
UNIT 1 TASKS OF A PROFESSIONAL MANAGER

Objectives

The objectives of this unit are to enable you:

- to know who is a professional manager
- to develop familiarity with various tasks of a professional manager
- to know what exactly are the tasks which a manager has to undertake in the course of managing his organisation

Structure

- 1.1 Providing Purposeful Direction to the Firm
- 1.2 Managing Survival and Growth
- 1.3 Maintaining Firm's Efficiency in Terms of Profit Generation
- 1.4 Meeting the Challenge of Increasing Competition
- 1.5 Managing for Innovation
- 1.6 Building Human Organisation
- 1.7 Retaining Talent and Inculcating Sense of Loyalty
- 1.8 Sustaining Leadership Effectiveness
- 1.9 Maintaining Balance Between Creativity and Conformity
- 1.10 Postponing Managerial Obsolescence
- 1.11 Meeting the Challenge of Change
- 1.12 Coping with Growing Technological Sophistication
- 1.13 Coping with Growing Public Criticism and Political Opposition-both Objective and Irrational
- 1.14 Coping with Increasing Levels of Aspiration
- 1.15 Maintaining Relations with Various Society Segments
- 1.16 Summary
- 1.17 Key Words
- 1.18 Further Readings

TASKS OF A PROFESSIONAL MANAGER

As a participant in this programme you are either a practising manager or are aspiring to be one. Your, first concern, therefore, is to know the tasks which you are expected to fulfill as a professional manager. These various tasks are discussed in this unit.

There is a lot of confusion over the much widely used terms-professional management and professional managers. Some researchers contend there is nothing like professional management. Management is a discipline. There are practitioners of this discipline who practise management as a profession and 'thus are, professional managers. Just as there are doctors and lawyers by profession similarly there are professional managers. As doctors practise medicine, managers practise management. The only difference between professional managers and other professionals is that, while the latter must possess a formal degree in their discipline, a professional manager need not have a formal degree or education in management. He may have learnt the necessary skills and gained competence from his experience. The second characteristic of a professional manager is that his primary concern is the organisation or the company with which he works. This is true whether the manager works for a private or public sector or a multinational company; whether he is the executive director or the personnel manager reporting to the executive director. The professional manager always has his company's overall perspective in his mind and all his actions are guided by the company's objectives.

The third and the most important characteristic of a professional manager is that he is responsible for performance. Managing involves collecting and utilising resources (money, men, materials and machines) in the most optimal manner for achievement



of some pre-determined objectives or results. It is the professional manager's responsibility to utilise resources to produce the required results. Responsibility and performance are really the key words in defining a manager's role. Performance implies action, and action necessitates taking specific steps and doing certain tasks. Let us first take up the various tasks which a manager is expected to do to produce results.

1.1 PROVIDING PURPOSEFUL DIRECTION TO THE FIRM

A manager can be compared to the captain of a ship who has first to set the course to reach the destination and then steer the ship along the course. Similarly, a manager has to, first of all, set objectives which the firm must achieve. Objectives provide the direction in which the firm must move. Having decided upon the objectives, the manager must constantly monitor the progress and activities of the firm to ensure that it is moving in the desired direction. This is the first and foremost task of every manager.

If you are a part of the top management team then you will be very actively involved in this task through the process of defining the mission and objectives for the entire organisation. If you are a manager reporting to the top manager, it is your task to see that the actions of the people who work for you in your department or division are in the desired direction. It is your task as a manager to prevent all such actions which take your company away from the direction set by the top management.

A large American multinational company has its subsidiary in India which manufactures and markets a popular line of cosmetics and cough and cold medication. It maintains a large farm in Uttar Pradesh for production of a medicinal plant which is used as an active ingredient in all its medication. Control over this essential raw material gives the company a substantial cost advantage. To derive further cost advantage it was proposed that the company set up its own printing press for printing the packaging labels. The proposal was in the final stage of approval till the top management team realised that printing was not their business. Diversification into printing would only take the company farther away from, and not closer to, the desired direction. Production and marketing of medication was their main line of business and the farm made an essential contribution. However., printing was not such a critical activity that it required the company to have full control over it.

