# MANAGEMENT BY IMPLICATIONS

By N. H. ATTHREYA

With a Foreword by SIR WALTER SCOTT

MMC SCHOOL OF MANAGEMENT, BOMBAY

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This monograph is the SECOND of a series of Occasional Papers. The aim of the Occasional Papers is to supply information, ideas, and points of view with a view to stimulate discussion, provoke argument and to provide subjects for further research and generally to focus attention on subjects which are, will be, or ought to be receiving the attention of management as we move into the 'seventies.

# MANAGEMENT BY IMPLICATIONS

A Compulsion For Developing Democracies

N. H. ATTHREYA

With a Foreword by SIR WALTER SCOTT

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TO
USHA,
my daughter,
and her generation
who indeed seem to move
with sense and sensibility.

#### FOREWORD

It is a paradox, but true, that change is one of the few things permanent in the modern world. We live in an era of permanent change, proceeding at a faster and faster rate.

All about us is change, in government practice, business management, technological achievement and social behaviour. This is the hallmark of the twentieth century in mid-passage. It will surely be so in the century's remaining three decades.

The likely extent of the change we now face is never so apparent as when we look at the time we just passed through. In 1938, for example, no commercial aircraft flew between London and New Delhi. Instead it took some 68 hours to come from London by flying boat to Karachi. Then came the overland trip to New Delhi. Today the huge jets of Air India span London and New Delhi in 13 hours and 25 minutes. Nobody doubts that this time will be cut and cut again within the next decade.

To take another instance, a cablegram, lodged in Sydney, Australia, was received 24 hours later in Bombay, in 1938. Now a similar cable takes about five hours, and instant communication is obviously in immediate prospect, as evidenced by the television satellites that spin round the earth.

Equally breathtaking are other types of change. Since World War II, the world's population has increased at a most extraordinary rate, up from 2,500 millions to 3,500 millions. Yet, two thousand years ago the population was 250 millions. It took sixteen centuries to reach 500 millions.

In the past few decades, some nations have grown far richer.

A few have leapt the high barrier between poverty and plenty.

Many more have remained trapped in need.

And this the whole world can see.

For people now know what others are achieving in other countries.

Through the enormous advances in communication they can see, hear and judge the progress in other lands, other states, other cities.

In India, for example, people have standards of comparison against which to measure governments, business and industry.

They can assess their own rate of progress against that being achieved in neighbouring countries and in far-off parts.

This fact, more than any other, may ensure a more rapid rate of change, in the coming decades, than we have ever seen before. Certainly, it will mean a much more vocal and widespread demand for change.

The capacity to respond, to take advantage of new opportunities,

is sometimes held to rest with political figures. Others trust in scientists, or educationists, or capitalists. But some of us hold that none of these groups have the key to achievement. We believe that the future's hopes lie with the man who can co-ordinate the concepts, skills and energies of his fellows and harness them to technology in the service of mankind. Such a man is the manager.

Behind every scientific discovery
that is put to practical use for the betterment of mankind,
there is management effort.
This happens day after day,
such management efforts, by their thousands,
power, commerce and industry
and government and education,
accomplishing what would have been regarded
as miracles only a generation back.

It would seem, therefore, that management knowledge is the most precious knowledge, the most precious possession, of any people. It transforms the speculative, the theoretical, the conceptual, into goods for people to use, wear and eat.

Such knowledge has reached its most brilliant flowering, in our time, in the United States,
Japan, Germany and the U.S.S.R.
Their accomplishments, of course, are not locked within their own borders,
but are increasingly visible in the skies,
oceans and lands of nations across the globe.

In these circumstances it will be hard indeed to convince any that there is something so different about him, about his country, that means they must stay in poverty.

It is likely, then, that national management will face even less comfortable times, in the years ahead, than the turbulent days that we have just come through.

The demand for better management performance will be loud and insistent and from all sides.

To meet it, nations, including the Newer Democracies, will have to give proof that their management does not lag behind the evident advances in foreign countries.

This may mean training far more managers abroad, or importing skilled management from other countries, or educating more at home in schools for the talented elite. It may require a combination of all three and other factors as well.

