

Management Next

jump out of the box

A monthly for business leaders

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Are you ready for breakthrough?

If Deming changed Japan, Shoji Shiba is on his way to changing the face of Indian business through his unique management techniques

- Benedict Paramanand



It took an American, Dr. W Edwards Deming, to rewrite Japanese manufacturing history after World War II. Today, Shoji Shiba, a recently retired Japanese professor at MIT, is all set to transform Indian businesses through his powerful breakthrough management philosophy.

The way he's going about is already making waves in the Indian business community. In conjunction with Confederation of Indian Industry (CII), Prof. Shiba set up a learning community (LC) for breakthrough management in July 2004 and ran it for over a year. Four Indian companies – Sona Koyo Steering Systems Ltd; TechNova Imaging Systems Pvt. Ltd; UCAL Fuel Systems Limited and Brakes India Limited

have walked the breakthrough path and are thrilled about it. Three other companies that are close to achieving breakthrough are TVS Motor Company, Lucas TVS and SRF.

Prof. Shiba, in Bangalore recently to deliver a lecture at the 13th CII Quality Summit, spells magic through his learning community concept which, he says, is a step ahead of the popular networking concept because networking thrives on a 'give-and-take' philosophy which has of temporary significance. "Breakthrough needs a 'give-and-give' mentality with a strong commitment." Therefore, he's developed a learning community with complete commitment to continuously 'give'.

How a learning community concept worked for the four Indian companies is interesting. Top managers of these companies had a strong sense of urgency to change their mindsets and build new skills to attain global leadership in their business. Business leaders in these companies got trained in breakthrough skills. Visits to each other's companies and to a few companies in France were part of the exercise.

Prof. Shiba does not believe in telling the companies what to do. He prefers to guide them and then let them learn from each other. Breakthrough management, according to him, consists of perceiving the subtle voices for change and making these changes a reality through a scientific process. He believes that

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Next Issue
CFO SPECIAL

Happy employee, happy customer

Happy employees make happy customers and happy customers make happy shareholders. Surprisingly, this simple truism is understood and implemented by very few companies. Most companies are often unsure whom to put first and try to please all, but end up pleasing none.

The recent 2005 'Best Companies to Work For' survey of *Business Today*, a leading Indian business fortnightly, in association with Mercer-TNS, has thrown up some interesting insights. The top 10 companies from varied industries share one common feature - they are not the best paymasters at a time when there's a war for talent, yet have very low attrition rates. The survey proves that challenging work environment with humane culture are higher attractions than money. Small company ethos and credible leadership stand out ahead of glamour.

For Infosys Technologies, ranked first and employing 46,000 employees, the winning formula is identifying core values and building people practices around them. Infosys is a 25-year old company founded by first-time entrepreneurs. Despite achieving such a size, the company's philosophy, according to its CEO Nandan Nilekani, has been to foster the "spirit of smallness" - the \$1.7 billion revenue company has broken its business into several small units to achieve this.

The company ranked second, Sasken Communication Technologies, with over 2,000 people has something in common with HP, Microsoft and Apple - all were started in a garage. The uniqueness of Sasken is that people are treated like adults here. Perhaps it's the only company in the world, in its class, that does not have time cards/sheets. Instead, the emphasis is on performance. Both Narayana Murthy, Infosys' founder and now the chief mentor of Infosys and Rajiv Mody, Sasken's CEO, travel economy class and don't stay in expensive 5-star hotels. They eat in the company canteen along with everyone.

Sasken, like Infosys, does not believe in chasing the IT industry's salary maze. They pay 20 to 30 percent lower starting salaries and yet manage to attract the best talent. Promod Bhasin, CEO of GenPact (ranked third), the BPO in which GE sold off its majority stake recently, is also annoyed about the money-chasing culture. He says: "We believe in rightful and realistic wages. We strongly feel that fat pay cheques are not the right means of attracting talent. High salaries impact the cost-effectiveness business model of the BPOs on one hand and build wrong hopes among the employees on the other."

Why HCL Comnet, the fourth in the ranking, stands out from the rest is interesting. The remote network infrastructure management company has a unique work culture. The culture is so fun oriented that the CEO acted as a Santa Claus last year. But on a more serious note, the company doesn't believe in variable component in the salary, which is the norm in most companies worldwide. Instead, the company pays, what it calls, 'trust pay'. "For everybody else it's customer first, for us it's employee first," says Vineet Nayar, CEO of HCL Comnet. All managers, including the chairman, face a 360-degree feedback scheme which involves the employees.

If attrition rates and average service tenures were the only indicators of employee happiness, NTPC, India's largest power generation company, would beat everyone hollow. The public sector company, ranked fifth in the survey, employs over 23,000 people and has an attrition rate of 0.4 percent. But with the power sector now opening up to the private sector, attrition rate is bound to go up. But this public sector company functions like a private sector company. The company completes most power projects ahead of schedule and within the budget, a rare trait.

For HSBC Bank, the sixth rank of 'best company to work for' came as a surprise. It does not do anything drastically different like the companies higher in the rankings. But what made the bank beat its savvier contenders is its focus on 'winning'. Hard-nosed business strategy seems to combine well with the benevolence employees are treated with. Employees are forced to take their mandated

leave and not encouraged to carry forward like most do. The bank's mantra is "create an environment that encourages winners and then reward those winners handsomely."

Sapient, ranked seventh, is a dot.bomb survivor. It reinvented itself after it was hit by the dot.com bubble and is today a high-end application developer. It was one of the first to spot the outsourcing opportunity and today employs 1,600 people. The company ranks core values such as integrity higher than domain expertise in its people.

It's no surprise that out of the top ten, seven are either IT or IT-enabled services (read BPO) companies. Unlike in manufacturing companies, people are the differentiators in IT and banking. So, whether companies like it or not, they have to be people-savvy to retain talent. And because the cost of attrition is so high that it pays to pamper employees.



The survey proves that challenging work environment with humane culture are higher attractions than money. Small company ethos and credible leadership stand out ahead of glamour.

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hidden changes in companies appear in the periphery rather than in the centre, and this can be noticed only by close observation.

He does not like to call this group a cluster either. He says it's a learning community. Nor does he say he is advising them. "I will think along with them, give my ideas and try to transfer my skills to help them see the future and chart out a breakthrough strategy. Then, I will visit their companies, listen to their strategy and give feedback," he explains.

More than anything else, CEOs of the four companies learnt skills for managing ambidextrous organizations – organizations where both present and future strategies are pursued simultaneously. Typically, managements are focused on survival or on incremental changes since they show tangible results. And typically investments in breakthrough ideas or projects take a long time and the tendency to kill them by status quoists is very high. "Unless a clear architecture where the futurists are shielded is put in place, organizations cannot hope to produce breakthrough products or services," Shiba says.

He tells Indian CEOs that breakthrough management, rather than core competencies and TQM, is the key to winning in the new globalised world. In a globalised business environment, one should think radically and be willing to take risks," says the 72-year-old guru.

Prof. Shiba wants more Indian companies to embrace breakthrough management philosophy if they are to move to the next level. According to him, in Indian companies, CEOs have strategic vision for their business, but this vision is lacking in the next levels of management. In contrast, the second and third levels of management have achieved operational excellence, but are weak in strategy. This, Prof. Shiba hopes to change through breakthrough management. "This gap between operational excellence and business excellence needs to be filled. My job is to change the mental make up of Indian CEOs in the era of globalisation."

"It is time for Indian companies to take off. Top companies pull the industry forward. I want to contribute to such a locomotive." Once a critical mass of breakthrough leaders is available, India will be ready for the next big push in breakthrough management.

Who is Prof. Shiba?

Prof. Shoji Shiba is presently Professor Emeritus, University of Tsukuba, Japan. He retired in early 2005, after 15 years of teaching at Sloan School of Management, MIT. As an international expert in TQM, Prof. Shiba has made significant contributions to the quality and breakthrough management movements in countries such as the United States, China, France, Chile, Hungary, Ireland and Italy. Hungary has even instituted an award called IASA-Shiba Award for companies who make significant contributions to TQM.

Prof. Shiba became popular for his applied learning and through Centre for Quality Management, Cambridge, Massachusetts where he revolutionized the quality movement in the United States in the 1990s. He has been the biggest influence on the Centre for Breakthrough Management at the Sloan School of Management. The coveted Deming Prize was conferred on him in 2002.

Greg Fischer, CEO of Dant Clayton Corp., said: "Shoji Shiba unlocked portions of my mind that had never been visited. His teachings have provided rich material to identify possibilities and implement solutions for incremental and breakthrough improvements. Shoji inspires you to see and explore the world in a new way."

Prof. Shiba's recent books include 'Four Practical Revolutions in Management (2000), Breakthrough Management (English version will be available soon) is the author of "A New American TQM" (1993, with David Walden and Alan Graham), "Integrated Management Systems" (1999, with Thomas H. Lee and Robert Chapman Wood), "Four Revolutions in Management" (2001, with David Walden).

What is breakthrough management?