This illustration highlights the fact that all actions and decisions must be evaluated on the basis of their contribution towards achievement of the company's objectives. However, this illustration should not give you the idea that objectives or direction once set will hold good for all times to come or that any movement away from the current line of production or activity is always undesirable. The key point is that all movements and actions must be **consistent** with achievement of the **objectives**. To ensure consistency it is important that the manager carefully thinks through each alternative course of action, to evaluate its potential to contribute towards attainment of objectives.

1.2 MANAGING SURVIVAL AND GROWTH

"Survival of the fittest" is the law of the jungle which is equally applicable to the competitive market place where firms struggle and fight for survival. Ensuring survival of the firm is a critical task of the manager. But that alone is not enough. The manager has also to actively seek growth. No matter how big or powerful a firm may be today, it is sure to be left behind in the race by newer, healthier and more efficient firms if it does not pursue growth.

Two sets of factors impinge upon the firm's survival and growth. The first is the set of factors which are internal to the firm and are largely controllable. These internal factors are choice of technology, efficiency of labour, competence of managerial staff, company image, financial resources, etc.



Most of the old traditional textile mills were setup in India around the late 19th or early 20th century based on the then prevalent technology. These mills continued to flourish till the late 1960s. The early and mid-seventies witnessed a dramatic revolution in textile technology all over the world. Ignorant of this changing trend, the Indian mills continued with the old technology. But some new companies (notable among them Reliance Textiles with its 'Vimal' brand of textiles) entered this field with the latest technology, offering superior quality textiles in a wide range of polyester and cotton blends. The traditional mills could not match these new entrants in terms of either product or price. And one of the oldest and the most prosperous industry was. faced with unprecedented levels of sickness. Most of the old mills became unprofitable and had to be bailed out or taken over by the government, or finally shut down. Failure of managing technological change sounded the death knell of the textile mills.

The second set of factors influencing the firm's ability to ensure survival and growth are those which are external to the firm and over which it has little or no control. These external, environmental factors refer to government policy, laws and regulations, changing customer tastes, attitudes and values, increasing competition etc. Hindustan Lever Limited (HLL) is a subsidiary of a multinational company which, till some years ago, was manufacturing and marketing detergents (Surf, Rin), soaps (Lux, Liril, Lifebuoy, etc.) and Dalda Vanaspati, groundnut oil, and agro-products. Most of these are low-technology lines. Being a foreign company in low-technology areas, further growth opportunities were restricted under the Foreign Exchange Regulations Act (FERA) unless HLL diluted its foreign equity to 40 per cent. Not willing to dilute the equity holding to 40 per cent level HLL had to find a way to manage its survival and growth. HLL sold off its line of vanaspati and cooking oil to Lipton India and diversified into the production of basic chemicals-a high-technology area where foreign companies are allowed to invest and grow as per FERA. Thus by changeover from low-tech to hi-tech area HLL has ensured its future in India

Activity A

Identify the managers whose prime task is to plan and steer the future of your company. What are the various survival and growth options which your company has adopted in the recent past?

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1.3 MAINTAINING FIRM'S EFFICIENCY IN TERMS OF PROFIT GENERATION

Efficiency is the ratio of output to the input. A manager has not only to perform and produce results, but to do so in the most efficient manner possible. To produce results a manager requires inputs in the form of money, men, materials and machines. The more output that the manager can produce with the same input, the greater will be the profit generated. Profit is the surplus or difference the manager can generate between the value of inputs and outputs.

Profit is essential for the survival and growth of a business. A manager may decide to forego some profit today for the profits which he is seeking tomorrow but in the long run he must understand that no business can survive if it does not make profits. Business activity is undertaken to satisfy a need of the society in a manner which yields profits. A business is not a philanthropic or charitable activity which is run merely to provide some goods and services irrespective of whether it is making a profit.



