

THE GOOD MANAGEMENT CAN MAKE THE DIFFERENCE:

* Dr. Poornima .M. Charantimath

Management is not a specialized subject to be used only by a handful of people. Every person who is a part of any social system has to utilise management principles and practices. A householder plays the role of the head of a family and needs to understand some of the management principles. A teacher in educational system requires a good understanding of management. Similarly a professional working in any public system or even in a nonprofit organization needs sound principles of management in order to ensure that, his efforts get fructified into useful benefits to the society at large. If you look at developing countries like India we find that most of the problems related to our poor state of affairs can be traced to bad management practices that our administrators follow.

SATYAM is the instance of corporate fraud, poor governance & diversion of funds in corporate India.

As is usually the case in mismanagement, human nature is at the root of the problem. The urge to make a lot more money is incredibly strong and quite common – and difficult to satisfy. Once the incorrect decision to invest is made, by either an investor or a manager, there are other human shortcomings to overcome – namely, delay and denial.

It's never easy for anyone to admit they have taken and executed extremely bad management decisions. If the prize is sufficiently large, managers will fool themselves into thinking the fault doesn't exist. Convenient scapegoats are always close to hand – with finance directors usually the first in line.

However, it's the responsibility of the manager to ensure that the financial side of the operation is fit for purpose.

Manager should monitor expected cash inflows and outflows. Weekly or monthly rolling cash reports should be produced. Cash should be centralised or pooled across units. Manager can't be certain of

making sense of financial fundamentals without these simple checks; they both avoid traps and provide opportunities for profit.

Now we are facing the second-worst of all modern economic disasters, if a company announces lay-offs and closures, much of the blame is automatically attached to the downturn. However, a measure of blame should also be attached to management itself.

Managers have to ask themselves some difficult questions. How and why were bad management decisions taken? Why were defects and defective attitudes ignored in the past? What can be done to guarantee that correct management policies are pursued, regardless of the economic climate?

Having a good management team is essential to the success of a business. A good management team is part of the business organization. Without successful and strong managers within the business there would be chaos and business failure.

I have been teaching students of business management for the last 15 years and based on the experience, I can list down a few important attributes that constitute good management.

Let me tell you what is required for a good management which can make a difference and build excellent organizations. They are:

1. Visionary Leadership ✓
2. Customer driven excellence ✓
3. Organizational and Personal Learning ✓
4. Valuing employees and partners ✓
5. Agility ✓
6. Focus on the future ✓
7. Managing for innovation ✓
8. Management by fact ✓
9. Social responsibility ✓

* Professor, KLS Institute of Management Education and Research, Belgaum.
e-mail : poornima_22@yahoo.com

- 10. Focus on results and creating value
- 11. Systems perspective

1. Visionary Leadership:

The visionary leaders create a vision, passionately own the vision and relentlessly drive it till completion. Visionary leaders are the builders of a new dawn, working with imagination, insight, and boldness. They present a challenge that calls forth the best in people and brings them together around a shared sense of purpose. They work with the power of intentionality and alignment with a higher purpose. Their eyes are on the horizon, not just on the near at hand. They are social innovators and change agents, seeing the big picture and thinking strategically.

There is a profound interconnectedness between the leader and the whole, and true visionary leaders serve the good of the whole. They recognize that there is some truth on both sides of most polarized issues in our society today. They search for solutions that transcend the usual adversarial approaches and address the causal level of problems. They find a higher synthesis of the best of both sides of an issue and address the systemic root causes of problems to create real breakthroughs.

JRD Tata built the Tata group from a small industrial shed in a remote area of Jamshedpur and single handedly created the most trusted and widely respected Tata empire. JRD Tata, contributed for the growth of aeronautics in India. JRD Tata was the first visionary leader who started aviation in India.

For sixty years we have been a developing nation. It is time we see ourselves as a developed nation. We are among top 5 nations of the world in terms of GDP. We have 10 percent growth rate in most areas. Our poverty levels are falling; our achievements are being globally recognized today. Yet we lack the self-confidence to see ourselves as a developed nation, self reliant and self assured. Dr Abdul Kalam, past president of India who is a visionary leader created a vision to this country after Mahatma Gandhi. Vision 2020, India a developed nation.

2. Customer Driven excellence:

Customer - driven excellence is thus a strategic concept. It is directed towards customer retention

and loyalty, market share gain, and growth. It demands constant sensitivity to changing and emerging customer and market requirements and to the factors that drive customer satisfaction and loyalty. It demands anticipating changes in the marketplace. Therefore, customer driven excellence demands awareness of developments in technology and competitors' offerings, as well as rapid and flexible response to customer and market requirements.

Hindustan Lever Limited, anticipate the aspirations of customers and consumers and respond creatively and competitively with branded products and services, which raises the quality of life.

3. Organizational and Personal Learning:

Achieving the highest levels of performance requires a well-executed approach to organizational and personal learning. Organizational learning includes both continuous improvement of existing approaches and adaptation to change, leading to new goals and/or approaches. Learning needs to be embedded in the way organization operates.

Aditya Birla Group is a good example of learning organisation. The learning channels deployed by Aditya Birla Group to transform into a learning organisation are: Gyanodhya, The virtual campus continued learning and nurturing talent.

4. Valuing Employees and Partners:

An organization's success depends increasingly on the knowledge, skills, creativity, and motivation of its employees and partners. Valuing employees means committing to their satisfaction, development, and well being. Increasingly, this involves more flexible, high performance work practices tailored to employees with diverse workplace and home life needs. Valuing employees' means **committing to their success, development, and well-being**. Increasingly, this involves more flexible, high-performance work practices tailored to employees with varying workplace and home life needs.

