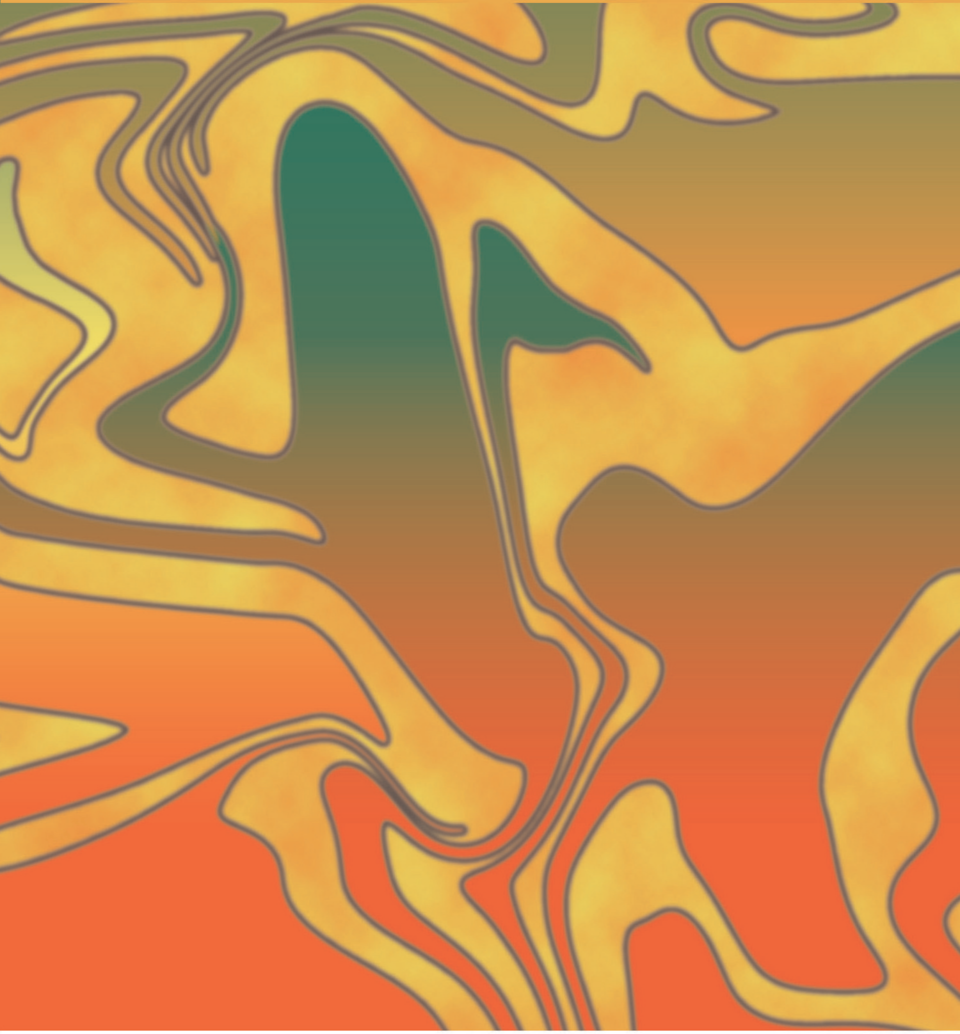
INCREASING MANAGERIAL PRODUCTIVITY



Saugata Nandi

METL
global perspectives

Increasing Managerial Productivity

by

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This book is dedicated to the Winner

Winner

A new dawn breaks
Ambition wakes up
A direction set
The journey begins with a measured step

A philosophy in mind
A mission in sight
A strategy being shaped
A clear goal in mind

She spreads the wings to soar
And lands on the ground
Shakes off the dust and
Attempts to soar higher

High up she soars
With a confident smile
A vision clear
And a target in sight

Distractions don't wear her
Hope never fades
Ambition guides her
And she makes her mark

As years pass by
She looks back to see
A job well done
A dream made true

By
Saugata Nandi

Foreword

The book on Increasing Managerial Productivity provides a good framework for analyzing the work to be carried out at the managerial levels of an organization. Time and motion studies have been carried out for work floor related activities, and this book points to the need for similar study by organizations, for the managerial levels.

The explanation of time, creating and sustaining core competence, need for speed in decision making and the leadership continuum are refreshing thoughts put together with valuable examples.

The book reflects the effort by the author to capture a complex subject and highlight the few things that need to be done right. His vast experience of 20 years as a practitioner and educator in the domain of management has been reflected in this unique approach.

