

Volume 2 Issue 9 September 2009

ISSN 0974 – 5351



SONA e-Mag

SONA SCHOOL OF MANAGEMENT

(A Unit of Sona College of Technology)

Thiagarajar Polytechnic College Road
Salem- 636 005
Tamil Nadu, INDIA

Website: www.sonamgmt.org
E-mail: sona.emag@gmail.com

Democratic innovation culture... what's that?

Innovations are the driving forces, which paves way for the success of any organization. But in most of the organizations, the responsibility of coming up with new innovative and creative ideas is restricted to top level management. This limits the growth of an organization as the number of ideas generated becomes restricted. Therefore it becomes increasingly important to build a culture which provides freedom to the employee to voice their opinions and promote innovation throughout the organization.

But can this type of culture exist? Yes it can. WL Gore and association follow a management model which promotes this culture. In this organization there are no hierarchies, no bosses, but only peers and associates who does the appraisals. People in this organization work on commitment rather than assignments. Here people are given leisure time, where they are free to experiment and start their own initiatives. Above all, they have created can environment of trust within their organization. All these initiatives have lead to the success of WL Gore and post modern organization has but, to learn from them.

Managing KSFs

Resources available to any organization are scarce. Therefore the organization should use its resources judiciously for completing the undertaken projects successfully. Thus it becomes a necessity for an organization to define clearly when a project is said to be completed; this can be done by quantitatively listing out the key success factors of the project. Quality of an item, meeting the schedules etc are all Key Success Factors (KSFs) which an organization needs to consider. But these factors in turn are dependent on productivity of people, complexity of tasks etc.

Therefore while planning the schedule, necessary and sufficient buffers has to be added to ensure smooth flow of activities. Managing these activities in it is a very big challenge which an organization faces. Technical feasibility as well as the cost of items should also be taken into account. To do this the organizations can follow the 80-20 rule.

Thus defining the challenges as well as the KSFs help the organization to manage their risks which is critical for the success of any project.

CSR- the real facts!!!

The concept of corporate social responsibility has emerged as a factor of due importance while formulating business strategies. CSR includes the initiatives taken by the organizations for social welfare and economic development by granting aids etc. But an organization while granting aids to a particular community considers them as their potential customers. And as soon as they finish their CSR program they start marketing their goods to them. There is nothing more lethal than a marketing strategy disguised under ethical and non profit motive image. Moreover CSR helps the organization to fuse their brand identity of products with the public image of their company as this occurs.

Hence the main purpose of CSR gets lost between the disguised motives of the organization for understanding such initiatives.

Work life balance

Due to globalization the working hours has increased which has an impact on individuals, children, families and organization. The lack of professionalism, poor work ethics, and endemic inefficiencies, lack of accountability, laid back attitude and lack of leisure activities has led to work-life imbalance. To improve this, individuals have to manage time efficiently, schedule their activities and follow it in a disciplined manner. Moreover organization can also provide their employees with flexible working time and monetary rewards for their additional work. This way we can improve their productivity and provide a better life style. Therefore in current scenario work life balance is considered to be a vital area which the organization needs to focus on.

A year after financial crisis

When it comes to economic development of any country especially the developing economies, the global investors play a pivotal role. For the past one year, FIIs have been very busy in selling their equities invested in various emerging markets like India. Even though many countries have been badly hit by the financial crisis, because of India's strong fundamentals, healthy financial markets, it was able to show a decent play. India is among the fewest economies which maintains GDP growth rate higher than 5%. The stable government at the centre and many promising plans in the sectors like power, energy, roads etc. India is still one of the hottest spot for FIIs. FIIs own 21% of sensex transactions and till date \$41 billion have been invested by them compared to \$49 billion equities sold last year. This shows that the investment cycle for global emerging markets like India have finally turned positive.

Women leaders- leading the future

Even though men and women both get similar education, have similar intelligence, commitment etc and start their carrier together, but comparatively very few women reach the top levels. Mckuney leadership project unearthed the “drives” that sustain successful women leadership. For this they developed a ‘centered leadership model’ which consist of five broad and interrelated elements;

1. Meaning
2. Managing energy
3. Positive framing
4. Connecting
5. Engaging

The noble tale of Sita, wife of Rama has been taken as an example to connect various phases of her life to that of similar kind of phases in a women leader’s life, each and every phase of Sita’s life, shows the elements of centered model and how people overcome all obstacles of life to emerge successful. The author says that any woman leader’s life is same as that of Sita’s life and lessons can be learnt from the holy epic to become a successful woman leader.