The age of corporate management can be divided into three phases. The controlled management era (in vogue from 1930s) which was top-down with mass production as its basis of existence. Next was the era of continuous and incremental improvement, started in the 1960s, where the individual — the customer and worker — was the focal point. This is the Japanese approach and is bottom up. The goal here is to satisfy the current customers and to achieve zero defects.

If need be, one has to kill the current source of income to jump to the next level. And that needs a strong mind.

But today, organizations are forced to pursue radical business ideas that may even include changing the line of business or transforming the business to become more innovative and powerful. They have to create a consumer segment which didn't exist earlier. As product life cycles get shorter and competition fierce, Indian companies cannot rely on strategies focused on incremental growth. Only breakthrough management strategies can give organizations some chance to compete.

Does that mean that the traditional management mantras such as core competence, reengineering, Kaizan are passé? It appears so. Says Prof. Shoji Shiba, the breakthrough management guru: "Yes. If need be, one has to kill the current source of income to

jump to the next level. And that needs a strong mind. Core competency is a narrow concept compared to breakthrough management; the former is more concerned with technical strengths and corporate culture. Similarly, diversification of business is a move to protect against existing risk. Breakthrough management does not think about existing risk. It is about taking future risk. The key is to unlearn what is learnt and learn new strategies."



Andy Grove, former Intel CEO pioneered the concept of breakthrough management in his bestseller — "Only the Paranoid Survive". Breakthrough management is for CEOs with a Moses mentality — convinced about the existence of the 'promised' land. The breakthrough management principle is applicable for all kinds organizations — small, medium and big.

It is easy to kill breakthrough management in an organization because a controlled and incremental management earns money by focusing on its current customer. On the contrary, breakthrough management anticipates the needs of the future customer. It is imperative for a CEO to be involved directly and actively, otherwise the breakthrough will not survive.

Holistic management the Boston way

Holistic is the new mantra today. It started in healthcare and has found an extension in the field of management. However, Boston University's management school has been chanting this mantra for more than a decade now.

Dean Louis Lataif, who moved from Ford in 1991, has popularized what is popularly known today as the Boston Way. The Boston Way was very unpopular in the beginning since it was too radical then. What Lataif did when he took over as dean, was to fuse management teaching with the arts, sciences and business. Faculty from different disciplines was brought to teach program together.

Lataif told Financial Times recently: "We need to teach people to do things holistically. Part of the problem of education is who the suppliers are. If you think what a PhD is, you become ever narrower. Your dissertation finely makes you an expert on some small, little thing. This is not helpful."

Lataif went about his radical conviction for holistic management by actually creating an environment for it. He

redesigned the plans for the business school building when he took over some 14 years ago. The new design had all the rooms look inward, facing each other across the central well. Faculty were not allowed to form departmental silos — all had to mix.

The Boston Way has now become so popular that the university conducts courses for several business school teachers on how to change the way they teach. It recently held its third conference for business schools wanting to teach the Boston way.

Lataif believed that most effective CEOs have been trained as scientists and so think differently from other managers. Business school minds think vertically, scientists think horizontally. To combine the benefits of the two, Boston school launched MBA-MSc — a dual degree that teaches technology as well as management. Through this approach Lataif hopes to create next generation managers today.

The Boston Way's objective is to train builders and leaders, not simply managers.



Louis Lataif

Why the 80/20 rule is flawed

Few rules are more widely quoted in marketing today than Pareto's 80/20 rule, which states that 80 percent of your sales comes from just 20 percent of your customer base.

In this age of relationship marketing, this rule has become an often-heard battle cry to focus our efforts on maintaining the loyalty of customers belonging to the golden 20 percent that drive most of the business, while spending less effort on the trivial other 80 percent. But, as Matthew Syrett writes in MarketingProfs.com: "Intuitively, it makes sense. But this marketing interpretation of the 80/20 rule is actually flawed."

The present understanding of the 80/20 rule derives in large part from Dr. Joseph Juran, who in the 1940s wrote a wonderful article describing the 80/20 rule's applicability to industrial quality control. He concluded that the greatest quality gains were to be found in focusing quality assurance efforts on the 20% of all defects that cause 80% of problems. He saw that not all defects were created equal, so it is inefficient to treat them as if they were.

Juran's work has subsequently been expanded to a wide range of other fields, including marketing, where it has found a home in customer loyalty theory and relationship marketing. "While interesting, the direct application of Juran's work to marketing is not as straightforward as it first appears, and care should be taken when applying it to our marketing practices," writes Syrett.

The 80/20 rule as conceived by Juran assumes an equal return on investment for each opportunity. This is not an assumption that typically works in marketing, where the margins on sales vary widely based upon the terms of those sales. Most importantly, the more a customer buys, the more bargaining power they tend to have to drive down the price they pay per item.

For instance, a bar of soap sold through big retail chains will tend to have smaller margin for its manufacturer than the same bar of soap sold through a small grocery chain, since their purchasing power enables them to drive a significantly better price per bar of soap than everyone else. This difference in margins means that the gains in volume catering to the golden 20% can come at the cost of a lower profit margin. When those differences are great, it is easy to have situations where the

"trivial" 80% of customers are actually more profitable on only 20% of the volume.

This observation lies at the heart of a richer interpretation of the 80/20 rule, which can lead us in many circumstances to do the exact opposite of what a simple Juran-style interpretation of 80/20 would lead us to believe.

An alternative way of looking at 80/20 rule in marketing is as a model for creating economy of scale through selling to a few high-volume customers at near cost, while funding continued overall business growth through selling at higher margins and lower volume to everyone else.

As the high-volume customers drive down prices through leveraged negotiation, a marketer is able to offset the need to appease these powerful buyers by margining well everywhere else in their business, as long as they have an adequate population of low-volume buyers.

In this light, the 80/20 is not always an argument to wash our hands off low-volume customers. It actually is an argument to use a blended profit margin to achieve continued growth and competitiveness without being priced out of the highest-volume deals. Those high-volume deals, while having decreasing

returns proportionate to their scale, are critical for a business to achieve the necessary economies of scale to competitively lower overall costs of production and distribution.

In other words, the highest-volume 20% of your customer base will drive profitability through creating efficient scales

of business, while the lower 80% will drive profitability through aggressive margins. It is easy to see how these two strategies would work best when they feed off each other's efforts, rather than working in isolation. Indeed, there are often harsh growth limits for your business set by selling only to the "best" 20% of your customers, or engaging only in low-volume deals.

This is not to say that relationship-marketing efforts to keep the loyalty of "golden" 20% should be abandoned; rather, the health of our marketing relationships with the other 80% of our customers needs to be equally addressed and certainly not abandoned. The only exception to this general rule is when the margins on high- and low-volume customers are largely identical or random. In those cases, ignoring the 80% is probably a good idea.



The highest-volume 20 percent of your customer base will drive profitability through creating efficient scales of business, while the lower 80 percent will drive profitability through aggressive margins

Who says value of technology cannot be measured?



Dr. S. Bette'

Chief technology officers (CTOs) who have so far been shielding themselves behind the protective wall of 'value of technology cannot be measured' arguments are in for a rude shock. Finance wizards are today able to quantify the value technology adds to any organization.

Dr. S. Bette', CTO, Mcube Investment Technologies, is one of

those who does not like CTOs who go on the defense when they are asked to justify the value of investment in technologies. He says: "To say that we cannot value what a technology can do to a financial organization is incorrect. You can always argue and make a case, always quantify, although it takes a lot of effort." "Pet projects waste hundreds of millions of dollars on bad technology. Therefore, applying decision-making methods to technology decisions is important. I strongly believe that everybody should go through this analysis," he adds.

Bette is for CTOs who have a grasp of their environment more than just their specialized jobs. He says: "I think CTOs need to understand their domain better. Otherwise, they will be no more than 'computer jocks'. Technology for the sake of technology is a wrong thing to do. CIOs and CTOs should be held responsible for all investment decisions."

Mcube is one of the cutting-edge technologies that offers governance with better returns. "CTOs would love to embrace something like this," he says.

Mcube tells potential clients that - "if you cannot prove value, then we don't want you as our clients." Mcube helps companies to clearly demonstrate quantifiable value through case studies and performance attribution. A CTO or a CIO then puts the processes in place to decide whether to take the technology or not.

Mcube has pioneered a technology called 'alphaengine' which provides a framework where clients can build investment decisions on a dynamic basis. Unlike current risk management software which give a rear-view mirror view (as in what I did), Mcube helps clients with - what can be done to go forward.

"Every decision we make - to include a particular feature or

work on it - is driven by value. Nice-to-have features will get dropped out. They have a place in the research teams but not in the production teams," he asserts.

Academicians, consultants stay away: Peter Senge

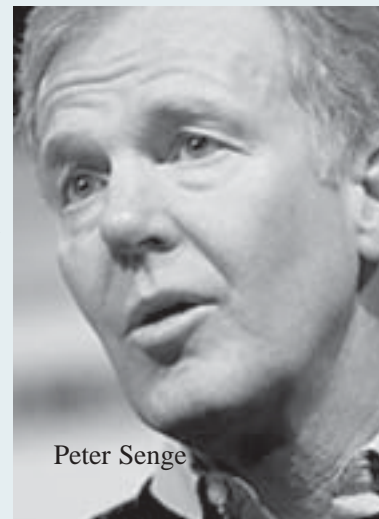
"Leadership has to come from practitioners or managers. If academicians or consultants try to change things, what we will get are just more management fads. Real changes are brought about by networks of organizations working together," was Peter Senge's powerful message to Indian CEOs, whom he addressed a few weeks ago in Mumbai.