I have had the pleasure of knowing Saugata Nandi and working collaboratively with him for many years. I wish him all the best in his never ending quest of creating new knowledge.

Manoj Jaiswal

Manoj Jaiswal

An MSc from The London School of Economics and Political Science and an MBA in Marketing, Manoj has extensively worked in the field of Leadership Development and Human Performance Improvement. He was Principal Consultant at the Infosys Leadership Institute and is currently Senior Vice President and Head of the Management Development Centre at Murugappa Group.

Manoj is the co-author of an insightful book ‘Facilitating Self Awareness’.

Overview:
Increasing Managerial Productivity

If you persist with a question, you will find the answer for it. It is most likely that you will not spot the answer from where you are looking. I have been pondering over a few such questions in my mind for long:

- Why is it that the Indian working overseas is far more productive than the Indian working in India?
- Why is it that some of the smartest people in the world cannot fix simple things and believe in complicating them?
- Why is India struggling to become a $2 trillion economy?
- Why is the GDP of India the last among the BRIC (Brazil, Russia, India, China) economies?

Despite my best efforts, I could not find the answer to these questions for long and kept thinking about them endlessly. On my visit to New York in June 2009, I found the answer – not only that, the answer was loud and clear.

As I walked through the Wall Street, Broad Street, and Trinity Church, a single thought kept popping in my mind. How can these companies ever compete in the global marketplace? The costs would be high, overheads must be very high, and standard of living is higher compared to any developing country.

Once I entered into the meetings and conferences, I got the answer to the questions. I observed that the organizations in question had a clear vision, strategy, goals, and performance orientation that were seamlessly integrated. I noticed that a small high-powered team was executing one of the most complex projects. Every member of the project team engaged in the complex tasks was competent to handle them. Allocation of responsibilities was clear and every individual was taking decisions on their assigned parts. There was no duplication of jobs. Every player with a defined role in the organization was stretching to overachieve. The complexity of the job being performed substantially increased from one level to the other.

Even when interviewing more than 200 members in the top management of Indian companies, I have never found this kind of seamlessly integrated way of working. It seemed like all the management concepts were not just sanctified to books but were really applied on the ground. I was fascinated to see the organization to be the closest to a truly aligned organization in action and as a natural consequence of such alignment, the results were the most phenomenal.

As it happens in most of the cases, the answer to seemingly complex questions is often simple. I cracked the nut! The answer to the questions lingering in my mind was simple – *increased productivity*.

Further all the interconnected systems should be seamlessly synchronized, in a perfect relay, to increase productivity continuously in an ecosystem. The systems should exist irrespective of the system being small or large – at the business unit levels, at the organization level, at the conglomerate level, or at the economy level – and they all must work collaboratively and deliver output far greater than the input.

I had only read for several years the concept of "multiplier" effect, but was seeing the concept come to life in front of me when I understood how Goldman Sachs created the effect in the 10000 women initiative (www.10000women.org). The concept of creating 10,000 women entrepreneurs originated in the minds of few high-powered individuals at Goldman Sachs. It was being implemented by forming close strategic alliances with some of the best business schools globally. Critical parameters were being measured, monitored and continuously given a new shape by Goldman Sachs Foundation. The women entrepreneurs, after graduating from the program, were spreading the word amongst their peers and community. The way the idea was implemented and value added to it at every stage was amazing.

A world class financial services firm had roped in some of the best business schools to create an impact on women entrepreneurship globally. The 10,000 women were becoming a symbol of women empowerment and potential. The women entrepreneurs who graduated from this visionary global program made a mention about being part of it in their proposal for loans and added the program to their profile on their websites, thereby generating awareness and publicity about the program.

Case studies were written about women entrepreneurship program by business schools, thereby helping the cause to gain wider reach and to further drive the vision and the thought. I was witnessing a true multiplier effect in every way. Every part of the value chain created a huge impact about the project and I witnessed demonstration of an overempowering global vision, sticking to the core, setting very high standards of performance, execution with speed and precision, and value-added activities being carried out by all involved.

The winning formula was clear to me and I have made all efforts to elaborate them in the next few chapters.

In this book, I have tried to document my thoughts, experiences, and insights. While I present the concept based on numerous interactions and experiences I have had, I sincerely hope that organizations would find them applicable and put them to action. My simple desire is to see organizations stretching themselves to global standards.