Profit generated can be used for expansion, upgrading of technology, growth or paying dividends. Profits are one of the cheapest sources of financing growth, as they involve no interest liability nor putting the freedom at stake by having representatives of financial institutions sit on your board of directors. Profit gives you the cushion to take risk, think big and venture into relatively unknown areas.

A profitable firm can turn unprofitable because of obsolete technology, inability to meet high fixed cost structures, high levels of wastage, or simply because the product is no longer in demand by customers. We have illustrated how the traditional textile mills became unprofitable and the fate they eventually met. A similar fate awaits all unprofitable businesses. The consistent failure of, Engineering Projects India, a public sector company, to generate profits and. execute international projects within the time limits has threatened the very existence of this company.

In contrast, companies such as Colgate-Palmolive, Tata Engineering and Locomotive Company (TELCO), Century Enka, Richardson Hindustan Limited, etc. have been showing consistently good profits.

Activity B

What is your company's ranking in terms of profit generation within the industry? Which is the most efficient company in your industry?

List three specific ideas which you think can improve your company's efficiency.

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1.4 MEETING THE CHALLENGE OF INCREASING COMPETITION

In today's fast changing world one of the very critical tasks of every manager is to anticipate and prepare for the increasing competition. Competition is increasing in terms of more competitors, more products, wider variety of products, better quality of products and a customer who is, today, better informed and more aware than ever before. The increasing reach and popularity of TV as a means of information has also contributed to the increasing competition. The manager today has more potential customers to sell to and easy access to these customers yet the market is crowded with many competitors wooing the same customers.

Till a decade ago, the Times of India group of newspapers and magazines reigned supreme in the magazine market with its 'Illustrated Weekly of India' being the only Indian family magazine and 'Filmfare' the only notable film magazine. The former could be found in most homes which had a minimum level of literacy and affluence. And 'Filmfare' was the only magazine for people interested in films. The introduction of 'India Today' and 'Stardust' brought about a radical change. Starting in a modest fashion, 'India Today' is probably the most widely read general interest magazine while 'Stardust' has blazed its own unique trend-setting trail of popularity. In the wake of the success of these two magazines, many other magazines followed, such as general interest magazines, film magazines, women's magazines, children's magazines, special interest magazines, etc. All these new magazines have better reading content, more colour, better layout and are very glossy and attractive to look at. Unable to match these new magazines the circulation of the 'Illustrated Weekly of India' and 'Filmfare' slumped. However, in the last years these two magazines have been attempting to regain the lost ground and have succeeded to some measure. But they can certainly never again enjoy the leading position which



they once did. In developed countries the concept of competition is very closely linked to that of obsolescence. Companies keep introducing successively new models of cars, washing machines, refrigerators, etc., with minor variations, and persuading the customers to discard their older models for the newer ones.

Activity C

List the firms whose products compete with your firm's products. Write down specific options you would adopt to fight this competition.

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1.5 MANAGING FOR INNOVATION

Innovation is finding new, different and better ways of doing existing tasks. In the context of business, innovation has to be defined in terms of the additional value it imparts to the existing products or services. Value is not expressed in terms of increased cost or price but in terms of the difference it makes to the customer.

A television manufacturing company, after years of painstaking effort, introduced a circuit with a neat and clean layout which was extremely easy to service. The company spent large amounts of money promoting this new circuit and its improved servicing but the customers were not impressed and sales did not pick up as per expectations. Customers were not convinced because they could not really perceive the difference and importance of the circuit since its impact on performance was very marginal. The marketing consultant to the company recommended that instead of using plywood the company should use transparent plastic back-covers for the chassis. This would allow the customers to see the circuit and decide for himself the truth of the company's claim. This is an innovation because it makes a vital difference to the customer, since he can see and understand for himself the improvement.

Very often it is the customer himself who provides the source of innovation. Digital Equipment Corporation, a U.S. company manufacturing and marketing minicomputers, does not spend its own time and money in finding new business applications for its mini-computers. Instead, it maintains close contact with its customers and relies on them to find uses for their mini-computers. A study conducted by Eric Von Hippel and James Utterback on the source of innovation in the scientific instruments business revealed that more than 75 per cent of ideas for innovations came from users.