But whatever the remedy chosen, certain it is that the able manager will be the key to the success of national and business leadership in the final third of the twentieth century.

It is in recognition of that critical fact that this monograph has been prepared, as a positive contribution to management advance in the Newer Democracies.

I believe it deserves the most thoughtful consideration.

Sydney
31 October 1968

WALTER SCOTT

# PREFACE

For one who has benefited greatly by such a way of living, the democratic way of living is sort of sacred. He will fight to preserve it. For him it means both respect for individual dignity and increasing standard of living for everyone.

For one who is still to benefit, such a way of living is only a promise. While he will give it a chance, he will not wait endlessly. In fact, he is in a hurry.

We are all in a hurry —
this is a phenomenon
of this age of accelerated change.

The average citizen has two major aspirations—
a quantitative and qualitative higher standard of living;
a respect for human dignity shown to himself.

If he finds business not responding to those aspirations, he wonders why business as a system should be permitted to continue.

Equally, if he finds a certain system of government does not deliver the goods fast enough, he takes a *second look* at his vote. He may vote for another party; he may vote for another system of government; yes, in disgust, he may even vote away his right to vote. Branding him short-sighted and the like would be to no purpose.

Those in power and position whether in business or in government may occasion this second look by the way they go about.

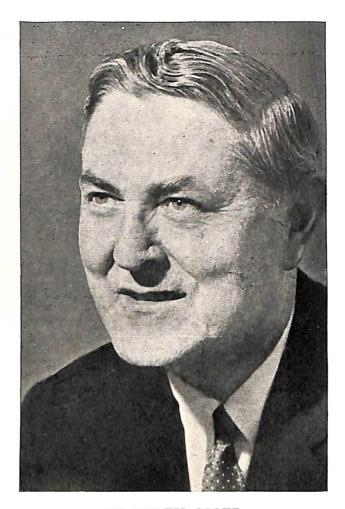
What the way is and how it can be modified is the theme of the monograph. It maintains:

today we make tomorrow, knowingly or not; let us make it knowingly.

It seeks to provide guidelines for action.

Bombay 24 February 1969

N. H. ATTHREYA



SIR WALTER SCOTT

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# MANAGEMENT BY IMPLICATIONS

Whatever the area of administrators, — government, business or public utility — higher management is in large part decision-making.

The decision-making is often done with an eye on organisational objectives. Will management by objectives suffice? Is it not necessary to manage by implications as well? Would it not be true to say that the real or ultimate success of a policy of management by objectives depends upon management by implications, since the effects of implications are direct and decisive for the objective?

This monograph attempts to crystallize the concept of MANAGEMENT BY IMPLICATIONS, to give it focus, and to provide guidelines for action.

The words 'administrator', 'executive', 'manager' and 'decision maker have been interchangeably used.

One can recall many instances in which an executive has not taken account of the implications of his managerial act, with long-lasting consequences.

To take a simple act, or what an export manager thinks of as "a simple act", the export manager exports a product that does not conform to the agreed sample. His objective, may be, clearing stock or easy profit, is achieved.

But with what possible implications for the foreign trade of the country! Through one act of a manager who has not taken into account the implications, a whole nation may stand condemned in the eyes of the importing country, and it may not be possible to retrieve the lost name!

Taking another case,
a company executive misuses a permit
to import machinery or material and
the irregularity is detected by the authorities.
The executive thinks himself to be astute.
Possibly, he thinks he is managing by objectives,
as far as his company is concerned.
But what has he done?
What are the implications of his odd act?
Every other company executive becomes suspect
in the eyes of the government officials,
permit regulations become more stringent,
applications are delayed unduly;
a great deal of avoidable difficulty

results for all concerned.

For one man's failing,
an entire community suffers.

A third example is provided by the executive who promotes a young man out of turn, not on considerations of merit, but because of personal liking or nepotism. In doing so he sees nothing wrong, or he may even think it is his prerogative, or he may wish to demonstrate his super-power. But the implications can be grave; by promoting one wrong man he has in effect "demoted" many others. The morale of the entire work force can suffer badly. To rebuild morale among his staff can prove an exceedingly uphill task, if the morale could be rebuilt at all!

