

An Overview of Indian Management Problems and Solutions by Indian Ways

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Abstract

In this paper we are going to discuss on the Indian management problems and their solution in Indian ways. A.C. Bhaktivedanta Swami said “Indians are setting on diamonds and pearls but, they are begging for broken pieces of glass”. Many papers, columns and research topic analyze the problems with various ways of solutions which results; sometime one can be diverted from write path and get baffled. But we are discussing specific problems with one style of solutions which is influenced by Indian ethos which has derived from our prolific ancient literatures and customs which has tested by time and history.

KEYWORDS: Indian Management Problems

INTRODUCTION

The cover story in the business today (7-21 April 1994) was on Chief Executive Officers (CEO's) of 250 leading Indian companies. The Journal profiled these 250 CEO's in detail of them only 28 had management degree or diplomas. This indicates that nearly 90% percent people reach the top positions without doing any management courses and those who are academically qualified could not show the excellence in the management field. Why could this happen, India produces 2,00,000 management graduates every year out of them, only 26,000 management degree holders can only secure their jobs almost 70% bosses are not satisfied with the work of these management degree and diploma holding scholars. Proportionately our management degree and diploma holders are very large in quantity, as compared to other universities of the world, but their contribution concern in management field, are very negligible. Our universities are providing very low quality of education, which results none of our universities includes among top 200 universities of the world. On the other hand once upon a time, India had situated on the position of Jagat Guru, means master of the world. Our many universities like Nalanda and Takshashila had most famous universities in the world, indeed many students came from abroad there for excellent quality of

education. That happened because India was evolved their concepts, teachings and philosophies of life by their own ways and means. Concepts, strategies and techniques of management have no rule of thumb; it's varying from person to person, organization to organization and society to society. Management philosophies are the result of long historical experiences of life which are evolved by the culture, tradition, beliefs, perceptions and way of living of the people of any nation. Western and Eastern perceptions are differed, that's why one cannot row the exact Western management thoughts on Eastern field. No doubt that many times situations and nature of the problems are similar on the ground level but ways of dealing with these problems differs. History has evidence that Westerner snatches their freedom by battle and violent revolutions. But, the Easterner took it by non-violence and peaceful way.

What is the problem we faced? (Research Problem)

Instead of blindly accepts or impose the western management thoughts and concepts on our management students. Our B-schools have to test the fertility and truthfulness of Western management concepts on the Indian ground as well as encourage them to search the Indian management solutions which have given in the prolific ancient Indian literatures on modern managerial problems and work for making the Indian management style as unique as brand like "Ayurveda". Thus, this paper is dedicated for the Eastern or Indian management style which has explained in the Vedic philosophies or literatures and tries to find out the Indian management solution on the different managerial problems. Especially managerial problems arise in SME (small and medium enterprises).

There are many blue chip companies in India. But how many of them pave the way for others? In spite of being great achievers, many industrialists feel shaky and suffer from psychosomatic problems. Why?

The industrial world, not only in India but all over the world, seems to be very fluid, uncertain and shaky. Even if a company has 65% market share for an all particulars product, it is not sure whether the scenario will remain the same after five years. Fierce competitions, lack of transparency, rivalry, secrecy have plagued the business world. Why?

Just some days before media reveal the 2G spectrum scam and many reputed politicians and industrialist indulged with this fraudulent activity found guilty. No doubts these reputed industrialist showing very excellent performances on their sales and profit charts. But, what about their performance on social image and obligations charts?

Why is it that many businessman and industrialist have a very poor image in the society? Though they are expanding, common men consider them

as very corrupt in India people look down upon them. Why? And it is the brilliant people who are at the helm of affairs in the world of industry and business. And there are the MBAs. Management tools and concepts, books on strategic planning, aggressive marketing ideas etc. are flowing in from the west. Yet, the industrialists are not very confident. What is the real problem? What is the bottleneck? We can go on and on, but is there an answer?

B-schools, managements and business thinkers of any nation can play prominent role for solving the above given problems, provided they should open their mind and intellect and analyze the problems and situation from the root level and create their solution which can cope with the value system, beliefs, mind sets and behaviors of the people of any nation.

