

e-Management Digest

A collection of management articles for the aspiring managers

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This Management Digest is prepared for the aspiring managers as an update to what they already know. This newsletter is sent monthly to delegates following courses provided through Consort Management Consultants Ltd. and to members of the Hong Kong Institute of Marketing. It is also posted on the Hong Kong page of the Institute of Administrative Management website.

CUSTOMER SERVICE

Customer is King?

Since the first week of July, the Hong Kong Government introduced a 5-day week for civil servants. Denise Yu, bureau chief for the civil service, said that this is in line with international practices. She hoped that by doing so, civil servants could be better motivated and bring along the benefits of a more harmonious society and creation of employment opportunities through higher consumer spending. It was also said that because the total work hours will not change, there is no reduction in productivity nor increase in government expenditure.

The public will need to adjust their work habits to respond to this change. They will not be able to make use of a more relaxed Saturday to do get personal things done at government offices. Counters at the offices of Inland Revenue, Census, Health, Hawkers Licensing, etc. etc. are now out-of-bound to them on Saturdays.

It could be argued that the government has taken care of these changes by introducing 24 hours telephone and Internet enquiries. But the public wants direct, face-to-face service instead of working through machines.

The vision of a 5-day week was taken strictly from the 'wants' angle: the 'wants' of the staff relative to the 'needs' of the customers. 'Wants and Needs' have taken a new meaning. As a good employer, the

government wanted its staff to be motivated and have a happy family life. 'Wants' had not been considered from the customer point of view.

Service, whether it be civil, public or private, means doing something for others. If the priority of civil service is provided at the pleasure of the staff, then the government has clearly failed, at least, in marketing.



Banks are now doing the reverse. Yes, they wanted their staff to have a good life and an enjoyable family, and work a 5-day week. In doing so, they married the separate priorities of the staff and customers and introduced staggered working hours. So, instead of shunning off customers over weekends, the banks will be working 7 days a week. This is

what we call a win-win strategy. Indeed, banks open 7 days a week in China and many government offices open on Saturdays in the US, all on staggered working hour basis. The antiquated laws to ban trading on Sunday in Europe can only be found in the archives. So where does the rationale following 'international practices' come from.

The government seems to lack a sense of balance in prioritising its functions – for the staff or for the public? Working a 5-day week could probably build a more harmonious civil service but not necessarily the society. In deciding on a shorter week for the staff, government has ignored the need for a better customer service. The success of marketing is to regard customers as kings. If the government motto is 'serving the public' (and they call themselves servants), then they have a lot learn about customer needs and see how the banks are balancing their acts.

*(KM Yim, Chairman
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LIFE STYLE

Managing for Happiness 2

A few months ago (March 2006), we had an article about Happiness. Last month, the British think-tank New Economics Foundation (NEF) made a survey to relate people's well being (e.g. health) to the consumption of resources available to them. The survey was intended to show how people in a country might better achieve long and happy lives, within their environmental means.

Happiness is being able to live within our means. By consuming 22% above our ability to regenerate, we are eating into and degrading the natural resources that our life-

support systems depend on. The result of the survey was compiled into a Happy Planet Index (HPI) – an index of human well-being and environmental impact. The HPI approach to measuring happiness is similar to the Gross National Happiness (GNH – an index used in Bhutan to guide economic and public policy) in our article a few months back.

The survey found that the tiny South Pacific Ocean archipelago of Vanuatu is the happiest country on earth among the 178 countries surveyed. Vanuatu is a leading tax haven and small wonders if there is a relationship between tax and happiness. If it was said that 'tax and death' are things people cannot avoid, it seems citizens of Vanuatu are happier without the stress of tax.

It is not probably taxation, but the anxiety to make a good living (economic achievement) could be a weak link to happiness. The survey shows that the industrial powers scored poorly. Among the G8 countries, Italy came out best in 66th place, ahead of Germany (81), Japan (95), Britain (108), Canada (111), France (129), the United States (150) and Russia, in lowly 172nd place. Hong Kong came 88th.

Many African countries are at the tail end of the list, with Zimbabwe (178) at the bottom. Island nations performed particularly well in the rankings. But Vanuatu topped them all.

What can we learn from Vanuatu? "People are generally happy here because they are very satisfied with very little," said Marke Lowen of Vanuatu Online – the republic's online newspaper. "This is not a consumer-driven society. Life here is about community and family and goodwill to other people. It's a



place where you don't worry too much.... The only things we fear are cyclones or earthquakes."

