

Manage with Vision of Life

- M.N. Venkatachaliah*

INTRODUCTION

On this significant moment in your lives I convey to the out-going graduates my affectionate greetings and congratulations on the achievement they have accomplished. May your lives be blessed with prosperity and inspired by high ambitions. It is well to remember that as you plod through the wilderness of life's experiences you may have occasions that may compel you to surrender to agnosticism and to worship doubt. You should remember that the race is not always for the swift and the battle not always for the strong. Time and chance happeneth to all.

But remember that steadfast adherence to what you consider your values and ideals will always stand you in good stead. It is wise to remember Blaise Pascal's wager; If you believe in God and He turns out to exist, then you have obviously made a good decision. The skills you have acquired will bestow upon you great opportunities. In the pursuit of wealth, happiness and success, in the way these ideas are understood and practice today, you will inevitably face ethical dilemmas. But remember always that leadership goes with severe sacrifices. If you do not have an impersonal love for mankind you cannot be leaders of men. I wish you courage more than any other virtue – courage to be virtuous.

CHANGING CONTEXT OF THE ART AND SCIENCE OF MANAGEMENT

A scholar of management sciences uttered these words about the way ideas of management have been

etched in stone and petrified in time. Gary Hamel in the "Future of Management" expressed some profound sentiments as to the future of management. I quote a passage from it which I think you have already familiar with:

"On Christmas eve, 1968, the Apollo 8 command module became the first human-made object to orbit the moon. During its journey back to earth, a ground controller's son asked his dad, "Who's flying in the space-craft?" When the question was relayed up to the homebound crew, astronaut Bill Anders replied, "I think Sir Isaac Newton is doing most of the driving now".

"Like that curious lad, I'd like to pose a question: Who's managing your company? You might be tempted to answer, "the CEO," or "the executive team", or "all of us in middle management". And you'd be right, but that wouldn't be the whole truth. To a large extent, your company is being managed right now by a small coterie of long-departed theorists and practioners who invented the rules and conventions of "modern" management back in the early years of the 20th century. They are the poltergeists who inhabit the musty machinery of management. It is their edicts, echoing across the decades that invisibly shape the way your company allocates resources, sets budgets, distributes power, rewards people, and makes decisions".

"So pervasive is the influence of these patriarchs that the technology of management varies only slightly from firm to firm. Most companies have a

**This is abridged version of the Convocation address delivered by the author to the Graduating students of M.P.Birla Institute of Management:Associate,Bharatiya Vidya Bhavan, Bengaluru 560 001 on 13th September 2014.*

roughly similar management hierarchy (a cascade of EVP's SVP's and VP's). They have analogous control systems, HR practices, and the planning rituals, and rely on comparable reporting structures and review systems. That's why it's so easy for a CEO to jump from one company to another – the levers and dials of management are more or less the same in every corporate cockpit”.

“Yet unlike the laws of physics, the laws of management are neither foreordained nor eternal – and a good thing, too, for the equipment of management is now groaning under the strain of a load it was never meant to carry. Whiplash change, fleeting advantages, technological disruptions seditious competitors, fractured markets, omnipotent customers, rebellious – shareholders – these 21st century challenges are testing the design limits of organizations around the world and are exposing the limitations of a management model that has failed to keep pace with the times”.

“Think about the great product breakthrough over the last decade or two that have changed the way we live; the personal computer, the mobile phone, digital music, e-mail, and online communities. Now try to think of a breakthrough in the practice of management that has had a similar impact in the realm of business – anything that has dramatically changed the way large companies are run. Not easy, is it? And therein lies the problem”.

“Management is of out of date. Like the combustion engine, it's a technology that has largely stopped evolving, and that's not good. Why? Because management – the capacity to marshal resources, lay out plans, program work, and spur effort – is central to the accomplishment of human purpose. When it's less effective than it could be, or needs to be, we all pay a price”.

Today, more than ever before in our civilization, the science and art of management has assumed critical importance. What you learn as a science you practice as an Art. The rewards of an art are in its practice. Time and chance have changed many institutions. E-mail and Internet, for example, have changed the way of business. “The E-mail to is to information revolution what the Rail-road was to the Industrial Revolution”.

Just see what social media on the Internet has done to the newspaper industry; the circulations of leading newspapers in UK have come down over the decade between 2000 and 2012. Daily Mirror, The Guardian, Sunday Mail, Telegraph lost 40% to 50% of circulation. More than all, there is one over-arching social factor that has imperceptibly changed our notions of what is good and moral. In India, a tyrannical feudal social order has collapsed. It has not happened because a bearded leader order it. It has happened because its time had come. With it are gone the conservative morality, which were components of the feudal machine, so much so, the present generation finds itself nothing to go by. In a society which is increasingly becoming a - moral is left to fend for itself. We can see a parallel with what happened in China during its 'Cultural Revolution'.