But, Our B-schools try to imitate the exact ideas and principles of managements from Cambridge, Harvard and Oxfords like world class universities, so that, they can also achieve the exact excellence in the field management as these world famous universities has achieved. But Herman Melville said “it is better to fail in originality than to succeed in imitations”. Concepts and Philosophies which is taught in these well-known management schools have mostly material, money and profit centric teachings. And all other things are revolved around this only centric point. But, Indian teachings and values has based upon the social, spiritual and human center point. So because of this contradiction between these two different centric points sometime the modern management system and solutions which mostly based upon the western management thought and philosophies cannot be fit properly on the Indian Management problems.

Review of Business Cases

First and foremost important question in which every small and big business stuck down is what is the purpose of the business, profit or something else?

Now we know the Indian thought of wisdom. We call this Indian because it originated in this country. Can we make profit by being socially more responsible? Indian wisdom says – Yes; we can gain more by helping others. But is there any proof? Let us listen to one management guru of the present day, Robert Waterman. In his recent book ‘Frontiers of excellence’ he writes: “Burke’s staff work with the business roundtables’ Task force on the corporate responsibility and Ethics Resources Centre in Washington DC, to compile a list of socially responsible companies, the 30 years performance of 15 of these companies beat the typical Dow Jones company by 7.6 times over the 30 years period.” And on the very

first page of this book written: “Companies that set profit as their number one goal are actually less profitable in the long run than people-centered organizations”. Or take the case of NIRMA Chemical Works started in 1969 as cottage industry. Its business strategy was offer a low cost but good quality detergent powder to poorest section of the people. From production of 12 tons in 1972 the company went thousands of tons in 1986 the growth being 50% every year turnover Rs. 250 crores. The company tried to reach out to more and more people through 400 agents (1000 retailers each), in the process quadrupling its sales.

1. Grammen Bank:

Grammen Bank, in Bangladesh, made the poorest of the poor its target group. Started in 1976 it extends small loans to 5 lakh rural household in ten thousand villages by 1988. Despite catering to the poorest and charging 16% interest, its loan repayment rate is almost 100%.

2. Lijjat Papad:

Lijjat Papad, an organization run by Indian women and where all the workers are shareholders, started in 1959. By the mid-seventies it became a national leader with sales of Rs.2 crores. An organization for poor and lower middle class women, Lijjat has branches all over India. By catering the needs of poor people its membership had grown to some 20 times during these years.

3. Ogilvy:

Ogilvy started his advertisement agency in 1949 with \$6,000 and no clients. He started with the motto: “The primary objective must be to provide the best possible service to the customer. Profit is necessary but they are a by-product of the service rendered”. In three decades Ogilvy became the fourth largest advertising agency in the world, with 140 offices in 40 countries, and 200 or more brands being advertised regularly.

4. Mumbai cha Dabbawalas:

Another most amazing example is Mumbai cha Dabbawalas whose only objective is to serve in the best way to their customer at possible lower cost. Their all management and administration work based on Indian holistic approach which has given in the Indian literatures. Most of the dabbawalas are “Warkaris” (worshippers of lord Krishna) and they give

less importance to the profit or material objectives and give the higher weightage to the social and spiritual objectives as the service of their customers. They serve their customer as they serve their lord. Which results they got six sigma awards for their dedication and accuracy in their work as well as many well-known and world famous personalities of the world awarded them time to time. Today everyone knows their success story. Many world class B-schools are interested to know the success of their management strategies. What we learn from the above examples? It is not the profit but social responsibility which should get the first priority in business.

Analysis & Recommendations

It doesn't mean that profit has no place in business. When company tries to fulfill social responsibility by serving more and more people, it will automatically make profit in the process. Every Indian scripture gives the teachings of serving more and more people because every living being are the children of god. This kind of service attitude can award the life time name, fame and prosperity to the company. If a company concentrates on increasing the number of its customers and retain them, it will automatically make profit. It need not concentrate on profit in terms of rupee as the real profit is in the increased number of customers.

Often businessmen are very confused about which business method or tactics they have to choose so that they can achieve long time benefits and win the trust of their customers?

Today the world badly needs a better business method. This should be based on co-operation, justice, social growth, equality, etc. Achievement factor viz. reorganization, money, name and fame etc, generally come from the society. One can get these from the society when society needs you. So the condition of the success is: you must make the society feel that it needs you. Society show the interest in you when you offer a better solution to one of its core problems. People are most worried about their problems. So you are to offer a solution. You can't grow at the cost of the society. The best method is to grow along with society. In short, the five stages of the right business strategy are as follows:

1. Understand social objectives.
2. Identify our special strength
3. Decide which problems you can solve
4. Focus on the untapped market
5. Offer a new solution

Modern management uses their special strength to deprived competitors and generates maximum profit by exploiting the interest of the society. Generally modern management never concern about the problem facing

by the society and never think to give the possible solutions on arising problems. Thus, such companies gradually become useless for the society. Therefore, above given steps are very necessary to keep the company in existence forever.

