don't have the wherewithal to buy  
what is badly needed ;  
whatever we had has all gone  
to cater to the fancies of the few.

### 3.81 REVIEW AND RENEW.

One other practice that comes in the way of Modern Management is the absence of a periodical review of the organisation.

We seem to say:

*All is well with the world  
and particularly with ourselves.*

*The unexamined life is not worth living*, said Plato. The same can be said of an organisation.

**An organisation unexamined from time to time is not worth having, 'not worth having' in the sense it does not let us operate at our best.**

We saw that we are living and working in a changing environment ;  
and the demands on us are changing.  
We saw too that methods make the difference ;  
and to do still better we would do well to constantly review the way we go about it.  
We further saw that organisations grow or go ;  
that growth is multi-dimensional, and that, therefore, growth has to be conscious.

An organisation has to go forward or backward. It cannot stand still.

If a periodical review is not made, an organisation tends to slide back in many ways. Modern Management chooses to go forward. One way to go forward is to consciously review its direction, its tempo and its activity.

**Self-renewal then is not merely an opportunity  
but a situational necessity.**

It is true, self-renewal is not easy ;  
it means uncomfortable heart-searching,  
and even more uncomfortable adjustment.  
The consoling part is the big pay-off for all of us.

Review and renew—  
this has not reached even the slogan stage.

# ATTITUDES & APPROACHES TO CONCERN FOR PUBLIC — PUBLIC OPINION — PUBLIC RELATIONS

3.82 — 3.85

## 3.82 NOT OF A PIECE.

Maybe we are doing it for a practical reason—  
we have fine furniture in the canteen but shoddy food,  
first class workmanship but sub-standard materials,  
posh reception offices and squalid urinals.

The internal customer feels confused ;  
the external customer, too,  
if he comes to know of the total picture.  
In their position, we too will feel confused  
when we find things are not of a piece.

This confusion is not as simple as the examples suggest.  
This has much to do with character.  
And for many years to come  
it will be true to say in India  
**that a character\* that invites contempt  
will not make man give his best  
whether he is a customer or an employee.**

And when the climate  
for man to give his best is not there,  
productive management is a pipedream.

---

\*' Character is what a person does when he knows he will not  
be found out '.

### 3.83 ONLY IF YOU ARE FORCED TO . . . . .

One industrialist seems to have issued a directive to the effect that his company should not spend on improving the quality of the product unless competition forces him to.

We cannot altogether blame our industrialist friend and his ken. He has learned somewhere the concept of *what the traffic can bear*.

There is no one else in the market.

He has wangled at great cost the permission to make things (license? what a word!) and he would like to get his pie fast.

He abides by the minimum that the law wants him to do.

And, furthermore, the customer is not choosy.

The customer is in fact standing 'in the Q'.

The customer does not protest.

'*Business*' means that, people say, and, therefore, he does not have even a reputation to live up to.

**This contempt for customers  
and the consequent continuing shoddiness  
in the quality of product or service  
can never tie in with Modern Management.**

### 3.84 'PROFESSIONAL PROTESTERS'.

There are professional protesters  
and they are having their way.

The amateur protesters have a hard time.

**It is true we discuss in private  
the unhelpful and anti-social behaviour of many people.**

Perhaps even if we come out into the open  
and organise public opinion against it,  
those people may not care.

Those who can protest don't protest  
because they think it is a bother  
or they fear that  
it will invoke the wrath of the powerful.

Those who can logically protest—the press—  
do not protest,  
enough at any rate.

**Only the trade unions protest  
but they are dubbed as professional protesters!**

Those who misuse power do so nonchallantly.

Since public opinion is not public enough,  
vocal enough, and persistent enough,  
'they' continue to 'do as they like.'

### 3.85 MUCH TOO PRIVATE.

Deals are private.  
This is 'understandable'.

Protests are private.  
This is *not* understandable.

This is not understandable in the sense  
it is no protest at all.

Protests to be protests  
should be in the open  
and should be by all those affected.

**When one in power does something  
unfair to the larger interests,  
we don't protest publicly or jointly—  
we who hold responsible positions.**

Maybe we are afraid of our skin.  
Maybe we fear we will lose something.  
Maybe we hope to gain something from 'them'.

**By keeping silent the society loses more—  
this insight does not appeal to us sufficiently.**

In other words, when we find something done  
that is not in the larger interests,  
public opinion is not loud enough,  
big enough, persistent enough.  
So anything goes.

And the corrosion starts—  
and each does according to his daring!



PART FOUR

WHAT CAN WE DO ABOUT IT ?

## 4.01 WHAT DO WE DO ABOUT IT?

All this looks obvious  
once it is stated this way.