Western industrial and economic philosophy has as its twin foundational ideas, the concept of dynamic disequilibrium and creative destruction. It is said that while the 20th Century was the Century of America, the 21st is the Century of China and India. In reality the 21st Century is Century of new-medicine. It is also the Century of the science and art of management. There is a crisis of management of science in India. India in the area of availability of Scientists is ranked 3rd in the World. It is 4th and 5th in the world in domestic – market and foreign - market access. The Global Competitiveness Report ranks India at the 50th place in over-all global competitiveness. India is weakened by its Macro-economic instability. Government runs one of the highest deficits in the world and has high unsustainable levels of Government debt. In human – development we are behind Cuba and even Congo. Our ranking in H.D .I has gone down from 128 to 137. An oxford UNDP – study indicates that there are more poorest of the poor in eight states in India than 23 African Nations put together.

Technology has changed the world. It has eliminated distance and brought the world closer. It is no more a conflict of philosophical perceptions such as 'Business and Anti-Business' or 'Smithians' and 'Anti-Smithians'. Both are alive and well. But what has changed is the ability to match personal ethics with corporate ethics. The economic-melt downs the world has seen from time

to time is a mere euphemism for collapse of character and faith. It has occurred earlier in industrialized countries. In that sense historic time is not linear but cyclic.

We have seen this enacted earlier in America in the twenties and early thirties of the last Century as well. Though it was 'largely a country of villages and towns of wide-lawns and airy houses, of hard-work, puritan values and self-sufficiency much of the wealth displayed was based on speculation'. Yet another symbol was the 'country-club' and of 'bath-tub' Gin, New-Jazz, the flapper and the beginning of the revolution in sex. Upton Sinclair's description of the hard-life and cruelty of the factories was largely ignored. Then America had it. As an eminent lawyer describes:

In November 1929 the bubble burst. The collapse of stock market prices measured the collapse of the entire economic structure. In the summer of 1929 the Dow Jones average for Industrial stocks had been 381.17. In the summer of 1932 it was 41.22. Ninety percent of the value had disappeared. The plight of the former was worse. Corns Sold for seven cents a bushel, sugar for three cents per pound. Twenty-five percent of the land in Mississippi was sold at auction on the foreclosure of mortgages.

The plight of industry was no better. In the three-year period of December 31, 1933, the Gross National product fell from 194.42 to 56. Bankruptcy liquidation and reorganization were a chief business of the legal profession. The average wage of factory workers was forty cents per hour. Factory payrolls were cut in half. One of every four men available for work was un - employed. There were no labor unions, no unemployment compensation, and no Social Security.

How you were affected dependent on who you were. If you were the son of a relatively well -to- do family, the father of one of your friends may have jumped from twentieth - story window. Another friend would not return to your boarding school or college in the fall. If you were of the middle class, you might sink down to the bottom. In one group of laborers were found clergymen, engineers, a school principal, and a bank president. For factory workers the depression

meant unemployment, bread lines and soup kitchens. Municipal Bankruptcies were common. The young hit the road. One young hobo was Eric Severed, a banker's son, whose face and voice would become familiar to millions on CBS News programs. The estimates of the number of youths who lived as trumps run up to two million.

You managers of business and industry have in your hands the ability to avoid such grim situations for the future of mankind. For you, gentleman- the outgoing graduates – the whole world is before you. With the technological breaks- through the sky is the limit for growth.

ECONOMIC DEVELOPMENT : TWO VIEWS AND APPROACHES

Is a country considered poor in economic terms necessarily a undeveloped one? Responses to this poser may vary. Hodson in his "Diseconomics" said 'India might be poor, but to say it is undeveloped is a travesty of that word. India, he said, was a developed country when parts of the northern hemisphere consisted of bogs and were inhabited by uncivilized men! There are non-economic dimensions of development. Enhancement of quality of life is one. Amartya Sen would say that expansion of freedoms is both the primary end and the principal means of development. The lessons of development are that economic growth does not trickle down. Macro-economic stability is essential and human needs must be met by specific state-intervention. No one policy will alone trigger development but needs a comprehensive approach with the support of institutional arrangements. 'Social-preparedness' is a pre-cursor of the results of economic reforms. Public goods such as education, health, human security are not rewards of development; but are essential to the very process of development. Amartya Sen illustrates the point by a comparison between China and India.