To make his point even more powerful, Senge asked business schools to be closed down and management books to be burnt. "If you want organizations to do well, I used to say management books were a waste of time."

The author of the classic 'The Fifth Discipline', Senge is pushing for greater role for private business in society. "What businesses will have to realize is that it's not their divine right earn profits, it's a privilege. If businesses plan to survive and grow in the long run, they have to don a leadership role in bringing about a sustainable model for the society." Senge has pioneered the concept of triple bottomline - people, planet and profits.

The reason private organizations have to don this mantle is because increasingly governments are not able to focus on long-term due to compulsions of democracy. "Private sector has to take the lead so that governments can be bold," he said.

According to Senge, learning organizations are "organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free and where people are continually learning to see the whole together." The basic rationale for such organizations is that in situations of rapid change, only those that are flexible, adaptive and productive will excel. For this to happen, organizations need to "discover how to tap people's commitment and capacity to learn at all levels".



Peter Senge

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Loka Institute's 'Kinective'

The Washington D C- based Loka Institute was awarded the prestigious CIO-100 award for innovative organizational practices and services at a gala function in August 2005 in San Diego. Termed by many as the Academy Awards of the Information Technology world, the CIO-100 recognizes organizations around the world that excel in positive business and organizational performance through innovative practices and products.

The Loka Institute was selected for its innovative approach to science and technology decision-making, for its recognized research on the social, cultural, environmental and political impacts of scientific and technological developments and for its ability to facilitate relationships between non-traditional partners. Loka shares recognition with organizations such as the American Red Cross and Ashoka, and with companies such as Palm, Inc., IBM Corp., and Patagonia Inc.

The Loka Institute's Kinective Research Management (KRM) initiative focuses on the development of management practices specifically for research collaborations. It has coined a term 'Kinective', a derivation of the words 'kinetic' and 'connective'. Using democratic participation as an underlying principle, the kinective management framework harnesses and transfers the ability of each participant in the research process into a relationship that creates more efficient use of each stakeholder's expertise.

The word "loka" is derived from the ancient Sanskrit word *lokasamagraha* which means unity or connectedness of the worlds. The Loka Institute (TLI), as a non-profit research, advocacy and training institute, has been in operation for more than a decade.

www.Loka.org

Are quality & creativity natural enemies?



Can quality and creativity cohabit in the same house or are they natural enemies? Can a quality process be applied to innovation, asks *Paul Sloane* in an article published in the August 2005 edition of *UK Excellence*, the journal of the British Quality Foundation.

Quality involves the removal of unwanted variations, the enforcement of strict standards and controls, the application of best practice and the elimination of waste and errors. Creativity and innovation involve exploring many radical and unorthodox ideas, deliberately deviating from existing standards and controls, experimenting with prototypes and devoting resources to projects which are likely to fail.

So at first glance quality and creativity look to be at odds. One is striving for the elimination of variation and error, while the other is crying out for both. They are surely two opposing philosophies requiring very different mindsets and attitudes. Can they co-exist? "The answer is that they can and they must," he writes. Every successful organization has to solve the paradox of how to achieve at the same time great quality and great creativity leading to successful innovations.

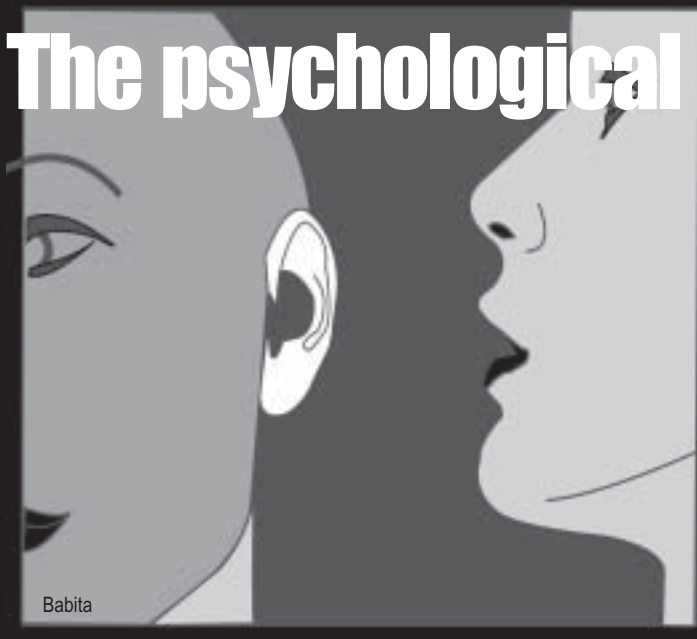
The natural tendency for business managers is to focus on improving efficiency and refining the current processes because it is clear that "we can do things better." Doing what we do now only better is not enough. If you do what you always did then you will get what you always got. You have to do something different to get different results. "You have to do something significantly smarter to get significantly better results."

Successful organizations plan for innovation and allocate resources to it. "They have innovation panels that hold reviews of all their products, services, processes, methods and routes to market." The successful organization will focus on quality and innovation; it will juggle efficiency and creativity. Creativity does not mean chaos nor does it mean leaving things to chance. You can put in place processes for idea generation, idea evaluation and proposal implementation. The whole process can be managed on a formal basis while accepting many informal inputs.

For innovation trigger visit www.erehwonconsulting.com

The psychological factor

By Dr. Anna Oldman



Babita

Forward-thinking companies keep a continual 'pulse check' on the well being of their employees, ensuring that underlying issues and concerns are addressed effectively. Managers know that contented employees are more productive, and give more to the organisation.

This is particularly true for knowledge-based industries such as IT/ITeS/BPO, where people are recognised as the most significant asset, but other industries such as manufacturing and services are recognising the importance of employee wellbeing in terms of hard returns for the business.

Industry has a long history of effectively managing physical health and safety of employees - often driven by strict health and safety requirements and legislation. What about the seemingly more esoteric issue of psychological well being? How do we best handle an employee who is anxious, stressed, coping less well than usual, or downright dissatisfied with their lot?

Some common uncertainties managers face when trying to formulate a plan include: 'How do we know what 'caused' the employee to feel unable to cope?' 'Is this genuine stress, or will the person calm down', 'Should work interfere - it seems to be a family matter?', 'Whose responsibility is it to sort this out?', 'Should this person be sent to a doctor?', 'Will I say the right things, or make matters worse?'. It is often the unanswered questions that leave managers at a loss to know how best to support an individual who appears to be struggling. Deciding on the right course of action is a less tangible process.

An example illustrates the difficulties: an employee has developed back pain over recent months and has notified his line manager. Various occupational health checks are carried out, and an ergonomist recommends a different workstation arrangement, including a back-supporting chair and other specialist equipment. Money is invested, but the problem doesn't go away. Eventually the individual calls in sick - he is in considerable pain - and he stays away for 4 weeks. Over time it

emerges that the employee had been feeling isolated after moving to a new city for work. Furthermore, the employee felt unable to talk to his manager about the difficulties he was having with his new role (which were later remedied by a simple training programme). A modest number of sessions with a clinical psychologist gave the individual the confidence and direction he needed to create a rewarding new life for himself and settle into his new job.

It is the very complexity of the factors that govern our psychological wellbeing that often mean we fail to intervene at the right time or in the right way. Furthermore, many of us will experience psychological discomfort as physical symptoms. Is it enough to rely on the innate skills of peers, managers and HR professionals to correctly identify and deliver the most appropriate interventions? Is this the best use of management time? And, most striking of all, most HR managers will complain

To fail to support the psychological well being of the workforce invariably leads to a less productive and less successful company

that they get to hear of these issues when it is too late: typically individual has resigned, or a seemingly trivial incident has triggered disproportionate conflict.

To fail to support the psychological wellbeing of the workforce invariably leads to a less productive and less successful company. Conversely, companies with longstanding traditions of creating supportive environments seem to go from strength to strength, often characterised by extraordinary levels of creativity and innovation. The Tatas, Intel and Flextronics are such examples.

One important building block in this endeavour is to give employees access to a confidential Employee Assistance Programme (EAP). Typically such programmes provide all employees and immediate family with free access to 24/7 telephone counselling, backed up by face-to-face counselling sessions where necessary, and free advice on financial, legal, health and family matters. Frontline support should be delivered by highly skilled and qualified clinical personnel - typically counsellors and clinical psychologists. Acting like an 'insurance policy', companies find that EAPs achieve tangible returns on investment. Interestingly, of the Fortune 1000 companies, over 900 of them have an EAP or similar service in place.

It seems that this area is moving from being a 'nice to have' to a resource that could help determine the strategic future of a company.

The author is Chief Operating Officer, PPC Worldwide - India

Give luck a chance to happen



By Roger Hamilton

The first thing you're told when you get on a plane is where the exits are. But exit strategies are for the passengers, not for the pilots.