Whether at an international level or at a mere unit level, therefore, being ignorant of or indifferent to the implications of one's actions can lead to grave and irreparable consequences.

## TEMPO OF DECISION MAKING

The executive's work has always comprised of a series of decisions. But today economic activity is geared to a faster pace than even a decade ago; decisions have often to be taken within minutes rather than at leisure. This need for speed is being catered to

by the developing tools of management.
But while recent developments
do facilitate the *quantitative* aspects
of decision making,
the *qualitative* aspect continues to make
increasingly exacting demands on the managers.
While the emerging tools tell us
of the economic implications of decisions,
they cannot tell us of the human
and, therefore, sociological, political
and other implications of decisions.
An additional developing phenomenon is
that the reactions recoil
faster than they did
in the past centuries and decades.

## MANAGEMENT BY OBJECTIVES

The concept of management by objectives is of great value in decision-making: so also is the related idea of management by results. Although in some cases it may be difficult. the objectives of an organisation can be stated in reasonably concrete terms and it can be argued then that whatever leads to those objectives is in order and whatever hinders them is not. But in a developing democracy, there is another side to the picture of decision-making, namely, those who are affected by a decision. What of them? What of their reactions? If they are ignored,

will we not bring forth uninvited consequences instead of the anticipated results?

#### IMPLICATIONS ARE HIDDEN

This raises the important and allied concept of management by implications.

Unlike objectives, implications are not easily made obvious spelled out or measured.

They remain implied.

The impact of an action can only be felt by its recipients.

The executive can, at best, only imagine the impact of his action.

What we do, and even more, how we do it, causes certain reactions in other people. These reactions have their own consequences, which may affect or even defeat the objectives behind the act designed to achieve them. When an executive acts. he tends to see himself as an individual and feel that he acts in isolation. But how far is he justified in thinking so? For, whether he is aware of it or not, an executive is not a mere individual. He is the representative of several groups his family, his community, his profession, his religion and so forth. Thus his acts cannot be the isolated acts of an individual. In the eyes of onlookers, his acts are representative

not only of the man himself, but also of his social group, his class, and his way of life.

Moreover, the onlooker himself is not an isolated unit, but is a part of the environment and represents a variety of groups.

It is within this context that the reactions of an onlooker to the action of an executive must be seen.

An individual often develops his attitudes on the basis of single past events that have affected him or his group. Such attitudes persist and spread, and those attitudes are often turned against the decision-maker. his group and all that he stands for. The implications of the decisions, actions and behaviour patterns of a decision-maker can be extensive and far-reaching. They are usually much deeper, wider, and more significant than they appear on the surface. This phenomenon of sweeping generalisations on the basis of stray experiences may be most unreasonable but we all know that this is the way of the world.

When a decision-maker becomes involved, then, all that he stands for becomes involved. He tends to become involved everytime he makes a decision or implements a decision;

and a manager's life is full of decisions and actions.

Action and reaction, it is said, are equal and opposite, and, one may add, often immediate. This is so in the physical sphere. In the human sphere also this is true. Only, the reaction is often delayed; with the result, the reaction is of greater intensity. The intensity of the reaction depends upon the individual reacting and the opportunities he creates for himself. We are not able to quite visualise the extent of such reaction: much less are we able to visualise the nature of the reaction. It may take unusual forms forms never even remotely foreseen for, the implications of an act concern men, who are temperamental and unpredictable.

This is true too.
The neutralisation of undesirable effects resulting from a chain of reaction to a thoughtless statement or act on the part of an administrator is almost impossible.

Relational cancer is easily started and, like cancer, has little chances of cure.

Again, unlike in the physical sphere, in the emotional sphere, a reaction affects not merely the single present relevant action but future actions of the man and his group.

#### TODAY AND TOMORROW

Executives have difficulty in believing that they themselves can be responsible for defeating or damaging their organisation's objectives.

Obstacles to the achievement of objectives come from two main sources.

One is the deliberate attempt on the part of an external agency to defeat the realisation of the objectives, and this can be and is met fairly effectively. The other is much more subtle. It arises out of the unconscious acts of the decision-makers.

