



TenStep Supplemental Paper

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The Motley Manager

The impact of technology on productivity lessens unless accompanied by superior management practices. Organizations can improve their performance drastically by applying best practices in their operations. However fine the technological state is of an organization, run of the mill managers eventually cannot withhold organizational success for long.

Market operations, sales, shop floor operations and performance management are drivers of a company's performance. Nonetheless, best practices emerge from managers and it is these best practices that drive other elements of productivity. A good managerial team is critical for enhanced company productivity.

It is an acknowledged fact that positive work cultures foster happy employees. An organization that encourages flexibility and delegates responsibility to its employees promotes creativity and higher productivity.

Research conducted by McKinsey and the Center for Economic Performance at the London School of Economics studied the link between management and productivity. Middle sized companies in four different nations participated in this study.

The study revealed that the companies were bound by policy regulations, government and geographical boundaries. It also established that how an organization works is more important than where it operates. Gartner's review on practices of top performing companies espouses the same. The review revealed five features common to success:

- A sound faith in 'shared values' with the employees and the consumers, stockholders and vendors
- Goal setting is clear and consistent
- Employee involvement in strategy formulation and implementation is high
- Dexterity to adapt and move
- Shared business model that exists throughout the organization
- Good managers: A copyright of the organization

In every industry, best practices keep churning in areas of manufacturing, sales and services and so on. After a certain time, as they cannot be kept a secret, they are easily imitated by the competitors. Lean manufacturing, which was originally introduced by Honda Motor and Toyota Motor, is now an integral part in every sector.

Consequently, it is how the manager applies these best practices in management strategy that give the company the edge. The point is lean manufacturing has been applied in every sector, but how a manager tracks production, sets the targets, manages the workers, rewards and recognition plans are critical to productivity.



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The McKinsey survey studied the performance of the organization with reference to three broadly classified areas of management:

- a) Shop floor functioning-manufacturing tools
- b) Performance management techniques-goal setting and tracking
- c) Employee management tools-nurturing and retaining the talent

To illustrate, during the study, three companies were analyzed in terms of their approach in managing people, production and performance.

The first one was a manufacturer of wood products. The management technique followed was: whenever, there was a fall in the output, the manager asked for the tracking report. Subsequently, whenever, the output increased no reporting was required. The management strategy was totally unplanned and business goals unclear.

The second company, a manufacturer of high technology equipment also faltered. Bar codes were used to track production and performance. The process was so automated, that the employees were not given a chance to improve and learn.

The third company was an industrial manufacturer with fine manufacturing quality and management practices. Every line in the assembly had display screens that revealed the status of their targets. Shop floor employees had daily interactions with the managers, which proved to be an easy yet effective way of learning. Clearly, the third organization scored more on the productivity scale.

The writing is clear. Fine management techniques deliver fine results. In addition to this the survey also revealed that irrespective of government, and geographical limitations companies can perform exceptionally well. What's more, the study tumbled upon a few companies with poor management practices but high productivity.

Obviously, the reasons were a latest fad or product or geographical control. However, these successes are short-lived as organizations that thrive on a 'lone pro' do so carelessly. It is this concept or revelation that has baffled economists world over. Another reason attributed to this is that the companies restrict use of management practices. Since, most of these are old and small companies, they do not move beyond their scope and tend to pull on for years.

Think about this!

A recent poll by American Productivity and Research Center brought to light two major factors that hampered performance and creativity. They relate to:

1. The boss
2. The management

Organizations can save substantial costs and efforts if they look at improving management styles. According to sound management practices, "Quality should become a way of life". Management should comprehend that quality improvement is for all employees and all processes. It must remember that:

- Quality cannot be bought, it has to be earned



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- Quality improvements are an investment that eventually lead to long term gains
- Quality learning is a constant process not a fad. A lot of hard work, commitment and thinking goes into it
- Importantly, managers must practice what they preach

Management matters most

Honestly, it's working smarter that zips past working longer. Top performing organizations undoubtedly offer their managers and employees flexi-work options, independence and improved training. Typically, the benefits are immense.

- Work from home option
- Part time work
- Extended support to new hires and under-graduate students
- Internship programs
- Continuous training and learning

In short, a sound work and life balance ensures greater employee participation, inputs and higher performance.

Certainly, this doesn't imply that managers stop investing in technology. The bottom-line is that improved management practices can tremendously boost the impact of IT on productivity. A learning environment ensures greater quality, which is the trademark of successful organizations. Quality is always better than quantity. Go for it!

Getting everything together

Moving to be a high performance organization is not easy. Several tangibles and intangibles dominate the scenario. While it's easier to deal with the technology and automation, dealing with luck, management strategy and employee well being is tough. Analyzing the company needs, resources, and limitations is a starting point. "For a high performing company, the journey is the destination."