To plan and manage for innovation as an on-going task, the first thing the manager must do is to maintain close contact and relation with customers. The firm's salesmen provide the most direct link for the company with its customers. The task of the manager is to train these salesmen to keep their eyes and ears open for any type of information, ideas, suggestions, complaints, criticisms, and feed it back to the company. An extensive innovation study conducted by Christopher Freeman has concluded that successful companies pay a great deal of attention to the market. Successful firms innovate in response to market needs, involve potential users in the development of the innovation, and understand users' needs.

The manager can also maintain a direct link between customers and the company. Proctor and Gamble, one of America's largest consumer goods company, put on its



packaging a telephone number at which the customers could call at company's expense and give any information regarding the product. In 1979 this company received 20,000 telephone calls, each of which was followed through, and was a major source of ideas for innovation and improvements.

Keeping track of competitor's activities and moves can also be a source of innovation as can improvements in technology. To qualify as innovative, the technology must be market and customer-oriented rather than research-oriented. In most cases, innovation as finally introduced in the market was never originally intended to be so. You can appreciate the truth of this statement better when you know that xerography was originally aimed at a small segment of the lithography (a special type of printing process) market, it was never intended to be used in making mass copies. Transistors, which, prior to the development of integrated circuits, were used in manufacture of television, radio, etc., were originally developed for military use. As a manager you should keep a close watch on the technology improvements taking place and try to find a customer-oriented application for it.

The manager who has his finger on the pulse of the market can quickly find out under-the-surface changes and shifts taking place and accordingly modify his product to match the customer requirement. It is not the absolute amount of money and effort which a firm invests in research and development but its ability to quickly adapt and place in the market the improved product which accounts for its innovativeness. This calls for flexibility in organisational structure to accommodate the necessary changes. In the final analysis, it is the manager who inculcates and nurtures curiosity and an open mind, and combines it with market feedback, who will emerge as winner in the race in which innovation is at a premium.

1.6 BUILDING HUMAN ORGANISATION

Man is by far the most critical resource of an organisation. No amount of money, materials and machines can produce results by themselves. Men are needed to manage them. Machines can be programmed to take over routine, repetitive jobs, but only a human brain can design the machines.

Surround yourself with the best people you can find, delegate authority, and don't interfere", is the advice given by U.S. President, Ronald Reagan to practising managers (FORTUNE, September 15, 1986). Certainly useful advice except for the drawback that good people, leave alone the best, are so difficult to find. 'I just can't seem to find the right people' is an oft heard lament from many a manager. It is indeed a paradoxical situation that we have so much unemployment on the one hand and on the other it is genuinely difficult to find the right sort of people.

A small consulting firm's experience is that an advertisement for sales representatives in a national newspaper fetches anything upto four hundred applications and you are lucky if you are able to pick up even two or three good people.

This only reinforces the fact that a good worker is a valuable asset to any company. And, every manager must constantly be on the look out for people with potential and attract them to join his company. A manager with a competent team has already won half the battle. Note that we use the word team, and not individuals. However, competent or brilliant individuals may be, if they cannot work together with each other they are of not much use to a company. It is up to the manager to mesh individuals into a well-knit team. The manager who cannot build his team cannot succeed. Teams should be built on the principles of division of labour, specialisation of work and mutual give and take.

Pearl Polymers Private Limited is engaged in manufacturing and marketing a wide range of consumer and industrial thermoplastics under the brand name of PEARL PET. In addition, the group is involved in garment exports, computer manufacturing and retailing and trading in basic chemicals. The top management team consists of four brothers each having a special area of activity. The eldest brother is the overall group in-charge who coordinates and looks after the interests of the entire group besides being responsible for marketing and trading. The second brother, a chemical engineer by training, is responsible for production. The third brother is a chartered accountant and manages the finances and accounts. The fourth brother has a



business management degree and is responsible for garment exports. Having clear cut areas of **functioning** and responsibility these brothers have been able to create the right team spirit and are very successful.