China – going Global

China being a global low cost supplier is yet to create successful global brand. As ‘made in China’ label is best described as cheap, low safety and poor quality products, it becomes a herculean task to create a global image. Rather than creating brand image, selling at low cost was their strategy. As the economy booms and Chinese companies started making progress, they have realized the need to move beyond their current level. Local entrepreneurs were encouraged by the Government to innovate and churn out as a best example by ensuring quality in the recent past. Despite of all the challenges, with so much of potential if the companies have clear focused strategies, their success is not far away.

Expectation

As companies emerge after recession, the only strength they have is the customers. Customers expect a satisfied service and the company that provides it would win. They do not have barriers in switching to other brands thus expect their problems to be solved in their first call; customers merely rely on the companies that provide best service.

So a manager should focus on recording the customer-agent talks in order to provide better service. The people at the frontline should be capable of solving the problem of customers at their first call else they should identify its root cause. A survey says that less than half of the customers quit business with their agents due to improper service. Companies grab this opportunity to provide best service that would win the loyalty of the customers.

Societal marketing

Traditional marketing methods do not provide enough information for building a requisitely holistic society. Hence, the need is felt to add a third element i.e. 'society's well being' to the basic elements of marketing – customer satisfaction and profitability. This led to the evolution of societal marketing concept which aims at meeting the needs of the target audience in ways that will enhance the well being of customers and society as a whole while fulfilling the objectives of the organization. An example of societal marketing would be the “Jaago Re” campaign launched by Tata Tea. Thus, this concept could be used as a tool for promotion of social responsibility. It would also help in creating a competitive advantage for companies in building brand awareness and credibility, enhancing corporate image, and stimulating customer's purchase intentions by creating an emotional bond with them.

Fears about next bubble...!!!!

The economies across the world are getting out of the red, with China and India already growing at a decent rate. With the signs of global recovery, fears about the next bubbles have also started.

The happenings in China showing the signs that the next bubble is originating. The reasons for this fear are:

- ✓ The Chinese economy's projected GDP growth as 8%
- ✓ A record raise in its Shanghai index by 60% this year
- ✓ A substantial 1000% increase in bank lending as a result of real estate boom
- ✓ Increase in liquidity as a result of funds from abroad
- ✓ Govt. plan to spend \$585bn as stimulus
- ✓ Increasing Speculative inventories
- ✓ Chinese **Ponzi** asset market (The market in which prices are supported by appreciation expectations)

The price bubble leads to “over building”, resulting in burst and a surge in bad loans. The excess liquidity in the economy is inflating the bubble.

Will the bubble burst...?

Depends on the liquidity policy that the Govt. of China will follow...

'Women' – The Economy Boosters

Women represent the largest MARKET OPPORTUNITY in the world. But in spite of their dominant power in buying, many companies are not considering their actual needs and the companies which specifically concerned about women needs and provided the products and services according to them survived during recession.

Women still wait for products which satisfy their needs perfectly. So it seems to be a great opportunity for companies to lay down a great foundation for their post recession growth.

THE TIME TO RISE

The financial crisis in the present would change the task and responsibility of the world bankers. The responsibility to handle the economy would become the base to face other challenges in future. The prime task of central bank is to keep inflation low and stable. But many countries in consensus have realized that they should focus on other areas for credibility. The Federal Reserve at present has targeted to maintain low interest and low inflation for an extended period. Many economists have suggested focusing inflation with price stability which would also support monetary policies. Many officials of central bank from various countries have argued that it would be harder to explain to public. Central banks will face the change harder.

“It is not God that is worshipped but the authority that claims to speak in His name. Sin becomes disobedience to authority not violation of integrity”

-Dr. S.Radhakrishnan

Sona e-Mag team proudly celebrates India's 47th Teachers' Day
with all its readers...

(Our sincere and heartfelt gratitude to our Former EDITOR of SONA e-Mag who had always been supporting our activities & had been our constant source of inspiration. We wish him success for his Future endeavors) – TEAM of SONA e-Mag