Last month I met an enthusiastic graduate from one of the many Entrepreneurship MBA programs currently on offer. As if by way of introduction, he asked, "What's your exit strategy?"

"What?"

"What's your exit strategy? What's your plan?"

I asked him if he could name any famous billionaire who had made all his wealth by setting a plan with an exit strategy, executing the plan and then exiting. He couldn't. Now I'm not saying exit strategies are not useful. The first thing you're told when you get on a plane is where the exits are. But exit strategies are for the passengers, not for the pilots. The last thing you want to hear when you get on a plane is that the pilot will be bailing out at 30,000 ft. The last thing you want to hear if you're investing in Microsoft is that Bill will be bailing out once the stock price hits \$40.

It's not a coincidence that all the world's wealthiest entrepreneurs continue to work long after they need to. They don't see it as work, so there's nothing to retire from. If retiring means giving up work to do what you enjoy, Warren Buffet retired the moment he started investing. Pilots don't exit. They're too busy having fun flying.

What about the plan? Did Richard Branson have a plan to get into airlines when he started Virgin Music? Did Steve Jobs have a plan to revolutionize the music industry when he started Apple? To the surprise of the graduate, we found time and again that great entrepreneurs made their millions by luck.

"I may not have gone where I intended to go, but I think I have ended up where I intended to be." - Douglas Adams

"What? Wealth is just an accident?" Wealth isn't an accident, if being lucky is part of the plan. Or in the words of Shirley Temple: "Luck needs no explanation". Great entrepreneurs don't start with a plan. They start with a passion. From there, the experiment begins.

Sam Walton fell into retailing at 21 because his family's neighbor happened to be a retailer with 60 variety stores. Hugh

Mattingly became one of Walton's first mentors, showing him the trade and offering him a job. So, did Walton have a plan? "I don't know about that kind of stuff. But I know this for sure: I loved retail from the very beginning, and I love it today." So was the success formula of a Wal-mart in every town by chance? No, it was by necessity. As Walton was getting ready to start his first store, his wife Helen said "I'll go with you any place you want so long as you don't ask me to live in a big city. Ten thousand people are enough for me."

"Everything existing in the universe is the fruit of chance and necessity." - Democritus (460BC)

Then came the billion-dollar piece of bad luck. Not because it cost a billion, but it led to a billion. "In all my excitement at becoming Sam Walton, Merchant, I had neglected to include a clause in my lease which gave me an option to renew after the first five years". Seeing the success of the store, the landlord chose not to renew the lease and forced the sale of the outlet from Walton to the landlord's son. With no other viable location in Newport, Walton loaded his family and belongings in a

truck and started driving. They didn't stop until they came to a small town, Bentonville, population 3,000. There, at the age of 32, he started Walton's Five and Dime Store. 12 years later in Bentonville the first Wal-Mart opened and today Bentonville is the headquarters of Wal-Mart's \$220B global empire. When Sam Walton died, he was the richest man in the world. His wealth was by chance, but it wasn't by accident.

"I run on the road long before I dance under the lights." - Muhammad Ali

So will your entrepreneurial success be as a result of a plan, or as a result of your passion? Will you focus on exiting, or focus on experimenting? Great entrepreneurs do not create success. They create the conditions for success to occur. Only by giving luck the chance to happen, will you happen on wealth by chance.

The author is Asia's leading wealth consultant. He's the author of the bestseller 'Wink & Grow Rich' www.rogerhamilton.com



Leverage the power of enterprise IT



Business activity monitoring has a great future as companies learn to truly leverage the power of enterprise IT and start using the data in earnest to take decisions near real time and quickly -Ranganath Iyengar



In the age of the internet, information overload is not new. As decision makers we get inundated with several sets of information, reports, intelligence, research and alerts throughout the day, be it on the computer or mobile. We would usually not have the time to go into several systems and recover all of this information, although every piece of information is available online. Additionally, most of the information that we get is out of date and not of significant value. We are however interested in monitoring our businesses through out the day, which could mean a small set of critical information.

With enhanced data portability, mobility and myriad access devices, it is possible to push out select data on a real time basis - a simple example is mobile alerts that we get on SMS. So if your decision making depends on information throughput generated by IT systems, read on...

Business Activity Monitoring

BAM was first defined by Gartner as the concept of providing real time access to critical business performance indicators to improve the speed and effectiveness of business operations. Simply put, BAM is the convergence of operational Business Intelligence and real time integration of applications aimed at meeting business goals in a proactive manner.

Features could include monitoring real time state of the business, real time control of business performance, monitoring of production deadlines, instant escalation of management of customer issues, predictive monitoring of key information, real time root cause analysis etc. These are today being adopted by IT managers as an additional layer to BSM (Business Service Monitoring) and BPM (Business Process Management) products.

Who are the players?

There are several players in the BAM space - some of the pure-play BAM vendors are Pacemetrics (PaceMonitor), Systar (Business Vision), Celequest, SmartStream, FYI, Silas Technologies, Wipro and HeraldLogic from India (IntelliRADAR). BPM vendors such as TIBCO, Savvion and Pegasystems limit BAM functionality to monitoring workflows that are designed by the BPM systems.

BI (business intelligence) players also offer BAM solutions and some of these include Ascential, Informatica, Information Builders and SAS. These vendors will be challenged to support an environment that handles a process driven approach to performance management. DBMS vendors that offer BAM functionality include HP (ZLE and non stop SQL/MX), NCR Teradata (Active data warehouse). Last but not the least are EAI vendors such as IBM, Microsoft, BEA, TIBCO (Business works) etc. focus on process driven event management.

Which industries can benefit?

Most large industries can benefit since they use one or more of the above technologies. The Telecom industry is a visible example of an industry spec emerging for BAM, where it has been integrated with network operations and back office systems to monitor various success factors in fulfillment, assurance and billing process of telecom OSS; service fulfillment/assurance in a VPN provisioning scenario (for details see Telemangement Forum's NGOSS initiatives). Any industry that uses real time data for decision-making can make use of BAM either by monitoring business process (any service industry), critical performance parameters (manufacturing) or by predictive monitoring (utilities, healthcare etc).

Today's business environment is complex and even something as sophisticated as BAM could have its limitations and challenges - e.g. distributed asynchronous data collation across geographically distributed databases (such as a bank, insurance company), outsourcing parts of business processes to another work location (systems cannot necessarily be broken up the same way as a physical process), the timeliness and accuracy of basic input data (the people dependency on transaction data collection).

BAM still has a great future as companies learn to truly leverage the power of enterprise IT and start using the data in earnest to take decisions near real time and quickly. Obviously, this will need a mainstream process for deployment, good quality consulting support and common standards for a wider adoption across enterprises which will emerge once process management, business intelligence and performance management capabilities merge into a single platform.

Ranganath Iyengar is Managing Partner, Strategic Interventions India Pvt. Ltd. www.siiplconsulting.com



Peter Drucker

A Tribute to an Intellectual Giant

"The role of business is to create a customer"

Back in 1942, when Peter F. Drucker was a professor of politics and philosophy at Bennington College in Vermont, a book he had written, *The Future of Industrial Man*, caught the attention of Alfred P. Sloan, the legendary head of General Motors. Sloan was so impressed by the book that he invited Drucker to study GM, and Drucker agreed -- ignoring the warnings of those who said the project might derail his academic career. As Drucker said later, it was as though he had single-handedly begun an expedition to map "the dark continent of management." That exploration, which gave birth to the field of management, came to an end on November 11 when Drucker passed away at age 95.

"With the passing of Peter Drucker, the world has lost one of its intellectual giants," says Yoram (Jerry) Wind, director of the SEI Center for Advanced Studies in Management at Wharton. "Wharton and I have lost a friend, as has the field of enlightened and responsible management of both for-profit and non-profit organizations. Yet Peter's legacy and impact as a role model will last."

To honor Drucker's legacy and celebrate the ongoing relevance of his ideas and insights, Knowledge@Wharton asked several Wharton professors to sum up Drucker's most important contributions to management knowledge. Their answers are grounded in Drucker's writings on management and marketing. In *Lasting Leadership: What You Can Learn from the 25 Most Influential Business People of Our Times*, a book published last year, Knowledge@Wharton and *Nightly Business Report* named Drucker one of the 25 most influential business leaders of the past 25 years, though had the time span been 50 years he would still easily have made the list.

"There is no single contribution that I associate with Drucker that clearly stands above the corpus of his work," says John Kimberly, a professor of management. "To me, what is remarkable about his contributions is that they are numerous, always articulated in a simple and accessible way, and always insightful. Drucker's writing spanned well over half a century, a period during which technologies, markets and organizations changed dramatically, yet his insights were always fresh and

pertinent, the product of keen observation and a fine mind. Drucker had the ability to cut through what seemed to many to be highly complex organizational and managerial issues and identify the basics. His insights were frequently simple, but never simplistic. He will be remembered as a true giant in the field of management."