Realising the importance of creating a team spirit and teamwork for **achieving** the organisational objectives, progressive companies are trying to build this up in every possible way. Quad Graphics, a very successful print company in USA, calls its workers 'partners'. W.L. Gore Associates, an American high-tech manufacturer refers to its 4000 people on its payrolls as 'associates'. Over 8,000 American companies share part of their ownership with more than 10 million employees through Employee Stock Ownership Plans.

1.7 RETAINING TALENT AND INCULCATING SENSE OF LOYALTY

Hiring good people is still a relatively simple task as compared to the task of retaining them, people may join a company because of its favourable image but will stay on only if they find appreciation for, and satisfaction from, their work.

To retain talented people the manager should provide a comfortable working environment which is conducive to work. More important than the physical environment is the degree of freedom which a worker enjoys in making decisions within the defined parameters of his job. When a worker knows that it is his responsibility to produce results and he is accountable for them, he will put in his best effort. On the other hand, if the worker is always ordered to do every single act, and nothing is left for him to decide, whatever little potential exists in him will be killed. A worker should be able to take pride in his work, derive satisfaction from saying 'This is my achievement'. To ensure that work does not degenerate into a boring and meaningless affair, repetitive, dull tasks should be interspersed with tasks which call for some element of creativity. In practice this may be difficult, but the manager must at least give some thought to how best he can make work meaningful. Rotating jobs within the same department at the same level may be one way of making work more interesting and provide opportunity to the worker to demonstrate his professional and technical skill.

The manager must also understand that each individual is unique and his degree of expertise at handling various aspects of works varies from that of another. As an effective manager your attempt should be to pinpoint your subordinates' strengths and give them work in which their skill can be utilised to the maximum. In areas where they feel inadequate, provide them support. A talented, competent man is definitely worth that bit of extra support.

Recognising, appreciating and nurturing your subordinates' talents will bring you rewards in terms of improved results and loyalty. However, to really earn the loyalty of his people the manager must remember two other key concepts, communication and motivation. A manager who encourages open, direct and frank communication is always able to tackle issues much before they become problems and also take advantage of the creative ideas of his employees. Opportunity to communicate directly with the top manager enhances the sense of self-esteem of workers and helps create in them a sense of belonging, a feeling that what they think and feel is important to their organisation. Such a feeling goes a long way in building loyal employees.

Every individual's behaviour is initiated because of some needs, drives, and desires and is directed towards achievement of goals. These needs and drives motivate a man to action. The manager's attempt should be to influence these needs, desires or motives towards the achievement of the organisational goals. The more such motivational factors a manager can incorporate in the work content, environment of work and rewards of work, the more willingly will people put in hard work. Money, power, status, recognition, etc. are all powerful motivators which a manager can use. Under the Employees Stock Ownership Plans in use in many U.S. companies, employees can buy shares and become part owners of the companies for which they work. Recent research reveals that these plans encourage employees to remain loyal to their organisations and stay on with them.



Activity D

List all such key personnel who you think are loyal to the company. What do you think are the reasons for their loyalty?

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1.8 SUSTAINING LEADERSHIP EFFECTIVENESS

Every manager is a leader in the sense that he has to influence his subordinates to work willingly for achieving the organisational objectives and inspire them to put in their best effort. The only way a manager can be acknowledged as a leader is by continually demonstrating his leadership abilities. If the manager always gives due importance to the welfare and interests of his employees, makes objective decisions that benefit everyone, he will be rewarded by the confidence and trust of his people.

J.R.D. Tata is an excellent example of an effective leader. Appointed Chairman of Tata Steel in 1939 he held this position, performing with distinction and providing admirable leadership, right up to 1985. Even today he is the Chairman of the Tata group of companies, whose name is synonymous with the highest standards of quality and integrity. That all Tata products right from salt to trucks enjoy, the trust of lakhs of customers speaks volumes for the highest kind of leadership provided by J.R.D. Tata. There are equally big industrial houses but how many of them enjoy the kind of customer confidence or have the clean and impeccable record of the Tatas? The beginning is always made from the top-the beginning of rot or excellence, that is up to you to choose. Whichever you choose remember that it is a very important choice, because once the momentum builds up it is difficult to stop and reverse the process.