We do know all these things and more\*  
stand in the way of  
the practice of Modern Management  
and therefore what it can do  
for the standard of living.

What do we do about it?

**Recognition is remedy.**

**Awareness is half the battle.**

If we see the relationship between  
a higher standard of living and Modern Management,  
if we do our personal bit  
to restrict the inhibiting forces  
in our individual lives as managers—  
in however small a way—  
the Dharma Yuddha has started.

Each of us can influence a small group  
through our personal example,  
and through our efforts at self-renewal.  
It is the decision at the personal level  
that will count ;  
it is the decision at the personal level  
one can plead for.

---

\* The idea here is to highlight a few negative influences and not to make an exhaustive analysis.

**The decision and discipline that tell  
are at the personal level.**

To this reader

much of what is said may not be applicable.

That can be one reason why he is a reader of this book!

One need not despair either.

**If we exert ourselves a little—  
maybe at some personal sacrifice—  
the trend can be started,  
the desirable trend can be started.**

**In national development,  
a trend first and an accelerated trend next  
could mean much.**

Also, this could be placed before the young people  
who still vote for the larger causes  
but who are still feeling their way  
as to how to go about it.

**What can I do ?**

This may be your question.

If it is, let turn to the next Section.

## **4.02 AN ACTION PLAN. WHAT CAN I DO ?**

In section II are listed  
a few positive aspects of Modern Management.  
Please ask yourself:

*What points do I want to consciously observe ?*

In section III are listed factors that are inhibiting in nature. Please ask yourself:

*What points do I want to give special attention to in the next few months?*

Please keep daily notes regarding how you are faring in respect of these two sets of points.

If your colleagues agree, please keep daily notes for your team mates, and ask them to do it for you in turn. Later you can exchange notes and talk it over.

You may be tempted to say:  
*Most of the points here are for the top bosses.*

While the top bosses certainly should do their part, let us consider here the little part we can play.

Raising the standard of living is a common cause. Let's do our bit; let's not wait for 'more auspicious circumstances.'

**If we are a member of the management block, it does not matter whether at the lower or top level, we can contribute to the substance of Modern Management. If we cannot make for the creation of wealth, we can certainly make for the prevention of its waste. Let us do the little that we can.**

Every little matters.  
Cumulatively it matters a lot for our country.

PART FIVE  
MANAGEMENT'S OPPORTUNITY

## 5.01 MANAGEMENT'S OPPORTUNITY.

*You are all the time taking about management.  
Why don't you talk of labour ?  
Don't you think that they are mostly responsible  
for the mess our economy is in ?*

This is a natural question.

I don't talk of labour for a few reasons.

Firstly, many have talked about labour.

Secondly, this is a book  
for Management on management.

Thirdly, in the game of raising the standard of living,  
management is the major partner  
not merely in our country  
but even in other countries.

Some years back, the American Engineering Council  
of the Federated Engineering Society published  
an objective paper *Waste in Industry*.

In that paper an attempt was made to distribute  
the waste chargeable  
to the different agencies responsible,  
and this was shown as:—

PERCENTAGE DISTRIBUTION OF WASTE  
CHARGEABLE TO THE SEVERAL AGENCIES  
RESPONSIBLE

Industry	Management	Labour	Outside Contacts (Public, Trade Re- lationships, Etc.)
Men's clothing mfg.	75	16	9
Building industry	65	21	14
Printing	63	28	9
Boot and shoe mfg.	73	11	16
Metal trades	81	9	10
Textile mfg.	50	10	40

If this sounds harsh, we should listen to Sir Walter Scott's impassioned plea\*:

There is one statement which has come down to us that I would like to see emblazoned across the sky in every State of the Commonwealth. It is that management is the art of raising the standard of living. Can anyone dispute that that is a most notable and noble conception of the art and the duty of management? Don't you and I want to be associated with this? I believe it is true to say that for the first time in history we have it within our power to eliminate poverty in this country through the free

---

\* He wrote this twenty years back and for his countrymen in Australia: the message holds good still for men of goodwill in every part of the world and certainly for us in India. (*Greater Production: Its Problems and Possibilities*. Law Book of Australasia. Sydney. 1950.)

enterprise system, provided we all go forward together in a common effort. Indeed, no job of management previously holds so much promise, is so important and so inspiring as this one of providing a solution for the problem of the age.

Nobody is foolish enough to consider that it is an easy job. It is anything but easy. It is most difficult. It means not only getting greater production, but it means also knowing what to do with greater production when we get it, and that can be a greater problem than getting greater production. It means, too, attempting to resolve the differences between capital and labour, for despite some of our current experiences there are things we can do, and there should be no irreconcilable differences because there is much in which capital and labour are in agreement. After all, both secure their income from the same common source—the productivity of industry.