1. Understand social objectives

One should focus on ‘problem’ rather than on ‘need’ as the latter is superficial. The society may need the drugs and intoxicants etc. should we have to go for these? We should keep in mind that we cannot gain on the cost of the other; otherwise society will hit back. The theory of karma of Indian ethos said that, every action has lead with some kind of reaction. Good karma leads with good results of action and Bad karma with bad one. But, sometime this karmic reaction don’t give the immediate results and therefore, the people arouse doubts on this theory but, we can be experienced that when we suffer from some bad habits we got the immediate result in the form of disease. Similarly company also has to face reactions of their karma. So, ‘need’ is an ambiguous word, ‘problem’ is deeper issue. We do not know whether Blackberry or Videocon washing machine will sell after 10 years, but the Gita is still selling after thousands of years. The scripture focused on the deeper problems; as long as human beings are there on this earth, this problem will remain. So it’s better to solve problem instead of satisfying need. When an organization focuses on social problems, it gets more closely linked with the society and environment.

2. Identify our special strength

Every organization has their unique strength and power. Which can give the unique solution on the problems faces by society. What is that uniqueness in your organization by which you can solve the social problems? It is the real topic of business research for any company. For instance In the school only one student can stand on the top position, but, if we see with another angel we can understand one student can be good in academic study, second may be good in swimming, third one may be good in singing and so on. In this way every student is good in their respective area. And this quality swimming, singing and study are the uniqueness of those students. Similarly every organization can identify their unique strength. And according to their unique strength one has tried to solve the problem.

3. Decide which problem you can solve

After to know about your special strength one has to decide which problem we can solve in better way. Strength should not be evaluate to deprived to the competitors or rivals but for deciding our area of the problem which we can solve in the better way as well as try to serve the society in the best possible manner. For identification of Social problem ones require the deeper instinct through which one should touch the sthula to sukshma means material nature of that problem to deeper and subtle part of the problem. For instance what is a function of educational institute? Apparently, it is imparting education. Now go deeper and you shall realize that its main purpose is to make their student better skilled so that they may have social success. So, one is to go deeper to reach the core problem. Thus he can integrate his personal interest with the public interest. Why are the government offices and PSUs suffering today? They are well paid, but they ignore the customers. The secret of success is to help others to grow.

4. Focus on the untapped market

Indian market is very vast and spread geographically, demographically, and economically etc. most of the companies concentrate their workforce on only high or middle class of the society but, often they lose the customer of the lower or middle lower class of the society. That results very large section of the society has untouched by the company. This untouched section can generate good amount of profit by mass selling and purchasing activities. As well as it can provide the benefit of the economies of scales this leads with high rate of profit at low rate of cost.

5. Offer a new solution

If one is able to succeed in identifying their problem which he can solved by their inherent strength and ability than anyone can cross this step very easily. Solution should not create with the narrow thinking. It needs to cover both sthula (superficial) and sukshma (subtle) part of the problem. As well as instead of handling the problem as our own imperfect perceptions one have to understand the problem from stand point of people who actually facing it.

In spite of taking social responsibility some companies fails what is a cause?

Actually company fails in marketing, not even marketing advertising is also important. Being socially responsible means serving more and more people. If you are to do this, you must reach out to the masses. And one

has to advertise and inform to the people about your product and services. Marketing is also important because you are to serve the people, your product must be available them at convenient places.

Advertising does not mean that one has to fool people. According to Ogilvy, “The aim of good advertising is to provide truthful information thus to educate the customers.”

Advertisement meant to inform and educate the people. So the people oriented approach must be there in ads. One cannot be directly blame to social responsibility objective of any company. Failure is the result of varying causes of management and administrative lacunas. Social responsibility can never harm to company. Perhaps, it provides long term benefits for it. Company sustained only by favors of the society and if company fulfill its social objective than obviously society will favor to the company and someday people will start to keep their trust in the products of the company. So the fulfillment of social responsibility objective is always good business for the company.

Holistic Approach the Solution for the Problem

In above all discussion we have discussed about the need and process of Indian holistic approach now we are going to discussed how to go about the Corporate Strategy based on holistic approach?

To understand this let us remember the basic four questions the CEOs are facing today, and the answers based on holistic approach to these questions.