Difficulties put in the way of the accomplishment of objectives are created by the uncalculated and yet thoughtless actions of these decision-makers themselves.

## THE NATURE OF FUTURE

"Forgive them; they know not what they do" is no doubt an excellent maxim.
But the future, a stern master, does not forgive them.
The laws of nature are inexorable, stubborn and relentless, and so are the laws of the future.
Good intentions do not soften them and sincere regrets do not retract them.

Every effect has a cause and is the cause of a future effect.

Human society being continuous, the vices and virtues of one generation will tend to shape future generations. The past does not remain past; it is also in large part the future. The future itself is uncertain only to the extent that we are unmindful of the present.

What today's generation does affects the present and it creates the conditions which shape the future.

Whether or not it is done consciously, tomorrow is conceived today.

Whether we can smilingly welcome tomorrow, or tomorrow will regret the past, depends in good measure upon what we do today and how we do it.

Our responsibility to the future makes it imperative for us, therefore, to consider the implications, along with the immediate results, of our innumerable decisions, deeds and modes of behaviour.

#### BUSINESS SYSTEM IN A DEMOCRACY

In a democracy the public is the basic regulating force and the power of the vote is the greatest power.

More and more people will and do vote for something they consider desirable and important for the society at large.
This vote is, in fair measure, dependent upon the reactions of the people to systems, standards, values and practices. These, in turn, depend upon their reactions to managerial behaviour.

In today's situation, what the business executive does and how he does it become no less important than his motive.

The motive, the objectives or purposes of the enterprise, constitute an invisible factor and can be seen only in what is done.

It may be true
that the profit a businessman gets
is the just remuneration
for his contribution to society,
for the creation of utilities,
for the risks he takes,
for the privations he undergoes.
But the way he behaves
may give the impression
that he is for unlimited profit
at the expense of the consumer, the citizen.

Once the citizen is led to believe that the business manager is living at his expense, whatever his professed objectives and good intentions, he and his kind are liable to become victims of the anti-vote.

#### APPLICABILITY TO BUSINESS ADMINISTRATION

Business has much to gain from management by implications.

In a developing democracy, the survival of a business unit depends upon the survival of the business system. The attitudes of the people which in effect will determine the survival of the business system are shaped by the way executives conduct their individual units. Every action of theirs counts.

But the executive is working under pressures, he is fighting against time; and he is impatient to get certain results. In his anxiety to get results in time he tends to forget or ignore the future. What he does appears to support his objectives, and therefore he goes ahead; but the action may contain within itself the seeds which, over a period, can grow and defeat those very objectives.

Knowing as he does that his life is a series of decisions and actions, that public confidence takes years to build but can be destroyed in a matter of seconds, that opposing forces may not affect the attainment of our objectives today but may gather strength imperceptibly and threaten his survival, the far-seeing executive plans and performs in such a way that his actions do not create conditions

in which the future of organisation or enterprise as a way of life may be in danger.

In fact, he measures results not only in terms of immediate economic returns but also by the long term value of future respectability and confidence.

# NATIONAL OBJECTIVES AND UNIT OBJECTIVES

This concept further suggests that the objectives of an individual enterprise should be linked with the larger objectives of the nation. They should, in fact, be of the nature of sub-objectives; and sub-objectives should subscribe to and be subordinate to the main objectives. If this were so, every enterprise would attempt to raise the standard of living by

- (a) creating better quality goods and services at lower costs, and at reasonable prices, at the right time,
- (b) creating more productive jobs and thus enlarging the purchasing power of the community at large,
- (c) increasing the total wealth of the country by taking calculated risks, and
- (d) respecting and mobilising the human wealth of the country.

Every business executive will conduct himself in such a way that his motives cannot be questioned. He will be in neighbour's keep and will do things in such a way that he gains the respect and understanding and, therefore, the goodwill of the people. He has necessarily to make amends for the past but he will tell himself:

Let me do well what is still in my hands.

In order that he may have more freedom of action and less control by the State, he will attempt increasing degrees of self-control and self-regulation.