Selected others: Philippines (17); Indonesia (23); China (31); Thailand (32); Malaysia (44); India (62); Iceland (64); Netherlands (70); Spain (87); Hong Kong (88); Saudi Arabia (89); Denmark (99); Pakistan (112); Norway (115); Sweden (119); Finland (123); Singapore (131); Australia (139); UAE (154); South Africa (156); Kuwait (159); Qatar (166).

(Further information: www.neweconomics.org;
www.vanuatuatourism.com)

MANAGEMENT

Corporate Jargons

Business Partner – This term is now widely used to describe employees working closely with bosses and line managers to help organisations shape, reshape, and continually meet their goals. In a simple form, it means ‘colleagues’.

Change Management – The world is moving, nowadays faster than ever. Ideally, organisations that want to succeed will anticipate change, and in any event they must respond rapidly. Unfortunately, many businesses do not adapt as well as they want

to – usually because those in charge don't think things through, don't tell people what is going to happen, and don't adequately equip staff for the task. Fortunately, effective managers, if allowed a proper input, can help to ensure the change process doesn't go pear-shaped.

Coaching – This is a workplace equivalent of fitness training, but designed to boost people's job performance rather than their physical well-being. The practice is increasingly popular. Coaching is mostly delivered by individuals' line managers on a one-to-one basis, but coaching services are now also being offered by a growing band of independent specialists. Effectiveness depends largely on the skill of the coach, and on whether this personalised approach best suits those on the receiving end.

High-performance Working – This notion is an antidote to the dinosaur style of management portrayed on TV in *The Apprentice*. High-performance workplaces treat people as valuable assets crucial to raising the quality of goods and services, rather than as "costs" to be minimised. Low trust, command and control are out of date but instead, management should provide staff with the ability, motivation and opportunity to put all they've got into the job. Sadly, only a minority of workplaces operate in this way.

Human Capital – This is a concept that economists have been using since the early 1960s. It refers to a person's ability and value to an organisation. The more marketable human capital people have, the more they tend to earn because employers compete vigorously to recruit and retain them.

Individuals thus have an incentive to add to their own store of human capital. But organisations often invest in human capital too, so that the people they employ can perform better in their jobs. They therefore need to adopt management practices that help to make the most of all the human capital available to them.

Knowledge Management – This means tapping into everything that employees know about how an organisation works, its markets, goods and services. It can also mean discovering their ideas about how things might work better, and then sharing that knowledge in order to improve the organisation's performance.

Front-line employees are usually those best placed to recognise what is and isn't working, and how customers or suppliers view an organisation.

In principle, the use of IT should make it easier to share such experience. But channels for knowledge-sharing between the management and the managed boardroom need to be built, and an atmosphere of mutual trust that encourages knowledge to flow needs to be created. Both these tasks require effective management.

Shared Services – This is the practice of pooling expertise into a single business unit from which anyone in an organisation can obtain advice and assistance. Sometimes run by in-house HR teams, sometimes outsourced to external providers, these organisational nerve centres usually operate via IT systems to handle bread-and-butter administrative matters.

Shared service centres have the advantage of freeing senior HR professionals to devote more time to strategic business partnering.

But they can have the downside of leaving junior HR staff stuck in low-grade administrative jobs with limited scope for career development.

Talent Management – This is an approach to fitting "round pegs in round holes" within an organisation that avoids the various pitfalls of trying to headhunt talented staff from competitors. It requires HR to have a long-term vision of the kinds of people an organisation will need, and to pinpoint staff who might be groomed internally to fit the bill.

Internal "talent spotting" of this kind can be geared toward succession planning, help staff switch to jobs that make the best use of their ability, and identify which staff are capable of developing into completely new roles. Some organisations use the term "talent management" more narrowly to refer to ways of identifying and nurturing high-flyers.

Total Reward – People seeking jobs or already in work may respond best to a variety of incentives by mixing monetary and non-monetary items. Ideally, these should be tailored to the individual preferences and circumstances of staff. A person's total reward package may combine basic pay and bonuses with other benefits such as the ability to work flexibly, work from home, get some desired training, or even get a particular bit of computer kit. The trick is to get a mix that suits both staff and employer. Failure to get this right can damage the so-called "psychological contract" – another jargon that refers to the unspoken understanding between employer and employee.

(Adapted from: People Management, June 15, 2006)