An effective leader must be a man with vision who can think and plan ahead, and also have persuasion to carry along all the people.

1.9 MAINTAINING BALANCE BETWEEN CREATIVITY AND CONFORMITY

Developing a new idea, concept or product can be very creative, challenging and exciting. But, that is only one part of the story. The other part of the story, and usually the more difficult part, is to translate this idea into a successful business. This requires detailed planning and organising of finance, marketing, administration, etc. While new product development involves a high degree of creativity, its transformation into a successful business reality involves carrying out relatively more routine and repetitive tasks. Designing a new high-fashion garment can be very challenging and satisfying work but selling it to boutiques all over the country, and chasing them for outstanding dues hardly offers that kind of excitement, but certainly offers the satisfaction of a routine job well done.



A manager is lucky if he can find elements of both creativity and conformity in the same individual. Usually this is not the case, and most organisations have separate; Product Development Groups or Research and Development Division. Creativity can flourish best when allowed full freedom with minimum rules and regulations. Thin most firms allow the product development groups to function in a relatively freer atmosphere. An advertising agency known for the excellent advertisements it produces, allows its creative people, the copy-writers and art-director, the freedom to come into office and leave whenever they please. As long as the work is completed within the deadline, management allows its creative people a great degree of freedom.

In contrast to creative success for which definite output or results cannot be pre-determined, business success requires achievement of specific, usually quantifiable targets. In business the best results are usually obtained within the conformity of company policies and rules. However, this is not to say that managing for business results is boring and requires no creativity. On the contrary, succeeding in today's cut-throat competitive world calls for creativity in all the functional aspects of managing, be it finance, marketing, advertising, public relations or human relations.

To succeed, an organisation needs both creative people and people who can produce business results. The manager must encourage both kinds of persons in his organisation. A new product idea gives a company a rare opportunity to emerge out of the humdrum of competition to the top, but the transformation of opportunity into reality depends on the people performing for business results.

Activity E

How does your company encourage and promote creativity in its employees?

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1.10 POSTPONING MANAGERIAL OBSOLESCENCE

Managers and executives, after 20 to 25 years of work experience, often find themselves having reached a plateau where, on the one hand, the prospect of enhanced status, increased pay and perks are no longer motivators enough to work hard; and on the other, they find they are unable to relate to the latest managerial knowledge and skills and feel totally lost. In both cases, these managers cease to be productive and become a drag on the organisation in terms of their heavy cost and inability to make meaningful contribution. This is the problem of managerial obsolescence, that is when managers become unproductive, or out of date, or both. In the situation where lack of motivation seems to be the cause, the solution lies in redesigning their job content to make it more meaningful. An aerospace company designates its senior engineering managers as consultants to its groups of young engineers, thus providing the right outlet for their rich experience.

Training programmes aim to provide or improve knowledge and skills which can help the manager improve his performance on the job. Many companies regularly sponsor their senior managers to attend such training programmes. Other companies invite experts to their own company premises to conduct these programmes and workshops. Training programmes, refresher courses, and basic courses in functional areas are the solution for managers facing knowledge obsolescence.

These training programmes are not restricted to senior managers alone. In fact, younger managers can also benefit from these programmes, especially those which provide knowledge of other functional areas such as production for non-production managers. Also beneficial for the young managers are workshops aimed at training them for the top level management posts.



Activity F

Does your company have an explicit policy for training personnel? How many training programmes have you attended in the last five years? Describe how these programmes have helped you in updating your knowledge and skills.