#### APPLICABILITY TO PUBLIC ADMINISTRATION

The concept of management by implications applies as much to state operations as to business operations. The state today is in reality a form of business enterprise, particularly in terms of its operating and financial conditions and even more in its impact on the work force. In the current context of developing countries, where states go further than regulatory functions, and themselves enter trade and industry, management by implications is even more applicable to public administration. The pace and quality of progress in general rest in the hands of public servants. Their day-to-day official behaviour can undermine the government and the existing government system. It is possible that the charges which are often made against them as a group relate only to a handful of officials,

but even so the actions of a few may cause public distrust in all men holding substantially similar offices.

The demands of the future require
the raising of the quality of people
and for this the state holds the key.
The honest citizen should be supported.
The law of a country and its administration
should be such that the good and honest men thrive
or at least they are saved from harassment.

Facts are stranger than fiction.

If this is not realised,
even the most straightforward of men
may be forced to adopt
logically acceptable fictions, rather than facts —
a policy that does not augur well for the future.
To distinguish the sincere from the dishonest
is not easy.

It involves risk; it calls for judgement.
To accept the superficial is much easier —
but what are the implications
of taking the easy, routine approach to all men?

# APPLICABILITY TO THE INTERNAL WORKING OF A UNIT

If productivity is basically an attitude of mind we should give thought to what brings about that attitude.

Management by implications provides a major clue.

Many forces and factors go to make up a man's attitude to life.

In part, it will derive from what he has heard and read: in larger part, what he has come to know personally during his day-to-day dealings; in other words, what happens to him. Unfortunate reactions occur when a man is hurt. Not what is done but how it is done, not what is said but how it is said. Because it is "his" company or department, the executive tends to take many things for granted and has no time for "refinements" or "pandering to people's sentiments". Those affected too generally take the executive's behaviour for granted and do not protest outright. But made up as they are, their very system protests. They choose to hold back. Worse still, they stage a mental walk out.

It is a common phenomenon in many organisations; the men are present but the substance of working men is not — their spirit, their enthusiasm, their spontaneous productive, creative energy is not there. They do the work assigned to them but they do not give what they are capable of. When they joined the organisation they came to give their best, but at some stage the enthusiasm got damped.

If those in an individual working unit can visualise how expensive such a situation can be, they will realise the importance of management by implications.

Even in terms of a single unit, this restriction and withdrawal of effort is considerable.

In terms of a country, it can be enormous. What is significant is that this human energy is used at once or is irrevocably lost for ever.

Developing nations can ill afford such an irretrievable waste of human wealth. Unless each worker realises his contribution to the common cause, the nation will remain poor indeed.

And this realisation largely depends upon the way management builds their attitudes.

#### FUTURE-ORIENTED ACTION

Management by implications calls for future-oriented action.
It is predicated on the finding managers act and not react.
Apart from the realisation that today we make tomorrow knowingly or unknowingly, it calls for an insight into the nature of man and future.

# SOME GUIDELINES FOR THE ADMINISTRATOR

The phenomenon of management by implications has ever been present.

Here it is given a name to focus attention on it.

By its very nature, the principle of management by implications cannot be a fixed tenet, a set of rules or a mathematical formula.

It calls for thought, a scale of values, a sense of responsibility, awareness, imagination and dynamic vision — all of which stem from personal discipline, and the conviction that tangibles lead to intangibles, that today we make tomorrow consciously or unconsciously.

Even so, certain characteristics distinguish it.

# (i) A SENSE OF REPRESENTATION

This concept requires us to be constantly aware of the fact that in the eyes of the public, we stand for many things sections of the population, a set of values, a way of living, an institution, and so on. On the basis of what we do and how we do it. people form their impressions and determine their attitudes not merely to ourselves but to the many things or groups we represent. Furthermore, it demands that we be alert to this critical assessment. Knowing that action is the substance of the administrative process, we should feel and act responsibly all the time. We should be prepared to look beyond the immediate present and certainly beyond our own personal ends.

### (ii) RESPONSIBILITY FOR THE FUTURE

This concept requires us to hold ourselves responsible for consciously and systematically playing our part in shaping the future.