Renaissance Person

According to Wind, many of the recent tributes to Drucker have focused on his 30 books, which have been translated into 50 languages and sold millions of copies. "Let me focus on some of the less known facts about Peter Drucker and why I consider him to be the best role model for all of us." For one thing, says Wind, Drucker was "a true renaissance person. In addition to his well-known books and writings on management (15 books, eight series of educational movies, 10 online courses and numerous articles) and society, economy and politics (13 books and numerous articles), Peter wrote in 1979 a book on Japanese painting, and two novels (*The Last of All Possible Worlds*, 1982, and *The Temptation to Do Good*, 1984). He had enormous intellectual curiosity and social consciousness that guided much of his interests and activities."

In addition, Wind adds, Drucker was a "truly interdisciplinary scholar. In his writing he bridged management as well as social and behavioral science, clearly demonstrating that no management problem can be addressed effectively from the narrow confines of a single discipline." Moreover, Drucker was a "true integrator of theory and practice. Throughout his life, he engaged in consulting to top managements of numerous companies, large and small, as well as pro-bono consulting to numerous non-profit organizations such as the Red Cross, universities, hospitals, community service organizations and government agencies."

Drucker combined his broad sweep of intellectual interests with a genius for communication. "His sense of humor, humility and respect for his audiences helped endear him to people all over the world, whether it was speaking to someone one-on-one or to a crowd of thousands," notes Wind. Moreover, Drucker was indefatigable. "He was highly productive and active. Even

after retiring from active teaching in the last few years, and in spite of his hearing problems, he continued to write and interact with others." Wind adds that despite all the acclaim that came his way over the years, Drucker retained his humility, living in "a modest home and always being humble, kind and friendly. He was a real 'mensch.'"

Innovation, Organization and Knowledge Workers

Ian C. Macmillan, a management professor and director of the Sol C. Snider Entrepreneurial Research Center, says that for him, Drucker's most significant contribution is to the literature on innovation and entrepreneurship. He "wrote the most concise yet comprehensive piece of work on innovation and entrepreneurship ever written," Macmillan says. "Captured in less than 10 pages in a Harvard Business Review article, his insights guide my thinking in all the work that I do. The article was 'The Discipline of Innovation,' published at the end of 1998."

Drucker's work on the organization of business corporations was equally path-breaking, points out Mauro F. Guillen, a management professor.

"Drucker was the first to show, back in the 1940s, how incredibly complex modern corporations had become and what would be the best ways to organize them so that they could function successfully. He became the most incisive and illuminating writer on the large industrial corporation. From my perspective, his most memorable line is in his 1954 book, *The Practice of Management*: "A poor organization structure makes good performance impossible, no matter how good the individual managers may be."

Management professor Marshall W. Meyer agrees that Drucker's work on the organization of the firm is critical: "Drucker will be most remembered for coining the term 'knowledge worker,'" he says. "However, his most important contribution was his organic view of the firm, which is sharply at odds with today's view of the firm as a nexus of impersonal contracts. In his first book, *The Concept of the Corporation*, Drucker pressed, unsuccessfully, for self-governing plant communities. He railed against excessive professionalization and isolation of managers from society and often compared managers to conductors and firms to orchestras."

John Paul MacDuffie, a management professor, shares Meyer's view that Drucker's "early identification of the trend towards 'knowledge workers' was incredibly prescient." He adds: "Drucker's subsequent exploration of what that means for organizations provided a continuing stream of insights. Even in his earliest writing, in the book about General Motors, he was an advocate for managers relying on the expertise of their employees and granting them more autonomy at work."

Drucker was the first management thinker to give knowledge workers "ownership of their output," says Ravi Aron, a professor of operations and information management. Paradoxically, that also aroused in him "deep misgivings over the phenomenon of outsourcing of knowledge-based work. Drucker felt that companies did not know who their experts were, and that made him skeptical of so-called knowledge management initiatives. He was concerned about what insights companies might lose when knowledge-based work is outsourced. When you take such work out of your company and outsource it elsewhere, it's not like sourcing the production of ball-bearings from China," Aron says. "It made him very skeptical about outsourcing. I disagree with Drucker's slant -- but it is the only rigorous objection to outsourcing that I have heard."

Master of Marketing

Wide-ranging as Drucker's contributions were to the field of management, his writings about marketing are as important, say Wharton professors. Stephen J. Hoch, chairperson of the marketing department, describes Drucker as "the Warren

Buffett of management gurus. His analysis of management and marketing issues always was pithy and to the point. No pandering to buzzwords and fads, but a constancy of message, with straightforward reasoning and clearly articulated ideas. The following statement attributed to Drucker is today still the essence of marketing: "The aim of marketing is to make selling superfluous. (It) ... is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy."

Marketing professor David J. Reibstein says one of the most memorable days of his life was "the day I spent with Drucker in his home nearly seven years ago. A man of such enormous impact on business and society was a very modest man, surrounded in a humble yet very comfortable home in Claremont, Calif. He had such tremendous insight into every facet of business and its role in society. Drucker considered a business's most valuable asset to be its people. Generally, he is considered the father of management, but I also consider him the father of marketing. He said the role of business is to create a customer. He always emphasized focusing on customers and understanding what they valued. I assume many fields want to claim him as their 'father.' While he contributed to the literature for more than 65 years, his thoughts are way ahead of our time."

Drucker studied management -- in fact, he discovered it and taught how it can make a difference to society. In doing so, he has left our world the richer for the knowledge he created and shared. Thank you, Peter Drucker

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Drucker had the ability to cut through what seemed to many to be highly complex organizational and managerial issues and identify the basics. His insights were frequently simple, but never simplistic. He will be remembered as a true giant in the field of management."

■ Relationship Marketing in Emerging Economies: Some Lessons for the Future

Sabine Flambard-Ruaud, Vikalpa: The Journal for Decision Makers
Volume 30, Number 3, July-September 2005



The theoretical domains that relationship marketing has traditionally drawn upon have been Western theories developed in economics, psychology and management. Having largely exhausted these sources, it is now

perhaps time to look more widely and consider less traditional paradigms from a broader range of cultures. The author suggests looking at Eastern cultures where relationships have provided the foundations for business activity for thousands of years.

This paper is an initial attempt to bridge the gap in existing literature as no adequate conceptual framework exists as yet. It aims to contribute to the knowledge about the reasons for the emergence of relationship marketing in Western economies and makes a brief comparison of the study of relationships in Western and Eastern literature, so as to identify the differences in how culturally based relationships are formed. In particular, it focuses on the Chinese complex concept of guanxi (loosely translated as 'connections', though 'relationships' might be better) and its importance in relationship development. The author hopes that this framework would be the starting point for a set of criteria to be taken into account before transferring relationship marketing in emerging economies.

■ Person - Culture Fit and Employee Commitment in Banks

Nazir A Nazir, Vikalpa: The Journal for Decision Makers
Volume 30, Number 3, July-September 2005

This study investigates the relationship between socialization process, person-culture fit and employee commitment. Using data from selected public, private, and foreign banks in Delhi, the study finds strong person-culture fit/value congruency in banks having well-established socialization practices in vogue. The study also shows that normative commitment is significantly related to high value congruency in all the banks studied, while instrumental commitment is found related to value congruency in only one bank. The study concludes with implications for research on person-culture fit.

■ Organizational Downsizing: From Concepts to Practices

Sanghamitra Bhattacharya and Leena Chatterjee, Vikalpa: The Journal for Decision Makers, Volume 30, Number 3, July-September 2005

The increasing turbulence in the marketplace over the past few decades has witnessed the rising popularity of downsizing as an oft-used strategy by organizations for improving their performance. A review of existing literature on various aspects

of downsizing throws up important issues which need to be considered by both scholars and practising managers alike, in terms of gaining in-depth understanding of the dynamics and effective management of, such a crucial exercise in change management.

This paper examines the findings from literature in the context of organizational learning and change management and offers suggestions for future research in this area, especially in the Indian context, which would help add to the knowledgebase and understanding of both academics and practitioners.

■ Superior-Subordinate Relationships and Satisfaction in Indian Small Business Enterprises

Mainuddin Afza, Vikalpa: The Journal for Decision Makers, Volume 30, Number 3, July-September 2005

The use of hierarchy-based power system as an issue for researching the motivational potential in small business enterprises is limited. Studies have been conducted but most of them are in the US, a country that is characterized by favorable demographic and other infrastructural environmental factors. Even in the fast developing economy of India, the logistics and techno-economic infrastructure like the one in the US does not exist. The objective of this study is to investigate the relationship between the bases of leader power and several criterion variables, such as commitment, satisfaction, intent to leave, and compliance.

The validity of the results depended, to a great extent, on the psychometric adequacies of the measurement instruments and the nature of the sample used. Therefore, the author makes an attempt to select psycho-metrically sound measures of independent and dependent variables and to collect data with these measures from a random sample of managers from selected small business enterprises in the Durgapur industrial zone of West Bengal.

■ Entrepreneurial Traps: Autobiography of an Unknown Entrepreneur

G Ramesh, South Asian Journal of Management, Vol 12, No.3, July-September 2005, Pp 79-88

This case is about the journey of an entrepreneur who had to struggle to survive and forego his pet project and finally succeed in an inadvertent area. The entrepreneur in this case is a professional who starts a software firm and after much struggle, diversion and losses, makes it big by starting coaching centers for school children. It brings out stark issues that are discussed in the literature and classrooms in the context of an entrepreneur becoming successful.