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1.11 MEETING THE CHALLENGE OF CHANGE

One of the important tasks which every manager has to perform is that of a change-agent. The social, political, economic, technical and cultural environment in which the firm operates is always changing. The company must keep pace and change accordingly. Similarly, within the organisation, new types of production technology may be introduced, the existing product lines may be phased out, formal procedures and techniques for planning, resource allocation, job appraisal, etc. may be introduced. All these imply a change. And man by his very nature resists any change. Used to the old system or method of doing a particular job, people perceive change as a threat to their security. Moreover, change implies learning afresh the new methods or processes and most people resist making this extra effort.

The marketing department of a television company always complained of the low quality circuit in the black and white TV and held it responsible for its poor sales performance. However, when an improved circuit was introduced, the marketing department tried its best to convince the top management against this change saying that the old circuit was now performing in a satisfactory manner. The real reason however, was that the marketing department would now be under pressure to show results as it would have no scapegoat to blame for its lack of results. The engineers responsible for providing after sales service opposed the new circuit since it meant putting in an effort to learn the new way of servicing it.

There will always be change. It is the manager's task to ensure that the change is introduced and incorporated in a smooth manner with the least disturbance and resistance. Sharing information about the impending change, educating the people about the benefits resulting from changes, and building favourable opinion of the key people in the organisation by involving them with the change process itself, go a long way in making the manager's task easy. The ideal way of introducing change is that you, as a manager, simply sow the idea of the proposed change in the minds of a, few people, and then let the idea grow and build till the people themselves come round to asking for the change. This *is* the way the Japanese make decisions-by consensus. However, it is not always possible to introduce change by having consensus. There may be limitation of time or money, or pressure of competition which may make the consensus method impractical.

1.12 COPING WITH GROWING TECHNOLOGICAL SOPHISTICATION

The two areas which are witnessing dramatic changes in technology are production and information handling.

In the area of production, technological sophistication has reached the level where the entire production plants are fully automated and programmed to run with the minimum human intervention. For instance, at Nissan's Zama plant, where Nissan cars are manufactured, the final assembly line operations are fully automated and controlled by robots. These robots have totally replaced men in such jobs in which



the former can be programmed to perform round the clock without any fatigue or loss of efficiency. Robots are also being used in manufacturing which requires handling of bulky and dangerous materials. All these changes in production techniques have forced managers to find ways and means of relocating the workers rendered redundant. Simply laying off is not always the best solution as it can involve a very high compensation cost. Moreover, in many countries because of the government's political ideology or cultural values (as in Japan where the concept of employment with a company is life-long), laying off workers is not permissible.

The use of computers in business has totally changed the way that managers make decisions. Managers today not only have access to more updated information but also better information which can improve quality of their decisions. Moreover, with electronic data processing managers can use complex statistical and mathematical models and tools to study the possible impacts of their decision. All this helps lessen the degree of risk by reducing the level of uncertainty. However, access to more information places the onus on the manager to define what is the relevant information that he needs and also ensure that the benefit derived from the information which he receives is greater than the cost incurred in collecting and processing it.

1.13 COPING WITH GROWING PUBLIC CRITICIS AND POLITICAL OPPOSITION-BOTH OBJECTIVE AND IRRATIONAL

Large business groups are often the target of political and public criticism because of their apparent power and clout arising out of concentration of economic power. By Indian standards this economic power may seem great but is very small by international standards. The criticism is not always evoked by facts but because of ideological, political or personal reasons. But sometimes the criticism may be founded (fl facts as in the recent case of the Reliance Textiles, attempts to corner large : amounts of loans from various nationalised banks. Similarly, Peerless General Finance Limited was the subject of controversy and criticism on account of amassing large amounts of funds without following proper procedures.

The best way to avoid political criticism is to keep all activities absolutely legal and above board. Secondly, the manager should keep a low profile of his company to avoid drawing unnecessary attention to his firm's activities. And finally, the manager should feed correct information to the media and political parties to ensure that they view his firm in the right perspective.

1.14 COPING WITH INCREASING LEVELS OF ASPIRATION

Improvement in information technology is resulting in an increasing trend towards democratisation of the society. People in one part of the world know more about peoples and events in other parts of the world. Similarly, people belonging to one socio-economic segment of society know more than ever before the life styles of people in higher socio-economic segments. Exposed to a better quality of life and a better life style, people from the lower economic segments, especially the younger people, aspire to the same kind of life style.