Yes, it is difficult, but it is an inspiring difficulty because if management measures up to its problem, there is before it a greater management era in this country than ever before. It will require great patience and statesmanship on the part of management, but the rewards are great and worth every effort. Conversely, if management fails in the task, or worse still, does not attempt a solution, it is likely to find itself more and more shackled, controlled and frustrated than it may yet realise.

It is of no use trying to solve this problem by declaiming against others. It is of no use saying that we all have to work harder and the



sooner we do it the better. More than one visitor from overseas has gone back making the statement that he felt there was little, if any, difference between Australian and American workmen, but was critical of at least a large section of Australian business management. If management desires to re-assert its leadership to regain or to re-establish itself in the faith of the general public it cannot do so by patting itself on the back in a meeting of employers. Little favourable public reaction can be expected from mutual compliments within management membership meetings. It is not too much to say that though it may not have been secured from a university course, many union leaders have a technique of influencing group relations which the skill of management has not even approached, either by choice or through sheer inability.

If management is leadership, why do we not re-assert it? If there is declamation against profits, it is of no use our convincing each other in a management meeting that profits are satisfactory and are necessary. We have to go out and educate the public, tell them that profit comes from a Latin word meaning "advancement or progress". Even 300 years ago the word "profit" appeared in English as meaning "a payment for the use of savings," and that is what profit still is—but how many people recognise it as such?

Too often we declaim against too much government in business. Of course, there are some aspects in which Governments must play the major part (particularly in our relationships with other

countries), but in many other fields we rightly resent their intrusion, and as soon as we get into some difficulty we rush to Canberra to see whether the Government can get us out of it. The truth of the matter is that, outside purely governmental functions, Governments will and can only play that part in leadership in which management defaults. Indeed, one of our most serious faults is our belief that the passage of a law will solve every difficulty.

Why cannot we make sure that as management, we see to it that there is no governmental action necessary, except such as is designed to support the independence and self-sufficiency of the individual citizen rather than to discipline him and make him dependent upon the State? Ultimately it becomes the duty of a Government to step in and remedy the deficiencies of management, and therefore either management must find a solution for some of our problems or a solution will be forced upon us.

Yes, the responsibility for progress is with management. We must find new ways and means of furnishing opportunities for men to find increased human satisfactions in their jobs, and help the country and its citizens to determine, by a continuing and purposeful programme, the most effective ways of obtaining human satisfactions and security. We have yet to find ways to make our free enterprise system work better for all the individuals in it. We have to show that we are just as concerned with human progress as we are with company profits.

Management is the body to do this. The skills required in management fit it specially for the task. That is where leadership comes in. Management's task is to provide the proper mixture of all the human activities which can contribute towards these goals. That is the very essence of leadership, and it is upon this that management will itself determine, through the court of public opinion, whether it is to go forward to new and better opportunities or be shackled and frustrated and lost in a maze of controls. . . .

\* \* \* \*

I am too conscious of the grand results which have come from management under free enterprise over a long period of years, despite its mistakes and drawbacks, to want to deal in destructive criticism. We have made a lot of progress in the reduction of poverty and want and worry, but we have allowed fears and frustrations to take their place and, indeed, we have been infected by fear and frustration ourselves. Secondly, we cannot prosper upon a mere recital of past accomplishments. If management does not, cannot, will not, provide the present and future leadership, which as management it should, then someone else will provide that leadership, be it labour through a labouristic economy, be it government through socialism or communism, be it some other body through some new ideology. . . .

## PART SIX

### RECOMMENDED READING

To keep up with the spirit of the book I desist from listing a library of books. I give only a selected list of authors who have done pioneering research or break through thinking on the subject.

If you are interested in a well-selected list of books with special reference to any specific area of administration, you will do well to refer to Dr. Nanjundiah's book *Comparative Business and Nonbusiness Administration* (publishers are the same as for this book) wherein he gives a valuable reading list under the following sections:

- Public Administration
- Public Enterprises
- Hospital and Health Administration
- Educational Administration
- Trade Unions Administration
- Church Administration
- General and Business Administration

The major works of the authors recommended\* are given within brackets.

**Appley**, Lawrence (b. 1904): *Management in Action*, AMA, 1956; *Management Evolution*, AMA, 1963.

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\* It may be noted that most of the authors are our contemporaries. Incidentally, this list is not a complete one. If any name has been omitted, it is because of my lack of information. I would welcome suggestions from readers.—N.H.A.

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## APPENDIX

### *HIPPOCRATIC OATH FOR MANAGEMENT\**

I believe that a business must be run at an adequate profit and must hold its own in fair competition with other business. . . Within my sphere I will do my level best to help keep my business prosperous and strong.