Note the first question. *What should be our corporate mission?* Companies are now coming up with their mission; but the way focusing on too many points so the issues become more complicated. And the employees hardly remember this when they work, and the management concentrates on mainly profit. Corporate mission should be simple and clear. In its corporate mission a company promises a lot of things, sometime they even promise the moon. But it is very difficult to keep in mind always. No directors or workman can give the answer if we ask the question about their corporate mission. The reason being a lot of goals are mission there. Management theory are confusing the employees as well as the students by so many goals like profit, productivity, market share, liquidity, social responsibility, economy so on. All these goals can easily achieve when we focus on the main goal solving a particular problem of the people. Everything else is temporary goal.

How do we gain a competitive edge? - is the next question. But before to solve this question we have to find out why do companies compete? Because, there is hardly any difference between their products. But, as we have said earlier, the best marketing strategy is to offer something which

is the people do not get elsewhere. If I can offer something which is not available in the market, customers will automatically come to me. It must be something new; otherwise in spite of present sound market-share we will lose in future. ***Good quality is a must, but quality is not last word.*** In production and marketing, the people-oriented approach works better. The health of a company does not depend upon its economy and productivity, but on one important point how best it can satisfy the people. It is in the goal of helping society that the personal interest of a company and the interest of the society meet. This is the application of '*atmano-mokshartham jagat-hitaya ca*'.

Now, how do we deliver the results is the third question. Most of the companies make a great mistake. They always think about the productivity in terms of plants capacity. They do not notice the capacity of machine is always limited, but man's capacity is unlimited. And Indian management definition said "*management means to take the extraordinary work from the ordinary men*". If the potential of the people tapped properly miracle can happen. And this potential can be tapped by giving them a feeling of belongingness. Unless the worker in a company has this feeling of belongingness, unless they feel it's their organization, they won't be able to produce quality product in spite of implementation of latest technology, ISO certificate and TQM. The top management should focus on this point if they like to go ahead in their business. One cannot show excellence in one's work unless he feels proud of his work. So, one has to make the workman partner of their company. And the result they act enthusiastically with the feeling of owner or runner of the organization.

And lastly, we are going to discuss the most significant question for today's business world is that: ***Which strategy is good, competition or co-operation?*** Here we like to add some salient feature of this strategy. When one competes, you antagonize other players. They in return, may try to finish you off. Today unfortunately business management techniques and teaching are not releasing this, and these are still perusing old practices. As a result no one feel secured today. But our goal is to become great achievers and the same time to lead peaceful life. Unless we come out with new strategy and solution, there is no hope. W. Edwards Deming, the quality-guru, writes, "We need to through overboard our theories and practices of the present and build afresh. We must throw overboard the idea that competition is a necessary way of life in place of competition we need co-operation."

See the paradox companies are facing today. Though they say that purpose of business is the optimal meeting of the market demand, all their regulatory techniques are oriented towards maximizing capital. Is it possible to reach the goal when the regulatory techniques are directed

towards quite different goal? Today companies are failing as these are not oriented towards the demand but capital. And see the fallacy. They stress team-work, that is, all the employees should go co-operative with each other; but at the same time they are asked to compete with outsiders. So, inside there is one policy, and outside another which is just the opposite. We have discussed earlier that the main purpose of a company is to solve problem of society. While solving this problem why does one expand the area where others are dominating? In our own field there is a lot more yet to solve. No solution is “the best”, no solution is the most perfect; there is always room to go further, there is lot more yet to achieve. So, concentrate on growth-process is the write business.

Comprehensive Conclusions

In the above discussion we have gazed the modern management problems by the Indian philosophical window. This new dimension of management thought is very unique and inevitable when most popular modern management has facing so many problems as a lack of trust, feeling of insecurity, selfish attitude and frauds. Because of the past experiences of recession, scams, wars, exploitation, deceitfulness, and environmental losses has already broken out the faith of society into the modern management theory.

So, the Indian management thoughts as some of we discuss above as co-operation but not competition, struggle to solve the social problems, equality, justice and participation at all level management, co-ordinate to the individual goals with the organizational goals and organizational goals with the social goals, and last one is offer a new and unique solutions on the different social problems etc. can really help to the world today.

So, with the help of our ancient tradition, culture, wisdom, philosophy and literatures we can create a very new, socio and eco-friendly dimension of management which can give the perfect solutions for the emerging, socio and managerial problem so that, this world can become better place to live

Reference:

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