Many times it can be observed that actual journey of an entrepreneur is rarely according to the scriptures on entrepreneurship and sometimes running counter to popular preaching. This case may be pursued while starting a training program for entrepreneurs to present the scenario through which

an entrepreneurial journey typically goes. This case will be useful in bringing out various heuristics, the stages one goes through, the need to look at entrepreneurship from risk management perspective and the mentor's role.

Performance of Currency Trading Strategies in Developed and Emerging Markets: Some Striking Differences

Momtchil Pojarliev1, *Financial Markets and Portfolio Management*, Volume 19, Number 3, October 2005, Pages: 297 - 311

Expanding the currency investment universe makes a lot of sense from a diversification point of view. Nevertheless, 60% of the total foreign exchange turnover is still only traded in three currency pairs (USD/EUR, USD/JPY and USD/GBP). The share of trading in local currencies in emerging markets is only around 5%. This can be explained by the fact that some currency managers fear investing in emerging market currencies. Many believe that political risk is the most dominant driver in these markets and that traditional investment rules do not work. In this paper, the author applies four technical trading strategies for the developed market currencies and for the most traded emerging market currencies. The empirical results show some striking differences. They suggest that trend-following rules work better for emerging market currencies, while carry trading strategies perform better across developed market currencies. Nevertheless, it seems that conventional techniques could be successfully applied to both developed and emerging market currencies. The author concludes that currency managers should not be afraid to diversify into emerging market currencies. They should, however, adjust their trading style accordingly.

From Contracts to E-Contracts: Modeling and Enactment

P. Radha Krishna, Kamalakara Karlapalem and A. R. Dani, *Information Technology and Management*, Volume 6, Number 4, October 2005, Pages: 363 - 387

Contracts are complex to understand, represent and process electronically. Usually, contracts involve various entities such as parties, activities and clauses. An e-contract is a contract modeled, specified, executed and enacted (controlled and monitored) by a software system (such as a workflow system). Workflows are used to automate business processes that govern adherence to the e-contracts. E-contracts can be mapped to inter-related workflows, which have to be specified carefully to satisfy the contract requirements.

Most workflow models do not have the capability to handle complex inter/intra relationships among entities in e-contracts. An e-contract does not adhere to activity/task oriented workflow processes, thus generating a gap between a conceptual model of e-contract and workflow. In this paper, the authors describe conceptual modeling of e-contracts and present a business process model for e-contract enactment. The enactment of e-contracts necessitates dynamic generation and initiation of

workflows during the e-contract execution, besides the static workflows. EREC business process model facilitates an integrated approach to e-contracts enactment. The methodology is illustrated by means of a case study conducted using Financial Messaging Solution contract for banking transactions.

Antecedents and Consequences of "Burnout" In Services Personnel: A Case of Indian Software Professionals

Jai Yashwant Advani, Sarang C Jagdale, Ajay Kumar Garg and Rohtas Kumar, *South Asian Journal of Management*, Vol 12, No.3, July-September 2005, Pp 21-34

Past studies reveal that services professionals experience high level of burnout, which has negative physical, emotional and interpersonal consequences. This study focuses on organizational politics and coordination expertise, which can cause burnout but have been ignored in the extant literature. Further, the relative influence of components of burnout on individual work performance is also investigated.

This study is conducted in the context of Indian software services industry, which has provided high impetus to the Indian economy in a very short period of time through provision of manpower services. It is therefore important to study the factors, which influence the performance of individuals working in this industry. The proposed model is tested using structural equation modeling. Results suggest that software professional's perception of higher level of organizational politics has adverse influence on their burnout level, but a higher level of coordination expertise in teams, reduces burnout level.

The Impact of Cultural Values on the Effectiveness of Television Commercials with Female Sexual Appeal: A Sri Lankan Case Study

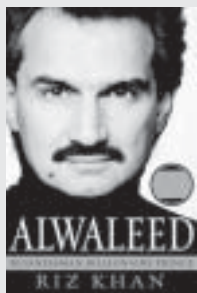
Upul Nilaweera and Dinuka Wijetunga, *South Asian Journal of Management*, Vol 12, No.3, July-September 2005, Pp 7-20

Following global trends, advertisements using sexual content have grown at a rapid speed in Sri Lanka. However, in the Sri Lankan culture, public display and discussion of sexuality is not accepted. The research is an attempt to identify the impact of these sexual values on the effectiveness of television advertisements using female sexual content. The findings indicate that consumers have a negative opinion about such advertisements. Negative opinions were found to have an impact on the effectiveness of advertisements. Furthermore, this negative impact was found to be more significant for those who rejected the advertisement due to cultural reasons.

Compiled by Rohtas Kumar

Alwaleed : Businessman, Billionaire, Prince

By Riz Khan, William Morrow (October 2005)



Though Prince Alwaleed bin Talal came to public attention in the U.S. when Rudy Giuliani rejected his \$10 million donation to the Twin Towers fund, Alwaleed's real significance is as a global financial powerbroker. The Saudi royal is the biggest single foreign investor in the U.S. economy and the world's fourth-richest man, with assets totaling more than \$21 billion. His significant holdings in U.S. companies include Citigroup (which he bailed out with \$590 million in the early '90s), Apple and News Corp., the corporate entity responsible for this "authorized biography." Khan, who has interviewed high-profile figures for CNN International, tags along with Alwaleed and his entourage as they conduct business in Riyadh and Paris, holiday in Cannes and trek into the Saudi desert for a weekend getaway.

The resulting reportage has the breezy flavor of a magazine profile awkwardly stretched to book length. There's plenty of praise for Alwaleed's "financial intelligence" and outsized personality, but Khan doesn't probe beyond the admirable surface (though he notes others have tried to dig up dirt with little success). The glowing descriptions seem carefully crafted-and timed-to raise Alwaleed's profile in the West. (Oct.)

Brand Hijack: Marketing Without Marketing

by Alex Wipperfurth, Penguin Books India, November 2005, Rs 595.00



brand hi-jack (*brānd hī'jāk*): consumer takeover (synonym). The consumer's act of commandeering a brand from the marketing professionals and driving its evolution.

Out of nowhere, a brand like Red Bull or The Blair Witch Project takes off with little or no conventional marketing. How do these "accidents" really happen, and why do they ultimately succeed or fail?

Welcome to marketing without marketing: the emergence of the hijacked brand. Don't let the all-too-clever subtitle fool you. Far from representing the absence of marketing, this book describes the most complex sort of marketing possible, as well as the least understood.

Brand Hijack offers a practical how-to guide to marketing that finally engages the marketplace. It presents an alternative to conventional marketing wisdom, one that addresses such industry crises as media saturation, consumer evolution and the erosion of image marketing.

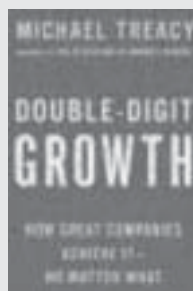
Fair warning: this book is not for everyone. It proposes untraditional, even counterintuitive practices: Let the marketplace take over. Stop clamoring for control and learn to

be spontaneous. Be bold enough to accept a certain degree of uncertainty in definition of your brands.

Brand hijacking is a radical concept: *letting go*. What a frightening, yet oddly liberating thought.

Double-Digit Growth: How Great Companies Achieve It-No Matter What

by Michael Treacy, November 2005, Rs 350.00



'If you only have time to read one business book this year, this is the one to pick' -Dr. Jean-Paul Garnier, CEO, GlaxoSmithKline

Growth is the oxygen of business. Growing companies thrive; shrinking companies die. Yet, in a difficult economy, managers everywhere know that growth is impossible. The best you can hope for is to hold your ground. Right?

Not according to Michael Treacy, who warns that many corporations have simply lost the discipline to grow. In *Double-Digit Growth*, he proves that steady double-digit growth is not a dream, but a plausible scenario. Treacy has studied the companies that grow year in, year out-and he knows what works. He draws on case studies from the likes of Dell, Paychex, and First Data to reveal the formula-growth initiatives built on five separate, clear, and achievable strategies-to grow by 10 percent or more, year after year, in good times and bad, without cheating.

What is Corporate Governance

Colley John, Doyle Jacqueline, L Logan George, W Stettinius, Tata McGraw-Hill, 2005, Rs 150



What Is Corporate Governance? provides readers with concise yet comprehensive coverage of this hot-button subject. Following the reader-friendly format of McGraw-Hill's highly successful *What Is...* series, this one-stop overview of corporate governance features: Explanations of the laws and regulations that apply to corporate governance, insights into the duties--and liabilities--of corporate directors discussion of the impact of Sarbanes-Oxley on corporate governance issues.

Out of My Comfort Zone: The Autobiography

by Steve Waugh, Penguin Group (Australia), November 2005, Rs 895.00

Rarely does a truly great player reveal as much of himself and his sport as does Steve Waugh in his long-awaited autobiography. *Out of My Comfort Zone* is a thought-provoking study of a unique life in cricket, a journey into the heart and soul of not just the game, but also one of its most respected players, finest leaders and greatest teams. During his career,



Waugh was at different times a rising star, the 'next Don Bradman', yesterday's hero, the best player in the world, a great leader and for much of the tumultuous Australian summer of 2002-03 maybe a fading star who stayed too long. One of cricket's most memorable hundreds, played out in front of an adoring crowd at the Sydney Cricket Ground, put paid to that and 12 months later

he was able to end his career on his own terms, as a universally respected figure who timed his farewell just right.