Today we take a decision conscious of the objectives and we know of the implications in a general way. And, for the sake of tomorrow, we should pay equally conscious attention to the implications.

This demands self-management.

It means that every time we decide to act, we pause and think.

We must ask ourselves questions such as:

What are all the sectors involved? How are they affected? What are the common objectives? What are the sub-objectives? Are there any other objectives involved? How are these various objectives affected? Who are all the people involved? And how are they affected? An individual is affected? A group? Several groups? Today, tomorrow, in the distant future? What are the implications for the organisation? What are the implications for the things that provide the living climate of the organisation? Is it fair to all concerned? Will it build goodwill and better relationships? Today? Tomorrow? In the distant future?

We must ask these and similar questions and wait for satisfactory answers.

The implications should be visualised before we act.

(iii) "How" AND "HOW NOT"?

This concept emphasises how we do a thing.

Even in an affluent economy, no one in an administrative position can say 'yes' to every request and still retain his job. And this is even more true in a scarcity economy.

But there is a way of doing things.
There is a pleasant way of saying unpleasant things.
There is an agreeable way of doing even disagreeable things.

One can be purposeful and still be pleasant. It calls for extra thought and personal effort but it is worth it.

It is much easier to be curt, rough and unimaginative, and unfortunately some adopt this manner presumably to maintain or enhance their status. This is partly because of the colonial and authoritarian traditions we, in developing countries, have inherited. But what are the implications? Such a manner enlarges the pool of bitterness. The pent-up disapproval of the manner of managing can be a veritable volcano. And one way to avoid it in the first instance is to be vigilant. "Eternal vigilance is the price of liberty" might well be interpreted in this way.

Vigilance is also called for in matters of wealth and power.

We have to remember that the *show* of wealth and the *show* of power are patterns of behaviour that may find unacceptable.

# (iv) A sense of time and guilt over delay

Time is the essence of this concept. Either we make time our ally or it turns out to be our enemy. Delay is truly treacherous. Only when we manage by implications can we visualise the disservice that we do to the larger interests by tolerating needless delays.

But whilst avoidable delay is dangerous the idea of management by implications does not recommend haste.

On the contrary, it commends cool thinking and thinking means time.

We have, in fact, to find time in which to think—

we must not be too busy to be effective.

Again, it may be that help is required to think of the implications and we would do well to make use of such help. A statement of facts normally accompanies a case put up for action.

An additional statement of the implications of alternative courses of action would certainly facilitate management by implications.

The people who say: "After me the deluge", are, happily,

few and far between.

Many do what they do
because they are not conscious
of the implications and their significance.

#### GUIDELINES FOR THE CITIZEN

The decision-maker is a citizen and the citizen is a decision-maker. Both ways the citizen need give thought to management by implications.

From the citizen's point of view, management by implications refers to the quality of living.

It calls for much more than cleverness; it calls for goodness on his part.

It calls for faith in men and God.

It calls for certain moral values, a sense of grace and personal discipline.

Over and above observing the discipline suggested by the bunch of questions listed earlier in this monograph the citizen should help to enforce management by implications on the part of business and government executives. Men in power tend to take a short-term view and ignore the long-term implications of their actions.

Personal participation in the development of public opinion, in the correction of the abuses of business, or in the setting of codes for public behaviour is the duty of every member of society; more so, in developing countries. His demands for high level management among government and business leaders should be persistent.

Public disapproval of undesirable practices and *public approval of desirable ones* should be vocal.

The citizen should encourage social historians to review the past and he should support articulate representatives when they speak out.

Though unpleasant, a frank confrontation of the past teaches us sharp lessons of retribution.
"Those who cannot remember the past,"
Santayana reminds us,
"are condemned to repeat it."

The citizen does all of this even now but he can do it more systematically, consistently, more purposefully and in a much more organised way.

We can then see that this concept is applicable to the average citizen as to the high level manager. The reason why the manager has been singled out is that his actions have a wider impact, and a deeper significance.

If he should decide to manage by implications, it will be seen how small a section of the population can bring about how much good for how many in how short a time.