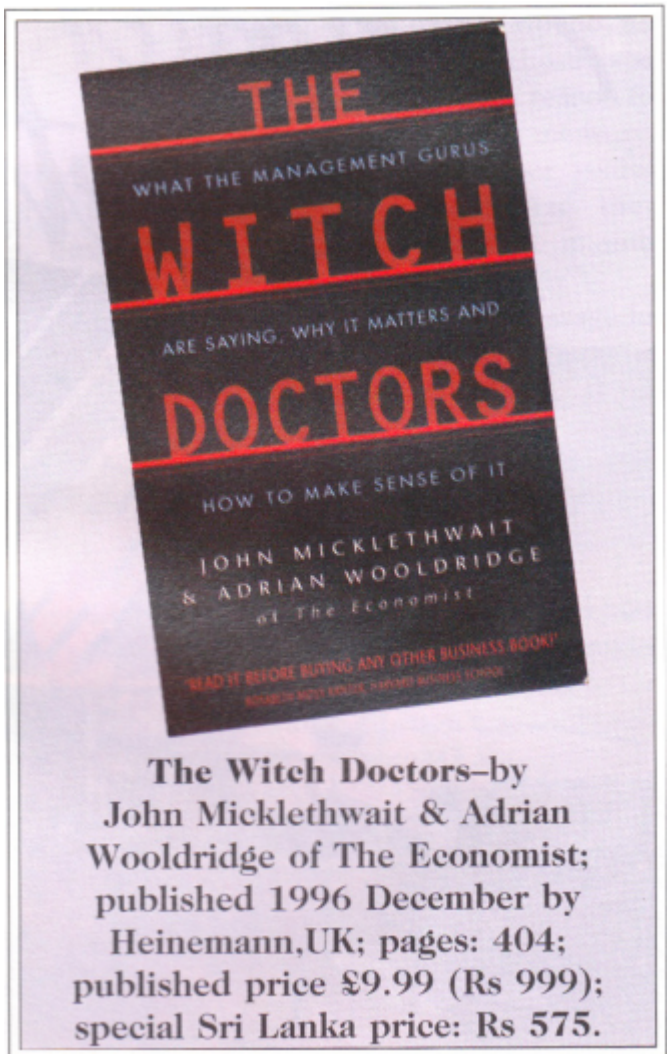
Management Mania

wo regular contributors to the prestigious magazine, The Economist, John Micklethwait & Adrian surgeon-like fashion to dissect, analyze and take apart the management theory phenomenon. There are so many management theories ranging from Tom Peters to Peter Drucker to Charles Handy. How relevant are they to modern management? The writers give details of how management theories have produced contradictory directions and how these can be avoided. Another question which is timely is whether modern management theory needs to be treated as a serious discipline alongside economics and philosophy? With much heat generated by the activities of PERC and whether privatization is the answer to the ills of the public sector, the section on can management theories be applied in the public sector, is worth studying. We learn how the new Prime Minister of Britain, Tony Blair, in October 1995 sent his entire shadow cabinet to Templeton College, Oxford to spend a weekend learning management theory. It's too early to say whether the training will have an effect on the way his cabinet will function. The authors say that the public sector has shown a blind affection for the management theory that is rarely seen in the private sector. They infer that the obsession has three roots:

1. A crisis of faith in the public sector and a resurgence of faith in the private.

2. A common desire to do more with less, by continuing to provide reasonable public services without spending a higher proportion of GDP on the state. (Britain has slimmed its civil service to a central core and contracted out everything else to some 100 agencies which operate on short term contracts, or the private sector. As Nicholas Ridley, a favorite minister of Margaret Thatcher once said, 'Inside every fat and bloated local authority is a slim one struggling to get out.' As Sri Lanka battles with devolution and more payrolls as officials expand, the details given in this book are worth studying).

3. Regardless of the need to cut budgets, the public sector must move with the times. Al Gore put it in a nutshell when he said Americans suffered from a quill pen government in the age of word perfect.'



The Witch Doctors–by John Micklethwait & Adrian Wooldridge of The Economist; published 1996 December by Heinemann,UK; pages: 404; published price £9.99 (Rs 999); special Sri Lanka price: Rs 575.

The book asks whether government and management are inter changeable concepts. The answer is quite obvious. While private sector managers live under the threat

of bankruptcy if they shirk tough decisions, politicians usually have the option of printing money or raising taxes. While private sector managers are answerable to just one dictator, the bottom line, the public sector equivalents are answerable to everyone and no one. As John Kay said, ‘where there is ambiguity about responsibility, there is no real accountability. And where there is neither accountability or responsibility, there is inefficiency and incompetence.”

The authors say that statistics are by no means reliable as planners believe. They say that plan- EFFECTIVE EAMWORK Michael Westners tend to resemble the Lillipu

tian tailors in Jonathan Swift's 'Gulliver's Travels', who measure Gulliver with a quadrant and sextant, perform a set of complex computations and return several days later with a suit of clothes 'very ill made.'

Sri Lankan companies are now experiencing bids and takeovers. Meanwhile, the Colombo Stock Exchange reflects growing confidence and the turnover is increasing, though many do not know for whom the shares are bought by the fund managers. But to whom are the directors of companies accountable? Britain's leading management theorist Charles Handy has interesting views which are relevant in Sri Lanka too, because of the way shareholders buy or sell depending on the market movements. Handy says it is time to kill the myth, that it is the shareholders who run the business and that it is for them that we all work. Charles Handy says that shareholder capitalism was designed for an era when the owners of a business were also its managers. Nowadays, he says, most individual shareholders are punters rather than owners, swapping between companies as if they were race goers picking horses!

The book is replete with examples but this review will be incomplete without reference to the Japanese methods of operation which revolutionized management. The authors point out the many differences between Western and Japanese methods. Some comparisons are noteworthy. They point out

that while American bosses are brash and bullying, their Japanese counterparts are modest and retiring. Where Americans live to make decisions, the Japanese prefer to let decisions make themselves. They like to compare leadership to air- necessary for life but invisible and insubstantial. They rise up the corporate ranks by out conforming their colleagues, religiously putting the group before the individual and having reached the top job, lead by consensus rather than by command. The Japanese way is to divine the will of the group, rather than electrifying the organization with one's charisma.