I believe that business must serve employees, stockholders, consumers, and Government and that management must keep the interests of all these elements in balance. . . To the extent of my authority I will try to preserve this balance.

I believe that management's operating goals are continuously improved productivity and growth—in order to provide jobs, reward investors, attract capital, and provide more and better goods and services at lower cost. . . In any capacity in which I find myself I will work toward these goals.

I believe that the greatest assets of a business are its human assets and that the improvement of their value is both a matter of material advantage and moral obligation; I believe, therefore, that employees must be treated as honourable individuals, justly rewarded, encouraged in their progress, fully informed, and properly assigned and that their lives and work must be given meaning and dignity, on and off the job. . . If I have the supervision of so much as one other

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\* As for medical practitioner.

person I will strive to honour these principles in practice.

I believe that reputation for integrity is another priceless asset of any business; and that management must deal fairly with customers, competitors, and vendors, advertise truthfully, fulfil its commitments, co-operate with other managements in the betterment of business as a whole, and oppose any artificial restriction that may limit production, fix prices, or restrain trade. . . In my daily work I will try to deserve and make my business deserve, a reputation for integrity.

I believe that the future of our economic system depends on the confidence, good-will and understanding of the people, and that business leadership must make itself a responsible part of the human community by participating in worthy activities locally and nationally. . . As a representative of business and as an individual I will identify my business and myself with the welfare of *people*.

I believe that whenever business has carried a hearing, it has not only a right but a duty to ask for public confidence; and that it must speak freely, give information gladly, and answer the attacks of those we seek to undermine freedom under the bogey of democratic capitalism. . . I will speak out in behalf of my business and the system which it represents.

I believe finally that business leadership is nothing less than a public trust; that it must offer a message of courage and hope to all people; and that it can help economically strong nation to lead other nations to

lasting prosperity, freedom and peace. . . I will work not only for the advancement of myself, my family, and my country but for the liberty and democracy for my country and for the world—now and in the years to come.

Clarence Francis.\*

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\* Clarence Francis was Chairman, General Foods Corporation, for a number of years.

## To Readers from outside India

The following words and expressions may or may not be familiar to you and hence this explanatory note.

*Karma Theory Hatao* (p. 99): 'Karma theory' refers to the traditional Hindu belief that death only means the dissolution of body and that therefore one pays for one's misdeeds if not in this birth, in the subsequent ones. 'Hatao' can be roughly translated into 'quit'. In substance, this expression means: Defy the natural law of cause and effect.

*Tamasha* (p. 122): An irresponsible act intended to entertain a crowd.

*Kiska Bapka* (p. 131): When people use public property with abandon, this expression is used. It almost means: Is it your father's property?

*Tughlak regime* (p. 177): Muhammad Bin Tughlak was a king at Delhi during the thirteenth century and he is said to have specialised in 'doing as one likes' whatever the colossal consequences to the people or his exchequer. The term is often used to a whimsical I-know-best-Don't-dare-question-me rule.

*Mahatma* (p. 200): Great Soul, i. e., one who perceives the unity of mankind and who therefore would give a chastening punishment to oneself instead of to others.

## ESSENCE OF MODERN MANAGEMENT

This is a book for Top Management. **Not because they do not know** but because they do. The more they know, the better they know, the more their knowing becomes doing, the more their doing matters. And their doing means so much to so many. One day it may be possible for the country to say: Never in the ages of Indian History did so many owe so much to so few. That is why this is a book for Top Management.

Professor Atthreya has been studying the Indian scene for now over twenty-five years, as a citizen, as a manager, as a teacher, as a researcher, and as a consultant.

Since 1954, he has created an opportunity for himself to make four study tours abroad (1954, '60, '63 and '67). He has been comparing notes on why we as a nation don't do as well as others, on what others have which we don't have.

In this book—the author's preference was the humbler title of *Modern Management: A Primer*, but we felt the present title is more descriptive of the contents—he focuses attention on our unstated but obvious national purpose: **a better standard of living, a better quality of life, and for all of us.** He relates the role Modern Management can play in achieving this national purpose.

To make the possible practical, Professor Atthreya highlights the avoidable inhibitors. He suggests by implication that it is in human hands to remove these roadblocks.

The book is suggestive and not exhaustive—the author feels that for the reader he has in mind, labouring a point is unnecessary. He feels too that the reader can recall from his personal experience a number of cases to prove the points made. **He feels further that the book will help reflective action.**

To make it easy for the reader, the author has not merely chosen a suitable type of print, but he has even presented the material in 'the easy-reading format.' (To the uninitiated this may 'look' like poetry).

The book is enlivened by selected cartoons from the inimitable brush of R. K. Laxman.

This book, as the author explains in the introduction, is as much for the seasoned as for the novice, as much for the political boss as for the business executive.