This book is divided into two portions: strategy and implementation. I strongly believe that a good strategy can be implemented rapidly. While a great strategy might be successful only if implemented well, a reasonably good strategy will be extremely successful with impeccable implementation. These two are very closely integrated and adequate focus is provided on all aspects surrounding this thought.

Teachers can use the frameworks presented and I would welcome inspired researchers to come forward and prove or disprove the concepts through systematic study.

Content

Chapter 1

Identifying the most critical resource

Organizations over time have viewed tangible resources as the most valuable ones. Even economic theory suggests that land, labor, and capital are the three most critical resources. According to such theories, inequality in availability and utilization of these resources make the economies richer or poorer. Now it has been proven that management of these resources and leveraging them to create new sources of power is more critical rather than availability of the resources.

Earlier wars were waged to take possession of these resources and now a global order provides for trading of commodities and making land and labor available to those who can provide the capital. Capital means not only availability of finance but also having in possession crucial knowledge and information, otherwise called intellectual capital, to use the available finance in the most appropriate way. Intellectual capital is important as it is the source of creating new sources of power.

While natural resources and geographic boundaries are unequal in distribution, one resource is available to everyone in the same proportion. This is the resource that is the root for creating new sources of power. Whether the individual is the CEO or an executive, a bureaucrat or a citizen, rich or poor, is in Africa or America, that critical resource is *time*.

Time is not understood well and the challenge related to productivity starts from such lack of understanding. Several time management workshops are conducted by organizations to reinforce the importance of time among its staff. However, it is still found that organizations waste precious time in making decisions, solving challenging problems, or recruiting. Time management has been confined to prioritizing, quadrants, scheduling, task management, and has not resolved the critical challenge: that of speed.

Everything in the world starts making sense once it is compared with others. For example, an absolute property,say, weight of a human being, does not mean much unless it is compared to the ideal weight chart or with other individuals living in similar conditions, or with other individuals living in different conditions. The same concept applies to business as well. It's not good enough to have a great idea, but it is important to convert the idea to product or service *faster than others*. This is where time plays its clinching role. Time should not be quantified as 24 hours in a day. Rather it has to be quantified as how well the 24 hours have been spent.

Did every individual make the decisions that are needed to be made in the 24 hours that just elapsed? Did the presence of the individual make a difference to anyone other than himself or herself and his or her immediate family? Unlike money or most of other resources, time is a resource that once spent cannot be reclaimed again. It can neither be gained nor be created.

My conversations with several CEOs and senior leaders center around one question – what did you do in the past 24 hours that has built greater value for your organization, stakeholders, employees, customers, and community? Often the answer is surprising. They state that they have been into discussions. And these discussions as the CEO of the company or as directors on the boards of investee companies have seen no decisions, no action, and nothing path-breaking. Another question that I normally ask is what are the challenges that their organization faces. The response is clear, crisp, and precise. So in conclusion, the challenges are known very well and no one has done anything about it. Why? We get no clear answer.

Delay in decision making is one of the crucial reasons why organizations are often unable to be responsive. This delay is also manifested in the form of committees and task forces that typically give reports, which are at times mediocre. A few task forces do provide a very good output. But their findings not implemented due to lack of management commitment.

CEOs always pass the buck to the middle management, considering it weak and not able to step up when faced with organizational challenges; the middle management is of the view that CEOs are operationally focused and don't want the middle management to focus upon anything other than the monthly or quarterly goals. Organizations give far more importance to money and manpower, rather than the time lost in bringing a product to the marketplace or the benefit gained by finishing a new project three months ahead of schedule.

Allocation of time starts with a prerequisite: allocation of responsibility. To start with, the role of every member of the organization has to be very clearly defined and understood. Then, organizations must clearly spell out the responsibility associated with a particular role and ensure that the member fulfilling a role is provided with sufficient resources and authority to perform his or her assigned duties properly.

Some organizations have CEOs doubling up as head of business development or COOs largely performing a self-designated role of the crisis manager. Several organizations think in silos and they have no economies of scale. Organizations at times recruit people from outside while their own people are on the bench.

In effect, the larger the company greater are the inefficiencies and the smaller the company the greater the tendency to push decision-making upwards. This is the challenge of productivity that is very common in my experience. Often, organizations do not have a clear idea of the few things that matter the most in their businesses and so do not endure to get them right.