A manager must bear this fact in mind while dealing with blue-collar workers because these is bound to be a vast gap between their levels of aspiration and reality. If the manager is ignorant and insensitive to this gap, the workers' resentment and frustration is bound to spill over in ways which can prove disruptive and destructive to the firm's working.

You, as the manager, must understand the nature of aspiration of your workers and try to fulfil them, as far as possible, within the framework of the company and the worker's job. Giving more autonomy, responsibility, money, status and enhancing the worker's sense of self-esteem through participation in management decisions can channelise his latent or potential resentment towards more productive ends.



1.15 MAINTAINING RELATIONS WITH VARIOUS SOCIETY SEGMENTS

A firm fulfils a need or needs of the society. It exists within the society and has a two-way interaction with it. It seeks inputs in the form of money, men, materials, machines, technology from the society and processes them to produce goods and services for consumption by the society. In course of this interaction the manager has to deal with various society segments, such as the labour market from which it recruits its people, suppliers of machines and technology, banks and financial institutions who supply money, the government which defines the scope and parameters within which the company has to operate, the retail outlets or agencies which stock and sell the products and the customers who buy the product. This is by no means an exhaustive list, but just an indicative listing of the various types of society segments with which you have to maintain relations.

In fulfilling the needs of the society and interacting with various society segments a firm creates impacts. Some of these impacts are intended while others are not. When a firm advertises through newspapers and magazines it is creating an awareness for its products. This awareness is an intended impact. However, when the magazines and newspapers carry editorial articles about the company and its products, it creates an impact which was never intended by the firm. Since some of these unintended impacts may be unfavourable to the company's image or spread information which is incorrect or inaccurate, the manager's attempt should always be to minimise these impacts. Interactions with various society segments and their intended and unintended impacts are taken up for discussion in the next unit.

Activity G

Identify various areas (e.g. computerising personnel office) in your company which you think require a technological change.

In respect of each, how would you handle the change?

To what extent would you find consistency between the change and aspiration levels of the people?

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1.16 SUMMARY

The specific tasks which a manager has to perform flow out of his job description. The tasks may vary depending upon the managerial level, function and industry to which the manager belongs. In this unit we have discussed an exhaustive list of tasks which every manager has to perform. It is possible that you may not be performing all the tasks described here but confining yourself to only a few. Also, some tasks may be of greater importance than others.

Given the wide range of diverse tasks which a manager is called upon to perform it is essential that the manager be a thinker, a doer and a people-oriented man—all rolled into one. However, it is rare that you find a manager who has the ideal combination of all three dimensions in equal parts. To be effective you must recognise your strong dimension and look for an opening where your strength can be best utilised.



1.17 KEY WORDS

Firm: Organisation established for commercial purpose. The terms organisation, firm and company are used interchangeably.

High-tech-industry: Industries which use modern, sophisticated production technology and involve high level of research and development.

Mission: Mission of a firm defines the very purpose and justification for a firm's existence. It is always described in terms of the benefits which a firm provides to the customers and not in any physical terms.

Multinational corporation or company: Commercial organisation with manufacturing and marketing facilities in more than one country.

Objectives: Specific aims of the firm. **Obsolescence:** The process of becoming obsolete, i.e. going out of use, or going out of date.

Public limited company: A company whose shares are quoted and dealt with on the stock exchange.

Public sector: A commercial organisation owned and managed by the state.

Top management: That level of managers which is concerned with defining the mission and objectives of the firm, and designing strategy to achieve them.

Obsolescence: The process of becoming obsolete, i.e. going out of use, or going out of date.

Public limited company: A company whose shares are quoted and dealt with on the stock exchange.

Public sector: A commercial organisation owned and managed by the state.

Top management: That level of managers which is concerned with defining the mission and objectives of the firm, and designing strategy to achieve them.

1.18 FURTHER READINGS

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