"The contrast between India and China has some illustrative importance in this context. While Indian efforts have slowly met with some success, the kind of massive results that China has seen has failed to occur in India. An important factor in this contrast lies in the fact that from the standpoint of social

preparedness, China is a great deal ahead of India in being able to make use of the market economy. While pre-reform China was not skeptical of markets it was not skeptical about basic education and widely shared health care. When China turned to marketisation in 1979 it already had a highly literate people especially the young, with good schooling facilities across the country. In this respect China was not very far from the basic educational situation in South Korea or Taiwan, where too an educated population had played a major role in seizing the economic opportunities offered by a supportive market system. In contrast India had a half-illiterate adult population when it turned to marketisation in 1991 and the situation is not much improved today" (development as Freedom).

The international economic order based on market economy has its own inequities. It is fierce in its competitive ruthlessness, Joseph Stiglitz spoke about them in his 'Roaring Nineties' and 'Globalization and its Discontents'. A stress on mere growth without justice and equity can make it ' Ruthless, Rootless, Voiceless, Jobless and Futureless.

Amartya Sen speaks of two different attitudes to the process of development . One view sees development as a "fierce " process, with much " blood, sweat and tears" – a world in which wisdom demands toughness. In particular it demands calculated neglect of various concerns that are seen as ' soft headed'.

"This hard- knocks attitude contrasts with an alternative out-look that sees development as essentially a "friendly" process. Depending on the particular version of this attitude, the congeniality of the process is seen as exemplified by such things as mutually beneficial exchanges (of which Adam Smith spoke eloquently) or by the working of social safety nets, o of political liberties or of social development or some combination or other of these supportive activities."

This social security is an important counter-part of the agenda of development. Market - economy supports growth; but at the same time produces unacceptable levels of inequality. If the negative forces generated by inequality are not to damage economic activity. It is necessary to look at social security issues as a essential and inevitable concomitant of the economic process.

VISION OF THE STUNNING 21ST CENTURY

Jeffrey Sach's observed: "World is no longer divided by ideology. It is divided by technology. Only 15% of world is technologically innovative; 50% of the world is capable of adopting these innovations, 35% of the world is technologically disconnected".

Scientists are already envisaging an era where all important decision making will be done by computerS which develop super- human intelligence. That is the coming age of technological singularity. That is because the moment when technological change becomes so rapid and profound, if represent a rupture in the fabric of human history.

Raymond Kruzweil in his 'Fantastic Voyage' predicts :

"As we peer even further in to the 21st century, nanotechnology will enable us to rebuild and extend our bodies and create virtually any product form mere information, resulting in remarkable gain in prosperity. We will develop means to vastly expand our physical and mental capabilities by directly interfacing our biological systems with human created technology"

"Because of this exponential growth, the 21st century will equal 20000 years of progress at today's rate of progress 1000 times greater than what we witnessed in the 20th Century, which itself was not slouch for change"

The present system of measurement of economic performance itself has become controversial. The gap between official figures and public perception is ever increasing. In France and UK only one-third of citizens trust official figures and these countries are not exceptions. The traditional concept of GDP does not capture the more important dimensions of social progress. Time has come to adapt the present system of measurement of economic activity so as to better reflect social progress.

EPILOGUE

At times of great changes human intellect unless controlled by values, can tend to be a self - stultifying instrument. Increase in knowledge without a corresponding growth in wisdom, can be a source

of disaster. Disaster can ride on a sun beam of knowledge. Businessmen and corporate often speak of pragmatism as a practical philosophy. Simply put, it seeks to do away with bondages of dogmas, unbending beliefs and traditions. 'We have to be practical'. This is the single mean that runs across the world of business. 'customer satisfaction' and 'share holder value' are the twin shibboleths of the business world.

Bishop Wilson asked us that we should go by our best light ; but cautioned that darkness be not our light and evil our good. But, in understanding what is virtue and what is goodness inevitably we fall back on our own unfailing resource : 'Dharma' : the much misunderstood word. What does it convey. An eminent member of your own tribe Guru Charan Das in his book " Difficulty of being good " tells us : "

"Dharma , the word at the heart of the epic, (The Maha Bharatha) is in fact untranslatable. Duty, goodness, justice, law and customs all have something to do with it, but they all fall short. Dharma refers to 'balance' - both moral balance and cosmic balance. It is the order and balance within each human being which is also reflected in the order of the cosmos".

Lord Buddha late in his life standing on a hill top looked at the beautiful world below and in an expression of the freshness of emotion said; "Chitram Jamboo-dweepam; manoharam jeevitam manushvanam". On this beautiful day of frost and sun we shall therefore not go to bed before evening.