External partnerships might be with customers, suppliers, and educational organizations.

As part of its supply chain integration initiative (extranets), Maruti, organises dealer and vendor workshops to train vendor personnel on using the

extranet. According to the company, all its dealers and major suppliers are online on extranet. Maruti has named its supply chain project Ikkan works out shared IT systems and resources for suppliers resulting in sustained cost savings.

At IBM, Central to holistic approach to employee well-being is IBM's global health benefits strategy, which focuses on preventive care, healthy lifestyle choices and good healthcare decision making—while providing flexibility to IBM and its employees. This includes:

- ◆ Helping employees take responsibility for healthy behavior and become more involved in treatment decisions.
- ◆ Enabling informed healthcare decision making by providing information that helps individuals choose health plans that offer optimal value and improve efficiency in the system.
- ◆ Providing technology enabled, smart delivery of innovative healthcare services

5. Agility :

Success in today's ever changing, globally competitive environment demands agility- a capacity for rapid change and flexibility. Agile organisations have the ability to catch *and* ride the waves of change to their own advantage.

At Tata Consultancy Services The modular structure simplifies the interface with customers and drive agility in all areas of operations. The structure also allows adapting to specific customer and market requirements while ensuring a uniform global service delivery". As a global player, TCS knows that new markets and dynamic business scenarios calls for a system with great agility. It found that in SAP Business All-in-One.

Focus on the future : A focus on the future includes developing workforce and suppliers, accomplishing effective succession planning, creating opportunities for innovation, and anticipating public responsibilities and concerns.

Tata Consultancy Services (TCS): TCS has a systematic process for succession planning. TCS leadership programs are focused around 'practices' and 'geographies'. The top management is involved in selecting the leadership teams at each 'practice' and 'geography.' High performers are identified at the

time of appraisals and their progress is monitored. Then these high performing employees are constantly moved across projects, practices and geographies to ensure that a high performing individual does not only move in a narrow hierarchical structure. The company also has a 'Think Tank', made up of people both at the senior management and one level below, these people are carefully selected for their strategic view and technology and domain competence. This 'Think Tank' plays a vital role in succession planning. In fact, this is another mechanism for creating and nurturing leaders.

7. Managing for innovation

Innovation means making meaningful change to improve an organisation's products, services, programs, processes, and operations and to create new value for the organisation's stakeholders.

ICICI Bank largest private sector in India has been highly successful in the microfinance sector, primarily because of its innovative microfinance business models.

8. Management by fact:

Good management practices depend on the measurement and analysis of performance. Such measurements should derive from business needs and strategy, and they should provide critical data and information about key processes, outputs, and results.

Reliance Infocom laid 60,000 kilometers of optical fiber to support its network backbone and began using SAP for a decision support system that could serve as the company's business intelligence backbone.

9. Social responsibility

A good management should stress responsibilities to the public, ethical behavior, and the need to practice good citizenship.

At IndianOil, corporate social responsibility has been the cornerstone of success right from inception in the year 1964. The Corporation's objectives in this key performance area are enshrined in its Mission statement: "...to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment consciousness."

IndianOil's community-focused initiatives include allotment of petrol and diesel station dealerships and LPG distributorships to beneficiaries from among Scheduled Castes, Scheduled Tribes, physically handicapped, ex-servicemen, war widows, etc. The Corporation has also unveiled kisan seva kendras as small-format retail outlets to reach quality products and services to people in the rural areas. IndianOil has also set up the IndianOil Foundation (IOF) as a non-profit trust to protect, preserve and promote national heritage monuments. The Corporation also supports a variety of endeavours in arts, culture, music and dance, apart from organising programmes on its own under the banners of IndianOil Art Exhibition, IndianOil Sangeet Sabha and IndianOil Kavi Sammelan.

10. Focus on Results and creating value:

An organization's performance measurements need to focus on key results. Results should be used to create and balance value for key stakeholders such as customers, employees, stockholders, suppliers and partners, the society, and the community. By creating value for key stakeholders, organization builds loyalty and contributes to growing the economy. To meet the sometimes conflicting and changing aims that balancing value implies organizational strategy should explicitly include key stakeholder requirements. This will help ensure that actions and plans meet differing stakeholder needs and avoid adverse impacts on any stakeholders.

The use of a balanced composite of leading and lagging performance measures offers an effective means to communicate short and longer-term priorities, monitor actual performance, and provide a clear basis for improving results.

Infosys management is a good example for focus on results and creating value to customers. Its

revenue grew by 35.5% year on year and sequential growth of 6.8% for the year 2008. Infosys has responded to emerging market needs by introducing new, value-added services. Learning Services, a new service from Infosys, addresses business problems that require a focus on underlying organizational learning needs. Current solutions include managed knowledge transfer, process adoption and sustenance, global sales effectiveness as well as enabling corporate universities and learning organizations to meet the needs of a global talent pool.

Systems perspective: Good management provides systems perspective for managing the organization and its key processes to achieve results and performance excellence. TOTAL business excellence is predicted on the success of a well-rounded strategy that seeks to produce results across a range of definitive interfaces such as the customer, services and products, finance and market and human resources.

In all businesses today, aligning human resource management with business strategy has become an important element to succeed. And Mahindra & Mahindra group is no different. Organisational restructuring, managing key resource requirements, performance management systems, career and succession planning have all been re-aligned to form synergy with the company's overall business strategy. Thus a system perspective means managing the whole organization, as well as its components, to achieve success.

A bad management team can make a good business do very badly, but a good management team can take an average business and make it a star.