In *Out of My Comfort Zone*, Waugh provides an insight into his relationships with his colleagues, not least his twin brother and Test teammate, Mark Waugh, and offers frank and perceptive portraits of many of the people who shared his adventures.

Corporate Capers Business NOT as Usual

DINESH KUMAR Trident Powercraft (P) Ltd, Bangalore, December 2005, Rs 295



Corporate Capers is an eye-opening and insightful look at the corporate world. Blending serious issues with humor, it gives the reader an insider's perspective of corporate life. The author has seen senior management at its best and worst during a career spanning 30 years. He narrates his experiences in a delightful manner, providing numerous practical corporate philosophies while covering a range of work issues.

Providing a bird's eye view of the Indian corporate world, this is an incisive and thought-provoking book. Written in a style that is simple, interesting and witty, it is a thoroughly enjoyable read for anyone interested in the corporate world and its inner workings. It will be of particular interest to business leaders and to managers on the move.

Management in India - Trends and Transition

edited by: Herbert J Davis The George Washington University, Samir R Chatterjee Curtin University of Technology, Australia, Mark Heuer George Washington University. November 2005, Rs 850



Over the last decade, globalization has had a tremendous and far reaching impact on Indian management culture, policy and leadership styles. Management in India presents the first comprehensive and indepth examination of the emerging changes in Indian management culture, both at the macro and micro levels and their impact on domestic and multinational businesses based in India.

Drawing on the talent of outstanding contributors, the editors of this book analyse how the Indian business scenario is changing rapidly, while the attitude towards

and orientation and practice of management has been correspondingly slow to change. Indian managers have found it difficult to change policies both at the enterprise and the employee level to match an increasingly global and international environment.

Cases in Gender and Diversity in Organizations

Alison M Konrad The University of Western Ontario. November 2005, Rs 2500



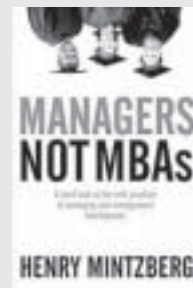
The Ivey Casebooks Series is a co-publishing partnership between SAGE Publications and the Richard Ivey School of Business at The University of Western Ontario. Due to their popularity in more than 60 countries, approximately 200 new cases are added to the Ivey School of Business library each year. Each of the casebooks comes equipped with instructor's resources on CD-ROM. These collections will benefit

corporations seeking continued education in the field and help students connect to real-world situations as well.

Cases in Gender and Diversity in Organizations is a compilation of real-life business cases illustrating the unique opportunities and challenges for managers of the new, more demographically diverse workplace.

Managers Not MBAs: A Hard Look at the Soft Practice of Managing and Management Development

by Henry Mintzberg, Tata McGrawhill, Rs. 375



"Conventional MBA programs train the wrong people in the wrong ways with the wrong consequences," states this academic and author, who here examines and proposes drastic change in our traditional form of management education.

He believes MBA programs are schools of business that pretend to develop managers, and he addresses such issues as what can be done to develop managers in a serious educational process, offering a critique of MBA programs and an analysis of the practice of management itself. Mintzberg's recommendations include program changes, as well as his observations on faculty tenure, prima donnas and entrenched thinking.

He believes MBA programs have failed to develop better managers who should be improving their organizations and thereby creating a better society.

This book offers an important perspective for the global MBA community, which serves its students, business and society in general. Although some may disagree with the author's views, at the very least his insight should foster discussion and lead to action, as appropriate.

Techie turns restaurateur



By Steven Pinto

After slogging for 20 years, I had enough of coding and leading coding teams in big and small IT companies. One summer morning last year, when I sensed that I no longer had the drive to go to office, I realized it was high time I needed a big break. I called a friend who was struggling to run his seafood restaurant in Bangalore and offered to buy him out. The deal was sealed and thus started the journey of chasing my passion for food and cooking.

Cooking has been my passion for a long time. Even during college days I used to get together with friends to cook once in a while. Of course then, we were not able to afford enough meat to satisfy everyone's huge appetite.

The decision to take the plunge was not that easy. I liked the company and the people I was working for. But 20 years is a long period to be in one sector. Even after I had the big urge to quit and follow my dream of owning a restaurant, I worked for three more years to make sure that I had enough financial cover.

I was lucky to have the backing of my family. My father comes from the Army background and when I asked him whether he was okay with my plan, he jokingly replied: "If I say no will you listen to me?" My mother was a big support. She told me: "Go ahead and if you enjoy doing what you do, there's nothing like it." Those words of encouragement were great.

I decided to go it alone despite the risk factor. This is because I believe that partnerships can flourish only when the partners have clear roles. Since I didn't find anyone, I decided to go it alone. I was clear that I had to give the new venture a chance for at least one year. Although the business was slow to pick up, it is beginning to grow in the last few months.

My restaurant, called Mangalore Pearl and located in the upscale residential area in Bangalore, is a coastal seafood restaurant and I'm committed to retaining its exclusivity.

Many friends asked me whether I had the business acumen since the business was slow to pick up in the initial months. I told them - "You don't need business acumen if you have the passion for the business you do. However, if you don't have the passion, you need loads of business acumen."

Learning

My business philosophy is simple. Offer authentic cuisine at a reasonable price. More than reasonable price, I believe in not changing the price list too often even if input costs vary wildly. My decision was not to change the prices for at least a year. In fact, the prices today are the same as they were when I started 14 months ago. Pricing is a major technique I learnt on the job.

Another learning for me is about temperament - You cannot lose your temper with the customers even if they are abusive. In the service industry you have to leave your ego at home.

I've also learnt a lot about managing people. I retained all the people who were working there when I took over the struggling restaurant. I've realized that to keep the employees happy you have to go the extra mile to be good to them. I paid the employees for three months when there was no work and when changeover was happening. I even paid the guys who came back. This shows in the attrition level which is almost nil in the last 16 months. Another important thing I picked up is to pay employees on time, no matter what the circumstances of the business are. You can keep others

waiting but not the employees.

Interestingly, even though my day starts at 7 am and ends at midnight, I read more than I used to while I was employed. Even though I had time earlier, the mind was always under pressure. The Monk Who Sold His Ferrari by Robin Sharma is my recent inspiration.

My role model is Ramesh Ramanathan, the founder of an NGO called Janaagraha. What I like about him is his commitment to the cause he has taken up in spite of recent political hurdles. I like the way he has planned his personal finances and at the same time has invested in a big way for his cause.

All I can say to anyone who wants to become an entrepreneur is - chase your passion, but do it smartly.

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Intuitive Quotient



By Sri Sri Ravi Shankar

Management begins with the mind; it happens in the mind. When mind manages itself better, it can manage anything.

All of us need to sit back for a little while, if possible everyday, and get in touch with that spot of inner peace. When our mind is agitated or restless and when we are too active, we can't tap that intuitive source which gives us clarity of thought and confidence. So few minutes of silence, few minutes of reflecting on the truths about our lives, would be extremely beneficial for every one of us.

How can we achieve that inner peace? Observing that everything in this world is changing would give us the knowledge that there is something that is not changing. The reference point by which we observe that things are changing is the something that is not changing. The knowledge about the non-changing aspect of our consciousness gives us enormous strength, courage and creativity. A few minutes of experiencing that non-changing aspect deep within us makes our body energised and mind focused.

Management begins with the mind; it happens in the mind. When mind manages itself better, it can manage anything. We have never taken a look at our minds. Observe the nature of the mind. The mind clings onto the

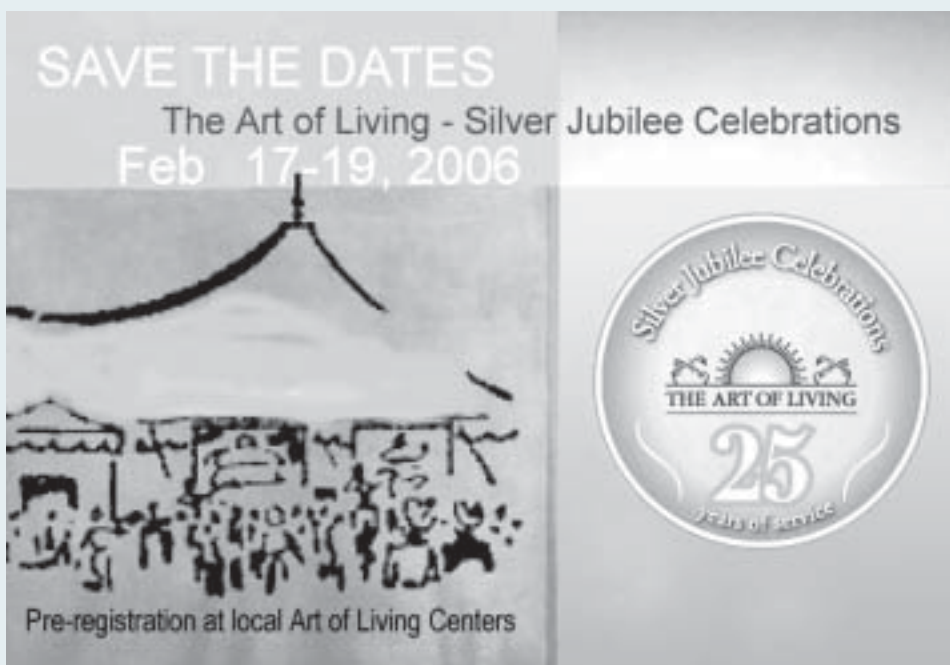
negative quality. Ten compliments and one insult, the mind will remember the insult only. The mind always vacillates between the past and the future. When the mind is in the past, it's angry about something that has already happened; but anger is meaningless as we can't alter the past. And when the mind is in the future, it's anxious about something that may or may not happen. But when we are in the present moment and look back, our anxiousness and anger appear so meaningless. So, when anger and anxiousness drop off, the mind just becomes sharp and full of joy.