For example, in the past few months, when the raw material prices went up substantially, we witnessed several power-producing companies showing interest in acquiring coal mines so that their plants do not shutdown due to lack of raw material. I recently had the opportunity to interact with another organization that has been mandated by the government to grow at least 10 times in the next five years. This would require them to start operating very differently as assets under management would grow substantially. I was surprised when they told me that they had not thought of a new management structure to make this happen and instead the existing management team was working hard to deliver on something that was impossible to achieve and prone to errors.

Both these situations are instances of poor timing of crucial decisions, largely because the organizations lack the ability to handle either crisis or opportunity in time They would do the right things in the however substantially slowly. Sufficient thought has not gone into how the responsibilities should be distributed across the various levels of management; how much time should a role holder spend on a particular activity; how can there be sufficient stretch in the organization so that time is utilized in the best possible manner; and how can an organization create more time by taking the right decisions before the crisis or the growth challenge hits them?

Based on my numerous interactions with successful CEOs and not so successful CEOs; with senior management teams who are an asset and with senior management teams that are underempowered; with organizations that are growing and those that are scaling down; with organizations that build value for society and those that build value for themselves, I have been able to put forth a suggestion. The table below depicts the key responsibilities that employees at various levels in an organization must deliver to take their organization forward.

It is assumed that organizations would treat this as a template because organizations are fundamentally different from each other (no two organizations are the same) and therefore the level of complexity of jobs they handle is different. Accordingly this table could evolve, though keeping in perspective the suggestions.

It is assumed that people who are holding the positions have the necessary capabilities and the competence and know their businesses very well at their levels.

Level	Key responsibility	Time allocation
CEO or head of organization	Vision, mission, strategy, structure, and culture. Lead change in the organization and build it over time. Develop second line leadership	Internal organization – 30% External (government, regulators, key clients, global forums, board, analysts)-30% Develop second line of leadership-20% Drive future core competence – 20%
CXO	Functional domain heads and must build their functions in line with the vision, mission, and strategy. Drive growth and develop third line of leadership. Global compliance	Existing core competence – 50% Collaboration – 20% Develop third line of leadership – 20% External forums – 10%
Senior management	Provide inputs for strategy, implement strategies and course correct, lead cross-functional change management initiatives, lead the functions through specialist or general managerial perspectives	Internal function – 80% Collaboration – 20%

Managers	Internal function across geographies and deep expertise to suggest improvement in organization effectiveness through functional excellence	Internal function – 90% Cross-functional – 10%
First line managers	Planning, breaking up jobs into smaller manageable pieces, allocation and project management. Lead teams and build culture and manage performance. Improve processes	Internal functional expertise – 100%
Individual contributor	Execute allocated jobs to perfection as per defined standards. Increase efficiency	Internal job expertise – 100%

As the constitution of the workforce changes and individuals with higher levels of skills combined with exposure and education join the organization, it is important for the organization to entrust execution of more complex tasks to a lower level of management so that they can free the senior management for building the organization and scaling up.

An organization that can do this meticulously would create more bandwidth to take on larger projects and manage growth better. However, such a plan requires asking the fundamental question: How can we get employees do more with less time at their disposal? How can employees be given more empowerment early in their careers?

A combination of continuous education, exposure, and expertise is essential to ensure that individuals and organizations develop faster and are better equipped to manage time and treat it as a resource.

The key reason that this does not take place so effectively in an organization is due to the slow growth plans of an organization and therefore it does not have more to offer to the various role holders. Such organizations complicate their functions internally so that they have enough work generated in-house that keeps them busy. Often the CEO has no plans for growth or the promoters are satisfied with the returns they are getting and therefore want to maintain status quo.

Organizations are, however, largely polarized depending on the interest of the CEO and the energy that he has in driving the organization. It is critical for the organization to have a CEO who can continuously raise the standards and induce stretch in all the employees so that time is effectively utilized and not lost. The right CEO for the firm is one who has extensive managerial experience, can design plans and processes for growth, and has an in-depth understanding of the core of the business. Such CEOs find the reason for their existence to be a derivative of the success of their organization. CEOs who can drive the organization toward greater heights ensure that the organization is driven with a compelling vision, every role holder is competent to handle the role, and no time is lost in frivolous activities.

Increasing Managerial Productivity

Saugata Nandi

Saugata Nandi believes that every individual who has started with a true purpose will achieve success if the right combination of education, expertise and exposure is provided to the individual. His constant endeavor is to make organizations world class as organizations and governments are the two fundamental units that can create a huge impact on society.

He is the Founder and Lead Consultant of METL Global Perspectives an organization that works with corporate and individuals to build global perspectives in them and transform them from within.

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