Train the mind a little to live in the present moment, to drop the stress, tension and strain that you are carrying for nothing. Human life is a combination of the concrete and the abstract. Everyday life is a combination of the mind and the heart. The mind always longs for something new, but the heart longs for something old. The skill that is required in life is to manage both, mind and heart. In private life and service, the heart should take the front seat. When it comes to business, the mind should dominate.

A little attention on three Cs -- cosmology, commitment and compassion -- can help drop all the stress. Cosmology is seeing mind as a part of the cosmos. We know very little about ourselves; knowing more about ourselves helps us to understand our life better and that in cosmology is the understanding of life. If you have a broad vision of life, stress comes nowhere near you. If you have the commitment, you don't mind stress as you can deal with it. In compassion, you don't experience stress.

Another vital part of management is creativity. Every manager wants to better his business practices but sidelines the process of nurturing creativity. Creativity can come only from silence. Just maintain two minutes of silence and a whole new dimension of life opens up and you will be able to tap the intuitive source of thought.

The author is, Founder, The Art of Living





Across:

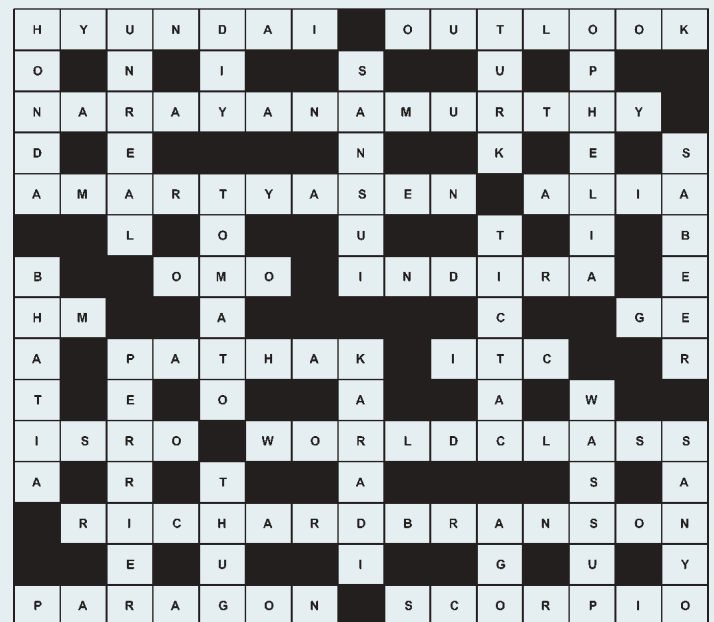
- 1 Former Bollywood star Waheeda Rehman's health food brand (4,5)
- 4 Oil is imported in this form (5)
- 6 The interface for plug'n'play devices in a computer (3)
- 7 Our very own F1 driver! (11)
- 9 In between or transitional (7)
- 10 Insurance policies promise to pay an _____ sum (7)
- 12 China's legal currency now in the RBI basket (8)
- 15 This mark ensures the authenticity and quality of an Indian product (3)
- 16 The literary condom?! (2)
- 17 ___-then statements are often used in programming (2)
- 19 When you are happy, you smile from ___ to ___ ! (3)
- 21 To remove from a bank account in excess of credit available (8)
- 24 Leading Ahmedabad-based pharma company (7)
- 26 Sumantra _____, management guru (7)
- 29 As per the Purchasing _____ formula, India is the fourth largest economy in the world (5,6)
- 30 The place where our armed forces' officers graduate from (3)
- 31 The group that has taken over BPL Mobile (5)
- 32 The Indian airline with only business class seats (9)

Down:

- 1 French designer furniture brand available in India (7)
- 2 The classic rock channel on WorldSpace (5)
- 3 Sania Mirza's favourite brand of tea (4)
- 4 The Nilgiri's supermarkets are famous for these desserts (5)
- 5 Leading Telugu print and media group (6)

- 7 NASSCOM head Kiran _____ (6)
- 8 Toyota's flagship sub-compact car (5)
- 11 _____ project: activity planned as a test or trial (5)
- 13 Indian Government-backed savings scheme (3)
- 14 You normally wear a black one to a formal event! (3)
- 18 One of the first ready-to-serve beverage brands in India (6)
- 20 Popular brand of men's shirts (5)
- 22 Sam Walton founded this hugely successful retail store chain (7)
- 23 Paper fastener (6)
- 25 Mistake (5)
- 27 Popular type of Japanese short verse (5)
- 28 The diamond distinction brand (4)

Solution to Crossword No. 8



Compiled by RaviNarayan Raghupathi

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▲The 'other' side of Peter Drucker

In addition to his well-known books and writings on management (15 books, eight series of educational movies, 10 online courses and numerous articles) and society, economy and politics (13 books and numerous articles), Peter Drucker wrote in 1979 a book on Japanese painting, and two novels *The Last of All Possible Worlds*, 1982, and *The Temptation To Do Good*, 1984.

Drucker spent his 20s trying to avoid Adolf Hitler and drifting among a number of jobs, including banking, consultancy, academics, law and journalism. His journalism career included a spell as the acting editor of a women's page.

Drucker once quipped that journalists use the word 'guru' only because 'charlatan' is too long for a headline.

Drucker's influence in Japan and Korea was so high that one South Korean businessman changed his name to Mr. Drucker.

Drucker suggested to evangelical pastors that they create a more customer-friendly environment. Influenced by this suggestion Bill Hybels, the pastor of the 17,000-strong Willow Creek Community Church in South Barrington, Illinois, has a Drucker's quotation hanging outside his office: "What is our business? Who is our customer? What does the customer consider value?"

▲Saurav Ganguly

When former Indian cricket captain Saurav Ganguly was at his peak, especially after the World Cup finals in 2003, business and management magazines devoted reams of paper on his leadership qualities and what executives can learn from him. Will these publications have the courage to write about his 'leadership' behavior in the last one year? One is told great leadership qualities show up in turbulent times. The most sensible quality for a leader is, perhaps knowing when to call it a day. In the real world, leaders who hate quitting, are often thrown out.

▲US companies preach more, do less

Recent reports suggest that European companies are twice as likely to issue social reports as U.S. Companies. Among the 100 largest U.S. companies (based on market capitalization),

45 companies issue a social and environmental report. By contrast, among the 100 largest European companies, 87 companies issue reports -- nearly double the U.S. number. It is now very unusual for a leading company in Europe not to publish information about its impacts on society and the environment, reports Context, the UK-based corporate responsibility strategy and communications consultancy, in its new research and analysis on social reporting in the U.S. and Europe.

What about Indian companies? Well, we are as far away as we are capable of sending a man to moon.

▲Humor at funeral

When it comes to spicing up the traditionally somber atmosphere surrounding death, Hollywood scriptwriter Lynn Isenberg has no shortage of clever ideas. For the lifelong golf enthusiast, she foresees an end-of-life celebration on the 9th hole, complete with glow-in-the-dark golf balls engraved with the name of the recently deceased. For the animal-rights activist, perhaps a soiree at the local zoo and when her own time comes, Isenberg has already planned an outdoor showing of *To Kill a Mockingbird*.

"Sometimes it's necessary to bring an element of humor to the table," she says. "Tears and laughter are twins, and we often can't cry until after we've found the humor inside the sorrow."

In preparation for writing *The Funeral Planner*, (published by Red Dress Ink) Isenberg spent months taking entrepreneurship courses at the University of Michigan and learning all she could about the funeral industry. That's when she first realized that unorthodox funeral planning wasn't just a wacky idea that excited her friends and made good fodder for a comic novel -- it also had potential as a real, viable business. She found that her Lights Out concept capitalized on two of the fastest-growing trends in the \$11 billion funeral industry: personalization and pre-planning.

▲CFOs are worse than criminals?

In the US, false certification under the Sarbanes-Oxley compliance code can send a CFO to 10 to 20 years of imprisonment with a \$5 million fine. This punishment is worse than the second-degree murder, which attracts only 11 to 14 years.

In India, where politicians, businessmen and famous actors can get away with murder, CFOs can relax.

India's Clause 49 (equivalent to Sarbanes-Oxley) is like a toothless tiger. Even a mouse can have a field day with it.

